

His Worship the Mayor
Councillors
CITY OF MARION



**NOTICE OF
GENERAL COUNCIL MEETING**

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

Tuesday 27 October 2015

Commencing at 7.00 p.m.

In the Council Chamber

Council Administration Centre

245 Sturt Road, Sturt

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 building on Sturt Road, Sturt.

Kathy Jarrett
ACTING CHIEF EXECUTIVE OFFICER

22 October 2015

**CITY OF MARION
GENERAL COUNCIL AGENDA
FOR MEETING TO BE HELD ON
TUESDAY 27 OCTOBER 2015
COMMENCING AT 7.00PM**



1. OPEN MEETING

2. KAURNA ACKNOWLEDGEMENT

We acknowledge the Kaurna 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 (if any)

5. CONFIRMATION OF MINUTES

Confirmation of the Minutes for the General Council meeting held on
13 October 20156

6. ADJOURNED ITEMS

Poker Machines in Council Owned Facilities
GC271015R0115

Oaklands Crossing
GC271015R02 17

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**%\$“““ PETITIONS**

Nil

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**20. LATE ITEMS**

**21. MEETING CLOSURE**

Council shall conclude on or before 10.00pm unless there is a specific motion adopted at the meeting to continue beyond that time.



**MINUTES OF THE GENERAL COUNCIL MEETING  
HELD AT ADMINISTRATION CENTRE  
245 STURT ROAD, STURT  
ON TUESDAY 13 OCTOBER 2015**



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**PRESENT**

His Worship the Mayor Kris Hanna

**Councillors**

**Coastal Ward**

Ian Crossland  
Tim Gard

**Mullawirra Ward**

Jerome Appleby  
Jason Veliskou

**Southern Hills**

Nick Westwood

**Warracowie Ward**

Bruce Hull  
Nathan Prior

**Warriparinga Ward**

Luke Hutchinson  
Raelene Telfer

**Woodlands Ward**

Tim Pfeiffer

**In Attendance**

Mr Adrian Skull  
Ms Kathy Jarrett  
Ms Abby Dickson  
Mr Vincent Mifsud  
Ms Deborah Horton  
Ms Jaimie Thwaites

Chief Executive Officer  
Director  
Acting Director  
Director  
Unit Manager Executive Support  
Unit Manager Council Support

**COMMENCEMENT**

The meeting commenced at 7.00pm.

**KAURNA ACKNOWLEDGEMENT**

We acknowledge the Kurna 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.

**MEMBERS DECLARATION OF INTEREST**

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting and the following declaration was made:

- Councillor Appleby and Councillor Westwood declared a conflict of interest in the item 'Telecommunications Facilities, Morphett Vale' (GC131015R01) due to their respective positions on the Development Assessment Panel.

### **CONFIRMATION OF MINUTES**

#### **General Council meeting held on 22 September 2015**

**Moved Councillor Telfer, Seconded Councillor Prior** that the minutes of the General Council meeting held on 22 September 2015 be taken as read and confirmed.

**Carried Unanimously**

### **ADJOURNED ITEMS**

Nil

### **YOUTH ADVISORY COMMITTEE (YAC) UPDATE**

Nil

7:02pm Councillor Appleby and Councillor Westwood left the meeting.

### **PRESENTATIONS**

#### **7.02 pm Presentation – Environment Protection Authority**

**Ref No: GC131015P01**

Mr Keith Baldry, Operations Director – Mining, Radiation and Regulatory Support gave a presentation on the radiation and health impacts of installing a telecommunications tower at 142 Morphett Road or Kellett Reserve.

### **DEPUTATIONS**

#### **7:19pm Deputation – Ms Shelly Roach – Telecommunications Tower**

**Ref No: GC131015D01**

Ms Shelly Roach gave a deputation to Council in relation to the telecommunications tower being considered at Kellett Reserve.

#### **7:30pm Deputation – Ms Rosa Vaccaro – Telecommunications Tower**

**Ref No: GC131015D02**

Ms Rosa Vaccaro, representing George and Fay Vaccaro gave a deputation to Council in relation to the telecommunications tower being considered at Kellett Reserve.

#### **7:34pm Deputation – Mr Matt Luker – Telecommunications Tower**

**Ref No: Gc131015D03**

Mr Luker gave a deputation to Council in relation the telecommunications tower being considered at Kellett Reserve.

## **PETITIONS**

Nil

## **COMMITTEE RECOMMENDATIONS**

Nil

## **CORPORATE REPORTS FOR DECISION**

**Moved Councillor Veliskou, Seconded Councillor Pfeiffer** that the meeting be adjourned for 10 minutes.

**Carried Unanimously**

7:42pm meeting adjourned.

7:52pm meeting resumed.

### **7.52 pm Telecommunications Facilities, Morphetville**

**Reference No: GC131015R01**

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

1. Support the development of a telecommunications facility at Kellett Reserve. That the new lease for Kellett reserve is adjusted accordingly from 1 July 2016 to accommodate this development . That the Morphetville Park Sports Club are invited to vary their current lease to accommodate the telecommunication facility.
2. That the funds from the commercial lease on Kellett Reserve are held in Trust by council for capital works for the Morphetville Parks Sports club's facility and the council delegate's authority to the CEO for the administration and allocation of these funds.
3. Council delegates authority to the CEO to negotiate and undertake any variations to the lease including any development plan variations that may be required to further mitigate the visual impact of the Telecommunications facility at Kellett Reserve.
4. That council notes case management support that is provided to the Morphetville Park Sports club will be focusing on various areas of support and if needed development including but limited to: strategic planning, prudent financial management, internal and external stakeholder management and governance best practice.
5. Having considered Agenda item Telecommunications Facilities Morphetville (GC131015R01) the Council, pursuant to Section 90(2) and (3)(h) of the Local Government Act 1999, the Council pursuant to 91(7) of that Act orders that Appendix 3 to this report be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed every twelve months in accordance with Council's Confidential Items review, commencing December 2015.

**Carried**

8:04pm Councillor Appleby and Councillor Westwood returned to the meeting.

### **8:04pm Local Government Association Membership Fees**

**Reference: GC131015R02**



The Mayor sought leave and the meeting agreed that the key points raised by the Local Government Association CEO, Mr Pinnegar be recorded in the minutes. The following is a summary of the key points raised:

- Since recently joining the Local Government Association (LGA) as CEO, Mr Pinnegar has been reviewing of the organisation as a whole, looking at a structured business case for change and adopting a genuine approach to implement efficiencies and better service / advocacy for members.
- The LGA welcomes the City of Marion's approach and has responded by providing the Council with a refund for miscalculated subscription fees with interest.
- It is currently undertaking a review of subscriptions and looks to have a legitimate discussion with all members of the LGA regarding the services and benefits as members, at the same time, Mr Pinnegar did not want to pre-empt any outcomes regarding the current review of subscriptions nor the LGA Board's response in implementing various changes or budgetary implications. The timetable for the subscription review was immediate, with the view to the new formula being implemented for the 2016/17 year.
- Wished to reiterate the LGA's focus of 'value proposition' and advocacy across the sector highlighting the importance of various reforms such as procurement and regional approaches.
- Mr Pinnegar noted that he would be available to return to the City of Marion in April 2016 to assist Council in the reassessment of its LGA membership by providing an update on the outcomes of the governance and formula reviews undertaken.

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

1. Notes the correspondence received from the Local Government Association highlighting the governance/structure review and the formula review with any changes intended to apply from 2016/17 financial year.
2. Confirm its membership with the LGA for 2015/16 financial year and pay the current invoice.
3. Re-assess its position in April 2016 with the expectation that the LGA has completed the governance and formula reviews.

## **AMENDMENT**

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

1. Notes the correspondence received from the Local Government Association highlighting the governance/structure review and the formula review with any changes intended to apply from 2016/17 financial year.
2. Confirm its membership with the LGA for 2015/16 financial year and pay the current invoice.
3. Re-assess its position in April 2016 with the expectation that the LGA has completed the governance and formula reviews.
4. Authorise the Mayor to have discussions with other councils about setting up an alternative association.

That the amendment became the motion was **Tied**

The Mayor with casting vote, voted in **Favour**  
That the amendment became the motion was **Carried**

**Councillor Hutchinson called for a Division.**

Those for: Councillor's Telfer, Prior, Hull, Westwood, Veliskou, Applyby and Gard  
Those against: Councillors Pfeiffer, Hutchinson and Crossland.

**Carried**

**8: 57pm Cove Youth Service Operational Options – amendment to the motion**  
**Reference: GC131015R03**

8:57pm Councillor Veliskou left the meeting.

**Moved Councillor Westwood, Seconded Councillor Crossland** that the motion resolved on 23 June 2015 (GC230615R01) be amended to:

1. The Cove Youth Service will cease to operate from its current site in Hallett Cove as soon as practicably possible and staff of the new City of Marion Youth Service will relocate to a centrally located Council office space.
2. A series of workshops will be initiated by the end of October to consider a new direction and strategy for youth programs across our City. Elected Members and representatives from related organisations within our community will be encouraged to participate.
3. Recommendations will be made to council by 1 December 2015.

**Carried Unanimously**

9:02pm Councillor Pfeiffer left the meeting.

9:03pm Cr Veliskou reentered the meeting.

**9:04pm Hallett Cove (ADC) Residential DPA**  
**Reference: GC131015R04**

The Mayor sought leave of the meeting and the meeting agreed that Mr Phillip Brunning, from Brunning & Associates Pty Ltd and Mr Drummond from Adelaide Development Company were made available to answer questions.

9:05pm Cr Pfeiffer returned to the meeting.

**Moved Councillor Crossland, Seconded Councillor Prior** that:

The matter be adjourned till discussions have taken place with the City of Onkaparinga regarding the development of the southern part of the identified area.

**Carried Unanimously**

**9:19pm Existing Activity Centres Policy Review – Development Plan Amendment**  
**Reference:GC131015R05**

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

1. Endorse the submission contained in Appendix 1 as Council's submission on the existing activity centres policy review Development Plan Amendment.

**Carried Unanimously**

The Mayor sought leave of the meeting and the meeting agreed that the agenda be varied in order for the item 'Poker Machines in Council owned Facilities' (GC251815M01) to be the next item on the agenda.

**9:29pm Poker Machines in Council Owned Facilities**

**Ref No: GC250815M01**

**Moved Councillor Hull, Seconded (Nil)** that Council:

1. Council call for a report to be presented to the February 2016 General Council Meeting to consider a policy position that all City of Marion Community Facilities are Poker Machine free.
2. This report include potential options and strategies for clubs that are currently operating with poker machines to assist in this transition.

9:32pm Councillor Crossland left the meeting.

**Moved Councillor Telfer, Seconded Councillor Veliskou** that the item be adjourned to permit deputations from Marion RSL and Marion's Sports & Community Club on 27 October 2015.

**Carried**

9:34pm Councillor Prior left the meeting.

The Mayor sought the leave of the meeting and the meeting agreed that the agenda be varied in order for the item 'Deputy Mayor, DAP Elected Member Representatives and Committee Elected Member Representatives for 2016' (GC131015R09) to be the next item on the agenda.

**9:36pm Moved Councillor Westwood and Seconded Councillor Hull**, that the item be adjourned to the next council meeting.

**Lost**

9:49pm Councillor Crossland and Councillor Prior re-entered the meeting.

**EXTENTION OF TIME**

**Moved Councillor Veliskou, Seconded Councillor Pfeiffer** to extend the meeting till 10:30pm.

**Carried**

**9:51pm Deputy Mayor, DAP Elected Member representatives and Committee Elected Member representatives for 2016**

**Reference: GC131015R09**

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



1. Appoints Councillor Veliskou as the Deputy Mayor from 26 November 2015 until 25 November 2016;
2. Council appoints Councillor Hutchinson, Councillor Kerry, and Councillor Crossland to the Development Assessment Panel for a term commencing on 2 December 2015 and concluding on 1 December 2016.
3. Council appoints Councillor Gard and Councillor Telfer to the Finance and Audit Committee for a term commencing on 26 November 2015 and concluding on 25 November 2016.
4. Council appoints Councillor Hutchinson, Councillor Hull, and Councillor Telfer to the People and Culture Committee for a term commencing on 1 January 2016 and concluding on 31 December 2016.
5. Council appoints Councillor Telfer as the Presiding Member of the People and Culture Committee for a term 1 January 2016 to 31 December 2016.
6. Council appoints Councillor Veliskou, Councillor Westwood, and Councillor Gard to the Strategy Committee for a term commencing on 1 January 2016 and concluding on 31 December 2016.
7. Council appoints Councillor Veliskou as the Presiding Member of the Strategy Committee for a term 1 January 2016 to 31 December 2016.
8. Council appoints Councillor Kerry, Councillor Pfeiffer, and Councillor Byram to the Infrastructure Committee for a term commencing on 1 January 2016 and concluding on 31 December 2016.
9. Council appoints Councillor Bryam as the Presiding Member of the Infrastructure Committee for a term 1 January 2016 to 31 December 2016.
10. Council appoints Councillor Crossland, Councillor Prior, and Councillor Appleby to the Urban Planning Committee for a term commencing on 1 January 2016 and concluding on 31 December 2016.
11. Council appoints Councillor Prior as the Chair of the Urban Planning Committee for a term 1 January 2016 to 31 December 2016.
12. Notes the financial impact of up to \$7,125 for the 2015/16 financial year for the implementation of additional section 41 Committees and confirms this will be adjusted accordingly within the budget review process.

**Carried**

The Mayor sought leave of the meeting and the meeting agreed that the agenda be varied in order for the item 'Decriminalisation of Sex Work Bill 2015' (GC131015R06) to be the next item on the agenda.

### **10:07pm Decriminalisation of Sex Work Bill 2015**

**Reference: GC131015R06**

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

1. Advises the Select Committee that it does not support the Bill in its current form and seeks that the Committee:
  - Consider the likely implications on the Planning System if sex work is decriminalised,
  - Consider the likely implications on the resourcing and role of local government if sex work is decriminalised,

- Include amendments to the Development Act 1993 (SA) and Development (Regulations) 2008 (changes to definition of a home activity to ensure that premises for the purposes of sex work are discouraged from locating in residential areas as part of the bill,
- Include amendments to the South Australian Planning Policy Library (SAPPL) specific policy for the assessment and location for sex work venues) as part of the bill,
- Consider reintroducing the proposed amendment to Part 6 of the Summary Offences Act 1953 (SA) outlined in the “Statutes Amendment (Sex Work Reform) Bill 2012, relating to it being an offence to use premises for the purpose of sex work within a ‘prescribed distance’ from ‘protected premises’ (i.e. 200 metres of schools, places of worship and the like).

**Carried**

**10:15pm Submission on South Australia’s new Climate Change Strategy and Low Carbon Investment Plan for South Australia**  
**Reference: GC131015R07**

10:16pm Cr Pfeiffer left the meeting.

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

1. Endorse the City of Marion’s submission on the development of a new Climate Change Strategy for South Australia and the Low Carbon Investment Plan for South Australia (subject to the inclusion of any additional comments at the meeting).

**Carried**

10:19pm Cr Pfeiffer re-entered the meeting.

**10:20pm Oaklands Crossing**  
**Reference: GC131015R08**

**Moved Councillor Telfer , Seconded Councillor (Nil)** that Council:

- 1 Undertakes Option 2 to campaign for a traffic solution to the Oaklands Crossing (for example grade separation) comprising:
  - Research – up to \$43,000
  - Briefing decision makers – up to \$5938
  - Resource to lead project be funded for one year – up to \$35,000
- 2 Seeks the support of Members of Parliament and candidates in the lead up to the Federal election about the need for a traffic solution.
- 3 Allocates up to \$83,938 from identified savings, resulting from the 2014/15 financial year to fund the running of a Council-led campaign to build a traffic solution at Oaklands Crossing.
- 4 Receives a report in July 2016 to update Elected Members on progress of the briefing campaign.

**Moved Councillor Gard, Seconded Councillor Crossland** to extend the meeting until the end of the item Oaklands Crossing.

**Carried**

**Moved Councillor Prior, Seconded Councillor Crossland** that this item be adjourned to the next Council meeting 27 October 2015.

**Carried**

**Code of Practice, Procedures at Meetings  
CG131015R10**

This item was not considered

**QUESTIONS ON NOTICE**

**Provision of Major Disaster or Impact  
GC131015Q01**

This item was not considered

**Encouragement of Aged Care Facility Investment  
GC131015Q02**

This item was not considered

**MOTIONS ON NOTICE**

**Development Proposal  
GC131015M01**

This item was not considered

**Electric Vehicles  
GC131015M03**

This item was not considered

**CLOSURE** - Meeting Declared Closed at 10.32pm

**CONFIRMED THIS 27 OCTOBER 2015**

.....  
**CHAIRPERSON**



**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 OCTOBER 2015**

**ADJOURNED ITEM**

**Originating Officer:** Kate McKenzie, Manager Governance  
**Director:** Kathy Jarrett  
**Subject:** Poker Machines in Council Owned Facilities  
**Report Reference:** GC271015R01

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This item was adjourned at the 13 October 2015 General Council meeting.

**Appendix 1** contains the original motion as presented on the 13 October 2015.

In accordance with the *Local Government (Procedures at Meetings) Regulations*, the debate on an adjourned item will resume and continue at the point it was adjourned. Councillor Hull has moved the motion and it is yet to have seconder.

The current motion is as follows:

**Poker Machines in Council Owned Facilities  
Ref No: GC250815M01**

**9:29pm Poker Machines in Council Owned Facilities  
Ref No: GC250815M01**

**Moved Councillor Hull, Seconded (Nil)** that Council:

1. Council call for a report to be presented to the February 2016 General Council Meeting to consider a policy position that all City of Marion Community Facilities are Poker Machine free.
2. This report include potential options and strategies for clubs that are currently operating with poker machines to assist in this transition.

As there is a foreshadowed alternative 'motion on notice' later in the agenda, if an amendment is moved during the debate, the presiding member will need to determine if the amendment is a direct negative or substantially changes the motion / intent of the motion and consider if it should be accepted or not.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
13 October 2015**

Appendix 1

**Notice received from:** Councillor Bruce Hull  
**Subject:** Poker Machines  
**Ref No:** GC131015M02  
**File No:** 9.24.1.4 &

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**MOTION:**

1. Council call for a report to be presented to the February 2016 General Council Meeting to consider a policy position that all City of Marion Community Facilities are Poker Machine free.
2. This report include potential options and strategies for clubs that are currently operating with poker machines to assist in this transition.

**COMMENTS: Mark Gibson – Team Leader Land & Property**

Council currently owns 2 community facilities that are leased/licensed to community organisations that hold a gaming machine licence. These facilities are;

- The Marion RSL, Norfolk Road, Marion. (Licence agreement expires in November 2016).
- The Marion Sports & Community Club, Sturt Road, Marion. (Lease agreement expires in June 2016).

The current Leasing & Licencing Policy states the following in regards to gaming machines;

*'If the Lessee or Licensee intends to hold a liquor licence or gaming machine licence under the Liquor Licensing Act 1997 or the Gaming Machines Act 1992, the Lessee or licensee must first obtain the written consent of Council. Council shall give due consideration to any such request, but shall not be obligated to give such consent. If consent is given, Council may impose such conditions as it deems reasonable relating to the use of the Premises and the supply or provision of liquor and/or gaming machines'.*

There are currently no Council policies in relation to gaming machines and assisting the community in relation to gaming machine dependence.

Should Council resolve, a report can be presented to Council at the February 2016 General Council Meeting which outlines strategies Council may wish to adopt in regards to the phasing out of gaming machines in operation at Council owned facilities and the associated impact this would have on the sustainability of clubs. The report would include a policy in regards to gambling facilities.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**ADJOURNED ITEM**

**Originating Officer:** Kate McKenzie, Manager Governance

**Director:** Kathy Jarrett

**Subject:** Oaklands Crossing

**Report Reference:** GC271015R02

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This item was adjourned at the 13 October 2015 General Council meeting.

**Appendix 1** contains the original motion as presented on 13 October 2015.

**Appendix 2** contains additional information and an alternative resolution.

In accordance with the *Local Government (Procedures at Meetings) Regulations*, the debate on an adjourned item will resume and continue at the point it was adjourned. Councillors Crossland, Veliskou, Prior, Hutchinson and Telfer have all asked questions. Councillor Telfer has moved the motion but it is yet to be seconded.

The current motion is as follows:

**Oaklands Crossing  
Ref No: GC131015R**

**Moved Councillor Telfer , Seconded Councillor (Nil)** that Council:

- 1 Undertakes Option 2 to campaign for a traffic solution to the Oaklands Crossing (for example grade separation) comprising:
  - Research – up to \$43,000
  - Briefing decision makers – up to \$5938
  - Resource to lead project be funded for one year – up to \$35,000
- 2 Seeks the support of Members of Parliament and candidates in the lead up to the Federal election about the need for a traffic solution.
- 3 Allocates up to \$83,938 from identified savings, resulting from the 2014/15 financial year to fund the running of a Council-led campaign to build a traffic solution at Oaklands Crossing.
- 4 Receives a report in July 2016 to update Elected Members on progress of the briefing campaign.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
13 October 2015**

**Originating Officer:** Craig Clarke, Unit Manager Communications

**Corporate Manager:** Kate McKenzie, Governance Manager

**Director:** Kathy Jarrett

**Subject:** Oaklands Crossing

**Report Reference:** GC131015R08

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**REPORT OBJECTIVES:**

The purpose of this report is to provide Council with the costs and options for running a Council-led campaign to build a grade separation at Oaklands Crossing.

**EXECUTIVE SUMMARY:**

Construction of an overpass at Oaklands Crossing remains unfunded, three years after the State Government released a design to fix traffic congestion at the intersection.

A Council-led campaign could assist decision makers to recognise the importance of building the overpass. It would highlight the economic and social benefits of solving the traffic problems and build support among key stakeholders and the wider community. The campaign would aim to activate supporters by using high-profile advertising, such as billboards, to drive them to a dedicated website and social media platforms where they could register for more information, sign petitions and be notified about community events about the overpass.

Preliminary briefings with decision makers could begin immediately to take advantage of Federal changes while the campaign proper is recommended to start once detailed research is completed early next year.

**RECOMMENDATIONS (2)**

**DUE DATES**

**That Council:**

- |                                                                                                                                                                                          |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1. Undertakes Option ____ to campaign for the construction of the Oaklands Crossing overpass.                                                                                            | 13 Oct 15 |
| 2. Allocates up to \$_ from identified savings, resulting from the 2014/15 financial year to fund the running of a Council-led campaign to build a grade separation at Oaklands Crossing | 13 Oct 15 |

## **BACKGROUND**

In 2011, the Department of Planning, Transport and Infrastructure began a study to investigate the feasibility of finding a solution to 40 years of traffic congestion at Oaklands Park rail crossing. In September 2012, the State Government released the results of the study which recommended construction of a \$100-\$110 million overpass to carry trains over Morphet Rd. No money was earmarked for the project.

Council in 2013 presented a petition with 5500 signatures to the then Member for Mitchell, Alan Sibbons, calling for the State Government to fund the project. At the General Council Meeting on 23 June 2015, Elected Members resolved:

“That Council calls for a report in relation to the costs and other associated detail related to a Council-led campaign for a grade separation engineering solution for the Oaklands crossing. That this campaign incorporates the use of billboards, namely those operated Ooh! Media at this very crossing. That the funding of this campaign is not limited to Council with Council canvassing local businesses to potentially co-fund this campaign.”

## **DISCUSSION**

A Council-led campaign will provide an opportunity to pursue state and federal investment in an overpass at Oaklands Crossing and increase pressure from the community for the project.

The campaign would occur on two levels:

- Decision maker and stakeholder briefings.
- Community awareness raising and activation initiatives.

The foundation for the campaign would be comprehensive research to understand who currently uses the crossing and the level of inconvenience of traffic congestion, along with an analysis to demonstrate the economic and social benefits of constructing the infrastructure. Decision makers would be briefed on the research results, while key statistics would be used in any publicity materials.

The research needs to be accurate, independent and credible. Administration has held preliminary discussions with a market research company and economic specialists about undertaking the project.

The research would assist in the preparation of a detailed campaign communications and engagement plan.

### **Briefing decision makers**

The City of Marion would seek meetings with State and Federal decision makers to build the economic and social case for constructing the overpass. Council has had considerable success in the past with this approach. The Cove Civic Centre and the SA Aquatic Centre and GP Plus are two recent examples, which will be discussed below.

Council would also identify and encourage peak organisations whose members would benefit from the construction to support the campaign.

## Community awareness

In parallel with formal briefings, Council would build community awareness about the overpass and encourage local residents and businesses to add their voice to the campaign. The awareness-raising would occur through the news media and advertising, such as billboards, radio and letterbox drops. These would direct people to dedicated social media platforms and a website where they could sign petitions, register to receive more information about the campaign, and be notified of public meetings and other events etc.

Traditional communications channels to build awareness and other grassroots techniques would also be utilised.

## Timings

The campaign needs to be flexible to take advantage of opportunities as they arise but also programed to link with State/Federal election and budget cycles over three years.

The research component will take an estimated four months to complete. Council would use the research phase to construct digital communications platforms, prepare communications materials and develop the campaign in detail.

It is recommended that the research be finalised prior to meeting decision makers and starting the campaign. However, Council could immediately seek preliminary meetings with Ministers and local MPs to take advantage of changes in the Federal Government, a new Liberal candidate for Boothby and a new national policy direction in relation to developing cities.

Meantime, the formal briefing component of the campaign could occur immediately after receipt of the research and last about six months to give decision makers an opportunity to consider the merits of the overpass. The community campaign could start in September 2016 – 18 months before the March 2018 state election.

## Options

There are a number of options to progress the campaign. Refer to Appendix 1 for a detailed cost breakdown (which does not include staff costs):

- |          |                                                                                                                                                                                                                                                                                                                                                                          |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Option 1 | Fund the full campaign. The estimated costs would be in the order of: <ul style="list-style-type: none"><li>▪ Research - \$43,000</li><li>▪ Briefing decision makers - \$5,938</li><li>▪ Community awareness - \$82,860</li><li>▪ Resource to lead project - \$105,000 over three years</li></ul> Estimated total - \$236,798                                            |
| Option 2 | Undertake a limited campaign by using the research results to brief decision makers and other stakeholders. The estimated costs would be in the order of: <ul style="list-style-type: none"><li>▪ Research - \$43,000</li><li>▪ Briefing decision makers - \$5,938</li><li>▪ Resource to lead project - \$105,000 over three years</li></ul> Estimated total - \$153,938 |
| Option 3 | Same as option 2 but undertake a smaller scale communications campaign, using the City of Marion's existing communications channels, flyers for the community and a one-off use of billboards. The estimated costs would be in the order of:                                                                                                                             |

- Research - \$43,000
  - Briefing decision makers - \$5,938
  - Limited communications - \$18,000 (billboard, printing and distribution of 2000 flyers, 4000 additional flyers, distribution of 300 postcards.)
  - Resource to lead project - \$105,000 over three years
- Estimated total - \$171,938

### **Cove Civic Centre approach**

Council used a similar approach of research, direct briefings and communications to secure \$3.4 million from the Federal Government towards building the Cove Civic Centre. Although the project was first raised more than 20 years ago, intense lobbying occurred from 2009 until the funding was announced in 2012.

Council engaged a market research company and a community engagement specialist to undertake detailed research on the community's needs while a consultant was employed to advocate for the project. Elected Members and senior staff also met with decision makers and other key stakeholders over a number of years. The cost of research and direct briefings was in the order of about \$39,000. This work was supported by a DVD for decision makers and general communications materials at a cost of more than \$10,000.

## **Financial**

### **1 Resourcing**

|                        |                                                                                                                                         |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Communications element | The development and implementation of the strategy could be absorbed into existing resources of the Communications and Engagement Unit. |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project lead | It is estimated that a 0.25 FTE is required to progress the campaign, including preparation of reports, correspondence and pursuing meetings. The lead for the project would typically sit in the Strategic Projects team. At this time the team is fully committed with other Council priorities. Should Council elect to proceed with the campaign, then the existing work needs to be reprioritised or money allocated to employing an additional resource on a part-time basis. It is estimated that this would cost about \$35,000 per year. It is estimated that a suitable campaign would run for a period of up to three years. |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### **2 Other costs**

The campaign is an unbudgeted item. The overall cost of the campaign is as follows:

|                 |                                                                          |
|-----------------|--------------------------------------------------------------------------|
| Research phase  | \$43,000 for an independent survey and economic analysis.                |
| Direct briefing | \$5938 for printing of research papers and summaries for stakeholders.   |
| Awareness       | \$82,860 for advertising, community flyers, public banners and meetings. |

Resource                      \$35,000 per year should Council elect to employ a 0.25 FTE to lead the project.

Council as part of the campaign would write to businesses surrounding Oaklands Crossing seeking a contribution and support for the public awareness activities.

### **Risks**

The greatest risk to the campaign is that neither the State nor Federal Governments fund construction of the overpass.

### **CONCLUSION:**

No commitment has been made to fix the traffic congestion at Oaklands Crossing, which has become a source of frustration for motorists. A solution to the 40-year-old problem – an overpass – has been found but no funding has been earmarked to building it. A Council-led campaign would help to raise the issue before decision makers with the aim of the State and/or Federal Governments funding construction.

**Attachment 1 – Draft campaign strategy**

**Attachment 2 – Advertising rates**

**Attachment 3 – Billboards**



## **Attachmentt 1 Draft campaign strategy**

### **OBJECTIVES**

The objectives of the strategy are to:

- Secure a financial commitment from the State and/or Federal Governments to build the Oaklands Crossing overpass.
- Raise awareness among the community and other stakeholders about the need for the overpass.
- Activate the community and other stakeholders to publicly support the construction of the project.

### **APPROACH**

The following outlines the steps involved in preparing and executing a strategy aligned with the above objectives:

#### **1 Research**

Accurate and credible information about the need and impact of the overpass is crucial to receiving support from decision makers, the community and stakeholders. This phase would involve three elements and will inform the overall campaign:

|                            |                                                                                                                                                                                                                                  |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Usage survey               | Identify who uses the crossing, when, for what purpose, where do they originate and where are they going, and their experiences with traffic congestion.                                                                         |
| Economic/social impact     | Analysis of the economic and social benefits to Marion and the state of building the overpass – and the cost of not constructing the project in terms of lost travel time to business and the community.                         |
| Stakeholder identification | Identify where Council has support for the project politically and among peak associations, community groups, and business leaders and working to activate them. Identify the key funding decision makers and their influencers. |
| Messaging                  | Development of key messages based on above data.                                                                                                                                                                                 |

#### **2 Direct briefings**

The results of the usage survey and economic impact analysis would be used as the foundation for a briefing campaign about the benefits of constructing the overpass.

Meetings would be sought with key decision makers at a State and Federal level to brief them about the economic and social benefits of building the project. Third party support would also be sought among peak associations, community groups and businesses which could influence the decision makers. Meetings would be led by the Mayor and Chief Executive Officer.

### **3 Community awareness**

Undertake a high-profile public communications campaign to raise awareness of the need to fix traffic issues at Oaklands Crossing and to activate supporters.

The integrated campaign will begin with the formal release of the economic and usage data in a single report to grab community attention. Billboard, radio and print advertising and letterbox drops will work together to highlight problem and drive the community to a dedicated website and social media platforms which contain information about the urgent need for the overpass.

Here the community will be encouraged to sign petitions and register to become involved, creating a database that can be used to invite them to future events and send them further information.

Traditional lobbying techniques such as postcards to decision makers would also be used. The campaign will be supported by the City of Marion's existing communications techniques such as media news stories, City Limits, What's Happening column and social media and web platforms.

Supporters identified in phase one will be encouraged to speak out publicly in support of funding the crossing solution.

#### **TIMINGS**

|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Oct 15-Feb 16 | Undertake research phase. Preparation of digital communications platforms, prepare communications materials and develop campaign.                                                                                                                                                                                                                                                                                                                                                                       |
| Mar-Sept 16   | Brief decision makers and key stakeholders about research findings. Build support among identified stakeholders.                                                                                                                                                                                                                                                                                                                                                                                        |
| Sept 16       | Launch public awareness campaign, which runs parallel with continuing to seek support from decision makers and key stakeholders. <ul style="list-style-type: none"><li>• Sept –Oct 16 Initial advertising burst to raise attention – billboard, print radio advertising and flyers. Launch websites and social media.</li><li>• Apr-May 17 Second advertising tranche to coincide with State/Federal budgets.</li><li>• Feb-Mar 18 Third advertising tranche to coincide with State election.</li></ul> |

The timing of the key events will be linked to State/Federal budget and election cycles to gain maximum exposure. Momentum will be maintained during the low points with public meetings and events, along with creation of e-newsletters to keep the community informed.

**BUDGET ESTIMATES**

The following is an indicative cost of a campaign (excluding staff costs):

| <b>Item</b>                                                                                                                                        | <b>Cost</b>          |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>Research</b>                                                                                                                                    |                      |
| Commission usage survey – written quote Harrison Market Research                                                                                   | \$18,000             |
| Economic and social impact analysis – verbal indicative quote from SA Centre for Economic Studies (initiative of Adelaide and Flinders University) | \$20,000 to \$25,000 |
| <b>Research total</b>                                                                                                                              | <b>\$43,000</b>      |

|                                                               |               |
|---------------------------------------------------------------|---------------|
| <b>Direct briefing materials</b>                              |               |
| Printing of 500 research reports                              | \$4598        |
| Printing 2000 summaries of research findings for stakeholders | \$1340        |
| <b>Direct briefing materials total</b>                        | <b>\$5938</b> |

|                                                                                                                                                 |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Community awareness – Phase 1</b>                                                                                                            |                 |
| Hire of billboard for two months, including initial design                                                                                      | \$14,550        |
| Advertising – one quarter page in Saturday Advertiser, one quarter page in the Guardian Messenger, Adelaide Now digital mobile graphic two days | \$6900          |
| Printing and distribution of 2000 project outline flyers to local residents, Council venues, businesses and facilities                          | \$1090          |
| Printing of 4000 'call to action' flyers for ongoing distribution at community and Council events                                               | \$520           |
| Printing and distribution of 300 postcards                                                                                                      | \$330           |
| Radio adverts – package of 40 slots mixing breakfast and drive time                                                                             | \$8730          |
| <b>Phase 1 total</b>                                                                                                                            | <b>\$32,120</b> |

|                                                                                                                                                     |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Community awareness – Phase 2</b>                                                                                                                |                 |
| Hire of billboard for two months                                                                                                                    | \$13,550        |
| Advertising – one quarter page in the Saturday Advertiser, one quarter page in the Guardian Messenger, Adelaide Now digital mobile graphic two days | \$6900          |
| Printing and distribution of 2000 project update flyers to local residents, key stakeholders and Council venues                                     | \$1090          |
| Printing and distribution of 300 postcards                                                                                                          | \$330           |
| <b>Phase 2 total</b>                                                                                                                                | <b>\$21,870</b> |

|                                                                                                                                                                                                 |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Community awareness – Phase 3</b>                                                                                                                                                            |                 |
| Hire of billboard for two months                                                                                                                                                                | \$13,550        |
| Advertising – one quarter page in The Saturday Advertiser, one quarter page in the weekday Advertiser, one quarter page in the Guardian Messenger, Adelaide Now digital mobile graphic two days | \$8900          |
| Printing and distribution of 2000 project update flyers to local residents, key stakeholders and Council venues                                                                                 | \$1090          |
| Printing and distribution of 300 postcards                                                                                                                                                      | \$330           |
| <b>Phase 3 total</b>                                                                                                                                                                            | <b>\$23,870</b> |
|                                                                                                                                                                                                 |                 |

Note: Prices include GST.

| <b>City of Marion communication channels</b>                                                                                             | <b>Cost</b>        |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>City Limits</b> – articles including project overview, interviews with residents businesses and stakeholders and Council’s views      | No additional cost |
| <b>Website</b> dedicated to the campaign – project details, updates, links to other websites, response to news                           | \$2000             |
| <b>Facebook</b> page dedicated to the campaign – regular updates, announcements, community feedback                                      | No additional cost |
| <b>Twitter</b> account dedicated to the campaign – ongoing promotion, links to the campaign website                                      | No additional cost |
| <b>What’s Happening</b> Messenger column – articles                                                                                      | No additional cost |
| <b>Printed and electronic newsletters</b> , including Economic Development, libraries, neighbourhood centres, Community Care, and E-talk | No additional cost |
| <b>Outdoor banners, badges, car bumper stickers</b>                                                                                      | \$3000             |
| <b>Total</b>                                                                                                                             | <b>\$5000</b>      |

|                                          |                  |
|------------------------------------------|------------------|
| <b>Cost of campaign</b>                  | <b>\$131,798</b> |
| <b>Staff resourcing over three years</b> | <b>\$105,000</b> |
| <b>Total cost of campaign</b>            | <b>\$236,798</b> |

**Attachment 2 – Indicative advertising costs****Outdoor billboards**

| Location                                | Size (m) | Hire rate per 28 days | Install | Produce | Total for 1 month hire | Total for 2 month hire |
|-----------------------------------------|----------|-----------------------|---------|---------|------------------------|------------------------|
| Warradale, cr Diagonal and Morphett Rds | 12 x 3   | \$5500                | \$900   | \$980   | \$8050                 | \$13,550               |
| Warradale, Morphett Rd                  | 12 x 3   | \$5500                | \$900   | \$980   | \$8050                 | \$13,550               |

Note: Design is not factored into the costs, which could add an extra \$800 to \$1000.

**Advertising**

| Print          |                                       |                                   |                |
|----------------|---------------------------------------|-----------------------------------|----------------|
|                | ¼ page                                | ½ page                            | Full page      |
| Guardian       | \$819                                 | \$1638                            | \$3276         |
| Advertiser M-F | \$3402                                | \$7157                            | \$13,611       |
| Advertiser Sat | \$4685                                | \$9860                            | \$18,741       |
| Online         |                                       |                                   |                |
|                | Homepage                              | State news banner                 | Digital mobile |
| AdelaideNow    | \$3450 per day                        | \$1400 per day                    | \$700 per day  |
| Radio          |                                       |                                   |                |
|                | Breakfast M-F – per 15 & 30 second ad | Drive M-F – per 15 & 30 second ad |                |
| 5AA            | \$135-\$180                           | \$116-\$155                       |                |
| Mix            | \$330-\$441                           | \$288-\$385                       |                |
| Hit 107        | \$92-\$123                            | \$110-\$147                       |                |
| MMM            | \$135-\$180                           | \$101-\$135                       |                |

**Printed material**

| Item           | Quantity | Format                  | Cost   |
|----------------|----------|-------------------------|--------|
| Project report | 500      | A4, 40 page document    | \$4598 |
| Summary of     | 2000     | A3 fold printed on card | \$1340 |

|                             |      |                       |       |
|-----------------------------|------|-----------------------|-------|
| research                    |      |                       |       |
| Project outline for Phase 1 | 2000 | A4 tri fold           | \$590 |
| Project update for Phase 2  | 2000 | A4 tri fold           | \$590 |
| Project update for Phase 3  | 2000 | A4 tri fold           | \$590 |
| Call to action flyer        | 4000 | DL size, double sided | \$520 |
| Postcards                   | 900  | Postcard with graphic | \$400 |

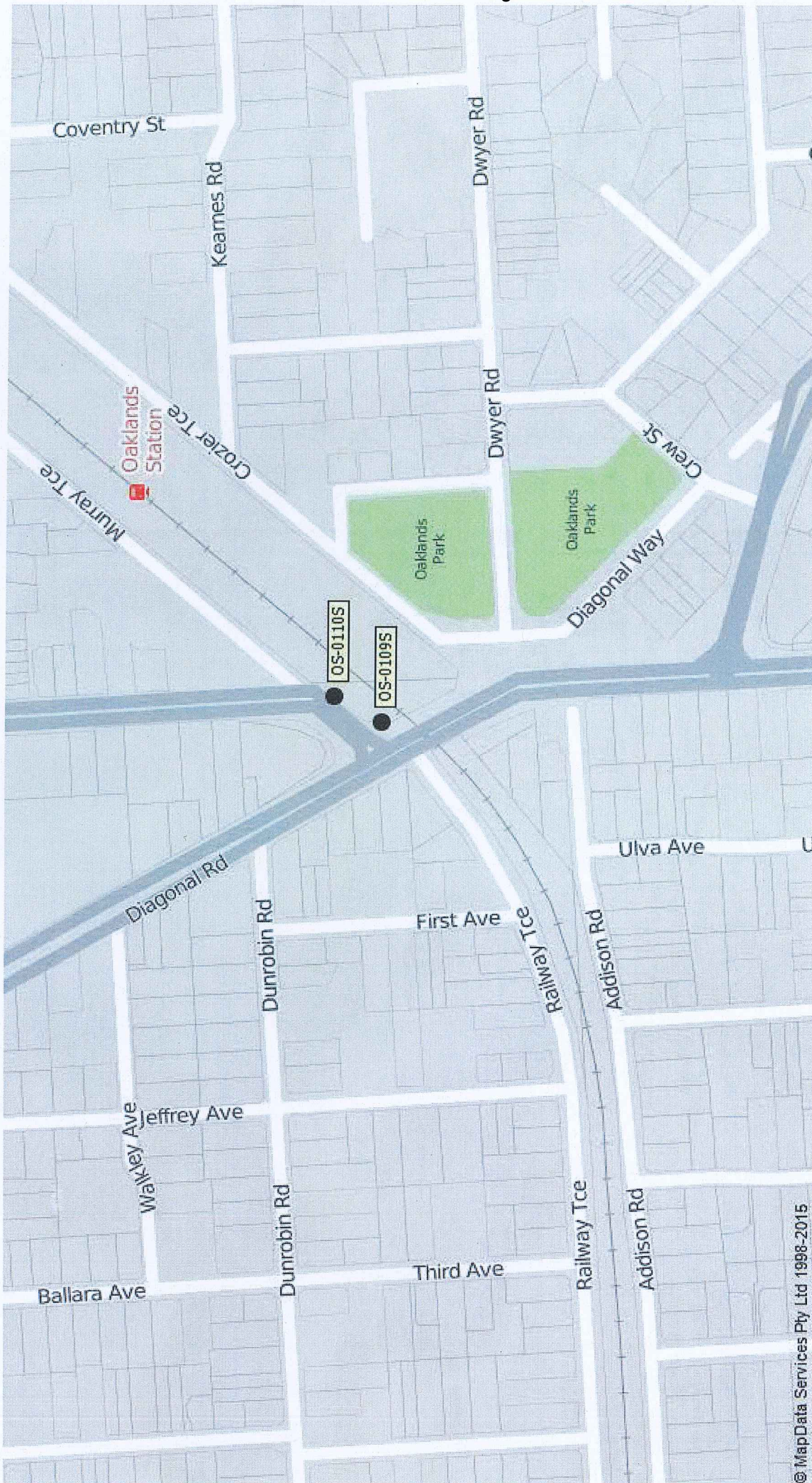
Note: The costs for letterbox drops of flyers to local households and businesses and mailing postcards to stakeholders and decision makers is not included. The costs are 50c for letterbox delivery and 65c for mailing a postcard.

## Site Availabilities

| Site          | Location                                    | Size         | Direction | Media Rate<br>per 28 Days | Production | Install | 28-Dec | 25-Jan | 22-Feb | 21-Mar | 18-Apr | 16-May | 13-Jun | 11-Jul | 8-Aug | 6-Sep | 3-Oct | 31-Oct | 28-Nov | 26-Dec | 23-Jan | 20-Feb |
|---------------|---------------------------------------------|--------------|-----------|---------------------------|------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|--------|--------|--------|--------|--------|
| SA, Supersite |                                             |              |           |                           |            |         |        |        |        |        |        |        |        |        |       |       |       |        |        |        |        |        |
| OS-0109S      | SA, Warradale, Cnr Diagonal & Morphett Rds, | 12.61 x 3.3m | Outbound  | \$5,500                   | \$980      | \$900   |        |        |        |        |        |        |        |        |       |       |       |        |        |        |        |        |
| OS-0110S      | SA, Warradale, Morphett Rd,                 | 12.61 x 3.3m | Outbound  | \$5,500                   | \$980      | \$900   | ✓      |        |        |        |        |        |        |        |       |       |       |        |        |        |        |        |

Ticks indicate when sites are currently available  
 All rates quoted exclude gst  
 Sites are subject to availability at time of booking.









OS-0109S

**South Australia**  
**Warradale**

Cnr Diagonal & Morphett  
 Rds

**Format** Supersite  
**Size** 12.61 x 3.3m  
**Market Area** South  
**Direction** Outbound

**Description**

Viewed from Morphett & Diagonal Rds and located in close proximity to Westfield Marion Shopping Centre, the largest shopping centre in the Adelaide Metropolitan area.

**ooh!**  
 Unmissable





OS-0110S  
**South Australia**  
**Warradale**  
 Morphett Rd

**Format** Supersite  
**Size** 12.61 x 3.3m  
**Market Area** South  
**Direction** Outbound

#### Description

Viewed from Morphett & Diagonal Rds and located in close proximity to Westfield Marion Shopping Centre, the largest shopping centre in the Adelaide Metropolitan area.

**ooh!**  
 Unmissable



## Appendix 2

The reports presented at the 13 October 2015 General Council Meeting have not been altered as the debate on the current motion is continuing. However, in response to comments from Elected Members, the following changes have been made to the campaign strategy:

|                      |                                                                                                          |
|----------------------|----------------------------------------------------------------------------------------------------------|
| Resourcing           | The preparation and execution of the strategy will occur using existing staff resources                  |
| Emergency management | The research component will include an investigation of access provision for emergency service vehicles. |

The following alternative motion is recommended to reflect the changes, particularly to the provision of resourcing:

### **That Council:**

- 1 Undertakes Option 2 to campaign for a traffic solution to the Oaklands Crossing (for example grade separation) comprising:
  - Research – up to \$43,000
  - Briefing decision makers – up to \$5938
- 2 Seeks the support of Members of Parliament and candidates in the lead up to the Federal election about the need for a traffic solution.
- 3 Allocates up to \$48,938 from identified savings, resulting from the 2014/15 financial year to fund the running of a Council-led campaign to build a traffic solution at Oaklands Crossing.
- 4 Receives a report in July 2016 to update Elected Members on progress of the briefing campaign, and that Council can escalate the communications component as it sees fit.

# Elected Member Communication Reports

**Date of Council Meeting:**

**27 October 2015**

**Name of Elected Member:**

**Mayor Kris Hanna**

| <b>Date</b>                                                                                                    | <b>Event</b>                                                              | <b>Comment</b>                 |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------|
| 18 September 2015                                                                                              | Marion VIEW Club Meeting                                                  | Attended and provided speech   |
| 21 September 2015                                                                                              | Reception to thank Volunteers & Supporters of Foodbank of South Australia | Attended                       |
| 22 September 2015                                                                                              | Meeting with Jason O'Halloran & Jess Trinchini – Real Estate Industry     | Attended                       |
| 23 September 2015                                                                                              | Meeting with Ms Ann Beacham from TAFE SA re Improving Access to Education | Attended                       |
| 23 September 2015                                                                                              | Meeting with Mayor Spear – City of Mitcham                                | Attended                       |
| 23 September 2015                                                                                              | Meeting with Edwardstown Football Club                                    | Attended                       |
| 24 September 2015                                                                                              | Coast FM Radio Segment                                                    | Attended and Participated      |
| 27 September 2015                                                                                              | Marion Bowling Club                                                       | Attended                       |
| 27 September 2015                                                                                              | Church Quiet Day & Lunch                                                  | Attended                       |
| 29 September 2015                                                                                              | Meeting with Joshua Brett – Hope Church                                   | Attended                       |
| 1 October 2015                                                                                                 | Sunrise Interview                                                         | Attended                       |
| 1 October 2015                                                                                                 | Carer Support Celebration – Glandore Centre                               | Attended                       |
| 8 October 2015                                                                                                 | Cove Football Club AGM                                                    | Attended                       |
| 10 October 2015                                                                                                | Oaklands Skate Park Opening                                               | Attended and Officially Opened |
| 10 October 2015                                                                                                | Meeting with Kaurua People – LKCC                                         | Attended                       |
| 10 October 2015                                                                                                | Sturt Soccer Presentation Night                                           | Attended                       |
| 12 October 2015                                                                                                | Brighton Meals on Wheels Annual General Meeting                           | Attended                       |
| 13 October 2015                                                                                                | Meeting with Edwardstown Football Club                                    | Attended                       |
| 14 October 2015                                                                                                | Meeting with O'Halloran Hill TAFE Developers                              | Attended                       |
| 17 October 2015                                                                                                | Citizenship Ceremonies (morning and afternoon ceremony)                   | Attended                       |
| 19 October 2015                                                                                                | Meeting with Mayor Spear and Mr Pears (City of Mitcham)                   | Attended                       |
| 20 October 2015                                                                                                | Norfolk Estate Retirement Village – Speaking Engagement                   | Attended and provided speech   |
| 21 October 2015                                                                                                | Oasis Centre at Flinders                                                  | Attended                       |
| In addition the Mayor has met with residents and also with the CEO and Council staff regarding various issues. |                                                                           |                                |

# CEO and Executive Report

**Date of Council Meeting:**

**27 October 2015**

| <b>Date</b> | <b>Activity</b>                                        | <b>Attended by</b>                              | <b>Comments</b> |
|-------------|--------------------------------------------------------|-------------------------------------------------|-----------------|
| 7 October   | G6 Indicators meeting at Charles Sturt                 | Kathy Jarrett                                   |                 |
| 10 October  | Oaklands Recreation Plaza Opening                      | Kathy Jarrett<br>Vincent Mifsud<br>Abby Dickson |                 |
| 15 October  | Junction Australia – Mitchell Park                     | Vincent Mifsud                                  |                 |
| 16 October  | Local Government Financing Authority                   | Vincent Mifsud                                  |                 |
| 17 October  | Citizenship Ceremony                                   | Kathy Jarrett                                   |                 |
| 20 October  | G6 Indicators meeting at Charles Sturt                 | Kathy Jarrett                                   |                 |
| 20 October  | Californian Delegation – tour of Oaklands Wetland Site | Kathy Jarrett                                   |                 |
| 21 October  | Metropolitan Local Government Group                    | Kathy Jarrett                                   |                 |
| 22 October  | Australian Workers Union                               | Kathy Jarrett                                   |                 |

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Victoria Moritz, Governance Officer  
**Corporate Manager:** Kate McKenzie, Manager Governance  
**Director:** Kathy Jarrett  
**Subject:** Deputation: Ms Elizabeth Hunt – Annie Doolan’s Cottage  
**Ref No:** GC271015D01

---

**SPEAKERS:**

Ms Elizabeth Hunt

**ORGANISATION/GROUP REPRESENTED BY SPEAKERS:**

Annie Doolan’s Cottage

**COMMENTS:**

Ms Hunt has requested to give a deputation to Council in relation to Annie Doolan’s Cottage.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Victoria Moritz, Governance Officer

**Corporate Manager:** Kate McKenzie, Manager Governance

**Director:** Kathy Jarrett

**Subject:** Deputation: Mr Bruce Wright – Treasurer and General Manager, Marion RSL – Council Owned Properties – Lessee Organisations Operating Poker Machines

**Ref No:** GC271015D02

---

**SPEAKERS:**

Mr Bruce Wright

**ORGANISATION/GROUP REPRESENTED BY SPEAKERS:**

Group - Council Owned Properties – Lessee

**COMMENTS:**

Mr Wright has requested to give a deputation to Council in relation to Poker Machines in Council Owned Properties.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Victoria Moritz, Governance Officer

**Corporate Manager:** Kate McKenzie, Manager Governance

**Director:** Kathy Jarrett

**Subject:** Deputation: Mr Daryl Grey – Club Marion – Council Owned Properties – Lessee Organisations Operating Poker Machines

**Ref No:** GC271015D03

---

**SPEAKERS:**

Mr Daryl Grey

**ORGANISATION/GROUP REPRESENTED BY SPEAKERS:**

Group - Council Owned Properties – Lessee

**COMMENTS:**

Mr Grey has requested to give a deputation to Council in relation to Poker Machines in Council Owned Properties.



**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Victoria Moritz, Governance Officer  
**Corporate Manager:** Kate McKenzie, Manager Governance  
**Director:** Kathy Jarrett  
**Subject:** Deputation: Senator Nick Xenophon – Poker Machines  
**Ref No:** GC271015D04

---

**SPEAKERS:**

Senator Nick Xenophon

**ORGANISATION/GROUP REPRESENTED BY SPEAKERS:**

Independent Senator for South Australia

**COMMENTS:**

Senator Nick Xenophon has requested to give a deputation to Council in relation to Poker Machines in Council Owned Properties.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Victoria Moritz, Governance Officer  
**Corporate Manager:** Kate McKenzie, Manager Governance  
**Director:** Kathy Jarrett  
**Subject:** Deputation: Reverend Peter McDonald  
**Ref No:** GC271015D05

---

**SPEAKERS:**

Reverend Peter McDonald

**ORGANISATION/GROUP REPRESENTED BY SPEAKERS:**

Uniting Communities

**COMMENTS:**

Reverend Peter McDonald has requested to give a deputation to Council in relation to the damage that Poker Machines has on the community.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Victoria Moritz, Governance Officer

**Corporate Manager:** Kate McKenzie, Manager Governance

**Director:** Kathy Jarrett

**Subject:** Deputation: Ms Michelle Dyer – Reserve Street Reserve  
Dog Park

**Ref No:** GC271015D06

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**SPEAKERS:**

Ms Michelle Dyer

**ORGANISATION/GROUP REPRESENTED BY SPEAKERS:**

Residents

**COMMENTS:**

Ms Dyer has requested to give a deputation to Council in relation to the Reserve Street Reserve Dog Park and the impact it will have on herself and the neighbouring community.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 OCTOBER 2015**

**Originating Officer:** Elaine Delgado, Strategy

**Director:** Kathy Jarrett

**Subject:** Strategic Directions Committee Confirmation of Minutes of Meeting held on 6 October 2015

**Report Reference:** GC271015R03

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**REPORT OBJECTIVES:**

The Strategic Directions Committee is a formally constituted Committee of Council pursuant to Section 41 of the Local Government Act 1999 and in accordance with Section 101A of the Development Act 1993, is responsible to Council.

**EXECUTIVE SUMMARY:**

The Strategic Directions Committee held a meeting on Tuesday 6 October 2015. The minutes of the meeting are herewith forwarded to Council for adoption (Appendix 1).

**RECOMMENDATIONS (1)**

**DUE DATES**

**That Council:**

1. Receive and note the minutes of the Strategic Directions Committee meeting of 6 October 2015 (Appendix 1 to report reference GC271015R03).

**27 October 2015**

**MINUTES OF THE STRATEGIC DIRECTIONS COMMITTEE MEETING  
HELD AT THE ADMINISTRATION CENTRE  
245 STURT ROAD, STURT  
ON TUESDAY 13 OCTOBER 2015**

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**PRESENT**

**Elected Members**

Councillor Jason Veliskou (Chair), and Councillors Appleby, Byram, Crossland, Gard, Hutchinson, Pfeiffer, Prior, Telfer, Westwood

His Worship the Mayor Kris Hanna

**Strategic Directions Committee Independent Members**

Mr Darren Billsborough, Professor Chris Daniels, Mr Marty Gauvin

**In Attendance**

|                   |                              |
|-------------------|------------------------------|
| Mr Adrian Skull   | Chief Executive Officer      |
| Ms Kathy Jarrett  | Director                     |
| Mr Vincent Mifsud | Director                     |
| Ms Abby Dickson   | Acting Director              |
| Ms Fiona Harvey   | Manager Strategy             |
| Ms Kate McKenzie  | Manager Governance           |
| Mr Steve Hooper   | Manager Development Services |
| Ms Elaine Delgado | Minute taker                 |

**1 OPEN MEETING**

The meeting commenced at 7.00 pm.

The Chair welcomed Committee Members and declared the meeting open.

**2 KAURNA ACKNOWLEDGEMENT**

*We would like to begin by acknowledging the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.*

**3 MEMBERS DECLARATION OF INTEREST**

The Chairman asked if any Member wished to disclose an interest in relation to any item being considered at the meeting.

No interests were disclosed.

#### **4 CONFIRMATION OF MINUTES**

**Moved Cr Byram, Seconded Cr Pfeiffer** that the minutes of the Strategic Directions Committee meeting held on 4 August 2015, and the minutes of the Special Strategic Directions Committee meeting held on 11 August 2015, be taken as read and confirmed.

**Carried Unanimously**

#### **5 BUSINESS ARISING**

**5.1 Nil.**

#### **6 REPORTS**

##### **6.1 Main South Road / Darlington Area Development Plan Amendment by the Minister**

**Report reference: SDC061015R6.1**

Mr Hooper informed the meeting of the following:

- The Minister for Planning has advised the Marion, Mitcham and Onkaparinga Councils in writing on 16 September 2015 of the intent to rezone the Main South Road / Darlington Area via a Ministerial Development Plan Amendment (DPA).
- Some key sites that will be affected in the City of Marion will include the Sturt Triangle, land around Tonsley and Clovelly Park Stations, and the residential area at Tonsley.
- A map was presented indicating the approximate area of the DPA.

The Chair invited questions and comments with the following points made:

- A presentation from the Department of Transport, Planning and Infrastructure (DPTI) would be welcomed by Council with a request that it address issues such as street trees, roads and other relevant public realm elements
- It is important to ensure the protection of the Warriparinga site and address any issues that arise due to the juxtaposition between Warriparinga, Lot 707, and the remainder of the site affected by the DPA
- The issue of sound attenuation needs to be addressed
- The boundaries for the area of the DPA could be expanded to also include land within rail and main road corridors
- The use of the interchange car park as a site to install solar cells to enable the supply of an alternative energy source should be considered

A query was also raised relating to the issue of 'bulky goods'. Mr Hooper advised this is outside the scope of the Main South Road / Darlington Area DPA but is within the scope of an Existing Activity Centres Policy Review DPA (to be addressed in agenda item 6.2).

##### **Recommendation**

The SDC recommended that Council write to Minister Rau to acknowledge his correspondence dated 16 September 2015 and request a briefing from relevant DPTI staff at the earliest opportunity.

**Moved Cr Hull, Seconded Mayor Hanna**  
**Carried unanimously**

*Cr Pfeiffer left the meeting*

## **6.2 Exploration of Strategic Opportunities and Issues – Stage 5 (Final)**

**Report reference: SDC061015R6.2**

The Chair advised Members that for item 6.2 the workshop on the Existing Activity Centres Review Development Plan Amendment would follow that of the workshop on the creation of a framework for the proposed initiative relating to 'Big Data'.

### **'Development Plan of Everything'**

The Independent Members planned and facilitated a workshop as the final in a series of five titled the 'Development Plan of Everything' (DPOE) held at SDC meetings during 2015.

Mr Bilsborough summarised the workshop process undertaken to date that has explored the 'why' and 'what' components of strategic opportunities. This workshop focussed on the final component of 'how' strategic opportunities could be achieved.

Ms Harvey provided an overview of the nine proposed initiatives (Appendix 3 of report 6.2) and advised that Council through its plans, projects and programs is addressing the majority of these.

Members' comments relating to the initiatives included:

- Collaboration and coordination are critical for the effective delivery of actions
- Use of plain language is important
- An audit of current actions is the first step in identifying the most effective suite of actions to pursue
- Need for protection of identified residential character zones
- Council has extensive data that can be used to inform its plans

One of the nine proposed initiatives for the DPOE was selected as a focus for discussion:

*'8. City of Marion to make use of 'Big Data' and analytics to influence all areas of the DPOE'*

Ms Harvey advised of Council's existing extensive set of 'Big Data' as follows:

- Data collected includes demographic, physical and mental health and wellbeing, jobs and employment, social and cultural, the environment and climate change
- Community feedback from engagement undertaken for Council projects including *Making Marion* for the Community Plan, and social media
- Key Performance Indicators
- Environmental scanning that includes census data

In introducing the workshop the Independent Members clarified the term 'Big Data':

- It consists of large and complex data sets from a wide variety of sources that are analysed or 'data mined' to identify patterns, associations and trends
- Analysis of 'Big Data' requires the formulation of a series of questions that can be from easy to complex requiring analysis of correlating, but sometimes disconnected, data sets.

*8.04pm Cr Appleby left the meeting*

*8.05pm Cr Crossland left the meeting*

Mr Bilsborough introduced the workshop. Elected Members divided into 3 groups to formulate questions, ranging from easy to complex, which could facilitate the delivery of one of the 9 proposed initiatives.

*8.10pm Cr Appleby re-entered the meeting*

*8.11pm Cr Crossland re-entered the meeting*

The workshop groups identified the following questions that could be used to guide the 'mining' and analysis of data:

- What broadband speeds are being achieved?
- What do people in the City of Marion do between leaving home and arriving home – where do they go, what do they do, how do they get there?
- Where are increases in foot traffic occurring?
- How long does it take residents to travel to work?
- Why do businesses choose to locate in the CBD in comparison to sites such as Tonsley?
- How do we improve employment rates in the southern Adelaide region?
- Is there a relationship between the visitor numbers to large shopping centres and local level shopping precincts?

Following the workshop Members made the following closing points:

- Analysis of 'Big Data' can assist in the prediction of future trends and modelling for different scenarios
- Effective use of data is critical in underpinning decision-making
- It is important to monitor data to keep abreast of changes and any impacts they may have on decision-making

### **Existing Activity Centres Review Development Plan Amendment (DPA)**

Mr Hooper introduced this item and facilitated a workshop seeking comments on the DPA, and identification of opportunities for Council to revitalise and activate existing centres.

The following introductory points were made:

- The Existing Activity Centres Review is the first of two metropolitan-wide Ministerial DPAs
- The purpose of the DPA is to enable:
  - A change of land use without the need for a development application
  - A more consistent approach to off-street parking
  - Floor space requirements to be a guide rather than a trigger for non-compliance
- The principal issue is that the DPA would allow the development of a bulky goods outlet or retail showroom at Tonsley
- The Minister for Planning has invited submissions from Councils on the Activity Centres DPA and a draft submission has been prepared from the City of Marion (Appendix 1: Draft submission to DPTI attached to report 6.2)
- It is imperative that the second Ministerial DPA reference Commercial Zones within the City of Marion as they have the same policy issues



Members provided the following comments:

- Council should request that the DPA not enable the provision of a bulky goods outlet or retail showroom at Tonsley
- The scope of the DPA should broaden to include elements relating to 'vibrancy'
- Are there rezoning opportunities in Edwardstown that could compensate for the effects of changes in the automotive industry?
- Is there opportunity for rezoning of existing Activity Centres that are in Residential Zones?
- Could the Southern Adelaide Economic Development Board also provide a submission to the Minister in relation to the potential for bulky goods/retail showroom at Tonsley?

Mr Hooper invited Members to participate in a workshop to provide feedback on existing activity centres.

The Chair moved a motion to extend the closure of the meeting to 10.15pm.

**Moved Cr Byram, Seconded Cr Westwood  
Carried unanimously**

The outcomes from the workshop for Local Centre Zones and Neighbourhood Centre Zones are at Appendices 1 and 2.

Mr Hooper advised that the outcomes from the workshop would inform a draft submission to the Minister for Planning to be presented to Council for endorsement, and would also inform a further workshop with Elected Members on residential dwelling diversity in the City of Marion.

**7. CONFIDENTIAL ITEMS**

Nil

**8. ANY OTHER BUSINESS**

Nil

**9. MEETING CLOSURE**

This was the final meeting scheduled of the Strategic Directions Committee which commenced on 21 February 2012. The Chair acknowledged and thanked the Independent Members, Elected Members and staff for their contributions on behalf of Council.

The meeting was declared closed at 10.15pm

**10. NEXT MEETING**

No further meetings of the Strategic Directions Committee will be held.

**CONFIRMED**

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**CHAIRPERSON**

/ /

## Local Centre Zones – City of Marion

## APPENDIX 1

| LOCAL CENTRE ZONE                                   | Potential for mixed use development<br>(Residential above commercial/retail) |                | Potential for council to enhance<br>public realm |                 | Other Comments                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------|------------------------------------------------------------------------------|----------------|--------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     | YES                                                                          | NO             | YES                                              | NO              |                                                                                                                                                                                                                                                                                                                                                                                                             |
| Ascot Park<br>Daws Road and West Street             | 9 votes in support                                                           |                | 2 votes in support                               | 3 votes against | Yes owner occupier would be good                                                                                                                                                                                                                                                                                                                                                                            |
| Ascot Park<br>Railway Terrace and Sixth Avenue      | 9 votes in support                                                           |                | 2 votes in support                               | 3 votes against |                                                                                                                                                                                                                                                                                                                                                                                                             |
| Dover Gardens<br>Sturt Road and Laurence Street     | 6 votes in support                                                           | 1 vote against | 3 votes in support                               | 2 votes against | - Traffic issues, not enough parking                                                                                                                                                                                                                                                                                                                                                                        |
| Edwardstown<br>Towers Terrace and Wright Street     | 8 votes in support                                                           |                | 4 votes in support                               | 2 votes against | - Development policy issues                                                                                                                                                                                                                                                                                                                                                                                 |
| Glengowrie<br>Diagonal Road and Hardy Avenue        | 8 votes in support<br>(Definitely)                                           |                | 3 votes in support                               | 3 votes against |                                                                                                                                                                                                                                                                                                                                                                                                             |
| Hallet Cove<br>The Cove Road and Fryer Street       | 8 votes in support                                                           |                | 2 votes in support                               | 1 vote against  | <ul style="list-style-type: none"> <li>- Yes perfect location</li> <li>- Maybe even above up to 6 storeys</li> <li>- Yes, could add to appearance of Cove Road and image of Marion to train passengers</li> <li>- Views, views, views &amp; we'll not block other views</li> <li>- Is at train station so perfect for commuters as would meet the 30 year plan of Adelaide and could go 3 storey</li> </ul> |
| Hallet Cove<br>Barramundi Drive and Rogana Crescent | 8 votes in support                                                           | 1 vote against | 3 votes in support                               | 3 votes against | <ul style="list-style-type: none"> <li>- Views for 2<sup>nd</sup> storey</li> <li>- Parking is an issue as not enough currently, is often full particularly in evenings with take aways &amp; street parking is used as well</li> </ul>                                                                                                                                                                     |

## Local Centre Zones – City of Marion

## APPENDIX 1

|                                                                    |                    |                |                    |                 |                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------|--------------------|----------------|--------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Marion</b><br><b>Norfolk Road and Finiss Street</b>             | 8 votes in support |                | 4 votes in support |                 | <ul style="list-style-type: none"> <li>- Potential for 2 storey development in character               <ul style="list-style-type: none"> <li>- If done carefully yes</li> </ul> </li> <li>- Make 100 % residential zone</li> <li>- Yes, landscaping or private development street frontage</li> </ul> |
| <b>Marion</b><br><b>Finiss Street and George Street</b>            | 9 votes in support | 1 vote against | 3 votes in support | 2 votes against | <ul style="list-style-type: none"> <li>- Yes 2 storey development, but reflecting back to historic character and neighbourhood ambience</li> <li>- Part of the Marion Historic Village Precinct based on focus of 1949 model and before</li> </ul>                                                     |
| <b>Mitchell Park</b><br><b>Parkwood Grove and McInerney Avenue</b> | 8 votes in support |                | 4 votes in support | 1 vote against  | <ul style="list-style-type: none"> <li>- Ready to bulldoze</li> </ul>                                                                                                                                                                                                                                  |
| <b>Oaklands Park</b><br><b>Johnstone Road and Dwyer Road</b>       | 8 votes in support |                | 2 votes in support | 4 votes against | <ul style="list-style-type: none"> <li>- Could be a small place of ambience</li> </ul>                                                                                                                                                                                                                 |
| <b>Park Holme</b><br><b>Oaklands Road and Melanto Terrace</b>      | 7 votes in support |                | 1 vote in support  | 4 votes against | <ul style="list-style-type: none"> <li>- Rezone residential 100%</li> </ul>                                                                                                                                                                                                                            |
| <b>Plympton Park</b><br><b>Bray Street and Hill Street</b>         | 8 votes in support |                | 3 votes in support | 3 votes against |                                                                                                                                                                                                                                                                                                        |
| <b>Warradale</b><br><b>Diagonal Road and Ormonde Avenue</b>        | 9 votes in support |                | 5 votes in support | 1 vote against  |                                                                                                                                                                                                                                                                                                        |
| <b>Warradale</b><br><b>Addison Road and Winton Avenue</b>          | 9 votes in support |                | 4 votes in support | 1 vote against  |                                                                                                                                                                                                                                                                                                        |
| <b>Warradale</b><br><b>Sturt Road and Launceston Avenue</b>        | 9 votes in support | 1 vote against | 2 votes in support | 3 votes against | <ul style="list-style-type: none"> <li>- Not enough parking on main road</li> </ul>                                                                                                                                                                                                                    |

**Local Centre Zones – City of Marion****APPENDIX 1**

|                                                               |                     |                                    |                    |                 |                                                                                    |
|---------------------------------------------------------------|---------------------|------------------------------------|--------------------|-----------------|------------------------------------------------------------------------------------|
| <b>Warradale</b><br><b>Keynes Avenue and Morphett Road</b>    | 10 votes in support | 1 vote against<br>(traffic issues) | 6 votes in support |                 | - Further north over the road most<br>definitely suitable for residential<br>above |
| <b>South Plympton</b><br><b>Cross Road and Mavis Avenue</b>   | 9 votes in support  | 1 vote against                     | 2 votes in support | 3 votes against |                                                                                    |
| <b>Sturt</b><br><b>Plymouth Avenue and Diagonal<br/>Road`</b> | 8 votes in support  |                                    | 2 votes in support | 2 votes against |                                                                                    |

## Neighbourhood Centre Zones – City of Marion

## APPENDIX 2

| NEIGHBOURHOOD CENTRE ZONE                               | Potential for mixed use development<br>(Residential above commercial/retail) |                 | Potential for council to enhance<br>public realm |                 | Other Comments                                                                                                                                                                                                                             |
|---------------------------------------------------------|------------------------------------------------------------------------------|-----------------|--------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | YES                                                                          | NO              | YES                                              | NO              |                                                                                                                                                                                                                                            |
| <b>Clovelly Park</b><br>South Road and Norrie Avenue    | 10 votes in support                                                          | 1 vote against  | 5 votes in support                               | 1 vote against  | <ul style="list-style-type: none"> <li>- Type of current shops may attract crowd</li> <li>- Car park always full</li> </ul>                                                                                                                |
| <b>Clovelly Park</b><br>Daws Road and Karong Avenue     | 10 votes in support                                                          |                 | 5 votes in support                               | 1 vote against  |                                                                                                                                                                                                                                            |
| <b>Darlington</b><br>Seacombe Road and Miller Street    | 9 votes in support                                                           | 1 vote against  | 6 votes in support                               |                 | <ul style="list-style-type: none"> <li>- Not enough parking</li> <li>- Yes to trees</li> <li>- Residential area improve image</li> <li>- Redevelopment would improve tired looking shops</li> </ul>                                        |
| <b>Darlington</b><br>Main South Road and Marion Road    | 8 votes in support                                                           | 2 votes against | 4 votes in support                               | 2 votes against | <ul style="list-style-type: none"> <li>- Too busy traffic issues</li> <li>- Yes for 3 storey</li> </ul>                                                                                                                                    |
| <b>Edwardstown</b><br>Cross Road and Almond Grove       | 10 votes in support<br>(Happening)                                           |                 | 2 votes in support                               | 4 votes against | <ul style="list-style-type: none"> <li>- Go 3 storey on main roads e.g. Cross, Morphett, Marion, Sturt, Seacombe Road</li> <li>- The two storey corner building was/is residential above</li> </ul>                                        |
| <b>Marion</b><br>Marion Road                            | 10 votes in support                                                          |                 | 4 votes in support<br>(Done in quality format)   | 2 votes against | <ul style="list-style-type: none"> <li>- Redevelopment may improve parking problems</li> </ul>                                                                                                                                             |
| <b>Mitchell Park</b><br>Sturt Road and Maple Avenue     | 8 votes in support                                                           | 1 vote against  | 2 votes in support                               | 6 votes against | <ul style="list-style-type: none"> <li>- Too busy, may be demolished</li> </ul>                                                                                                                                                            |
| <b>Morphettville</b><br>Morphett Road and Denham Avenue | 7 votes in support                                                           | 1 vote against  | 3 votes in support                               | 1 vote against  | <ul style="list-style-type: none"> <li>- Great opportunity – Make up for Telstra tower</li> <li>- Just been redeveloped – Maybe one side</li> <li>- This was currently updated by private owner to give vibrancies- Much needed</li> </ul> |

## Neighbourhood Centre Zones – City of Marion

## APPENDIX 2

|                                                                    |                                        |                |                    |                 |                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------|----------------------------------------|----------------|--------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Oaklands Park</b><br><b>Morphett Road and Jewell Street</b>     | 9 votes in support                     |                | 3 votes in support | 3 votes against | <ul style="list-style-type: none"> <li>- Stacks of parking</li> <li>- Best pizza in city</li> <li>- Need updating</li> <li>- Seen rubbish dumped on the site</li> <li>- Focus continuously</li> <li>- Why so many vacancies &amp; would development improve the situation</li> </ul>                  |
| <b>Park Holme</b><br><b>Marion Road and Chambers Street</b>        | 7 votes in support                     | 1 vote against | 3 votes in support | 3 votes against | <ul style="list-style-type: none"> <li>- Fix the traffic flows</li> <li>- Dreadful car flows – Directions about who gives way to whom in car park</li> </ul>                                                                                                                                          |
| <b>Seacliff Park</b><br><b>Seacombe Road and Davenport Terrace</b> | 9 votes in support                     |                | 3 votes in support | 2 votes against | <ul style="list-style-type: none"> <li>- Parking is an issue</li> </ul>                                                                                                                                                                                                                               |
| <b>Seacombe Gardens</b><br><b>Diagonal Road and Miller Street</b>  | 9 votes in support                     |                | 4 votes in support | 2 votes against |                                                                                                                                                                                                                                                                                                       |
| <b>Seacombe Gardens</b><br><b>Morphett Road and Ramsay Avenue</b>  | 8 votes in support                     |                | 2 votes in support | 3 votes against |                                                                                                                                                                                                                                                                                                       |
| <b>Seaview Downs</b><br><b>Seacombe Road and Warunda Avenue</b>    | 8 votes in support<br>(Absolutely yes) |                | 3 votes in support | 2 votes against | <ul style="list-style-type: none"> <li>- Popular- Good tenants</li> <li>- Shops look old &amp; tired</li> <li>- Need updating</li> <li>- With current layout no to enhance public realm</li> </ul>                                                                                                    |
| <b>Seaview Downs</b><br><b>Greenfield Road and Fowler Street</b>   | 7 votes in support                     | 1 vote against | 2 votes in support | 1 vote against  | <ul style="list-style-type: none"> <li>- Yes, potential for great views for 2nd storey and 3rd storey, yes!</li> <li>- Time to be 100% residential</li> <li>- Most definitely yes – looking dilapidated</li> <li>- Objection from neighbours south east of shops who will lose their views</li> </ul> |

## Neighbourhood Centre Zones – City of Marion

## APPENDIX 2

|                                                    |                    |                 |                    |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------|--------------------|-----------------|--------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sheidow Park<br>Edward Beck Drive and Young Street | 4 votes in support | 5 votes against | 1 votes in support | 4 votes against | <ul style="list-style-type: none"> <li>- It is currently Woodend Primary School &amp; no residences built above</li> <li>- School is currently growing in enrolments 800 +</li> </ul>                                                                                                                                                                                                                                                                                                                         |
| South Plympton<br>Marion Road and Thomas Street    | 8 votes in support |                 | 3 votes in support |                 | <ul style="list-style-type: none"> <li>- In current layout no to enhance public realm</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                              |
| South Plympton<br>Marion Road and Wood Street      | 9 votes in support | 1 vote against  | 3 votes in support | 3 votes against | <ul style="list-style-type: none"> <li>- Busy</li> <li>- With current layout no</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Warradale<br>Oaklands Road and Diagonal Road       | 9 votes in support | 1 vote against  | 3 votes in support | 2 votes against | <ul style="list-style-type: none"> <li>- Whole Centre - very impressive</li> <li>- Only enough house parking for the dwellings in the zone</li> </ul>                                                                                                                                                                                                                                                                                                                                                         |
| Warradale<br>Diagonal Road                         | 8 votes in support |                 | 4 votes in support | 2 votes against | <ul style="list-style-type: none"> <li>- Bernie Jones wanted a slight extension and parking was an issue</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                           |
| Trott Park<br>Heysen Drive and Hele Crescent       | 6 votes in support |                 | 2 votes in support | 1 vote against  | <ul style="list-style-type: none"> <li>- 2 or 3 storey commercial</li> <li>- Plenty of parking underutilized at moment</li> <li>- Good large enough site to keep distance from house</li> <li>- Second level could also be more room etc.</li> <li>- This area currently has no cafes, coffee shops at all. This site would be suitable for repurpose build incorporating 2 storey plus outdoor eating and cafe area</li> <li>- Yes but don't cut the trees</li> <li>- Yes mainly residential area</li> </ul> |



**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Kate McKenzie, Manager Governance

**Director:** Kathy Jarrett

**Subject:** Audit Committee Confirmation of Minutes of Meeting held on 13 October 2015

**Report Reference:** GC271015R04

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**DISCUSSION:**

The purpose of this report is to facilitate the receiving and noting of the minutes from the 13 October 2015 Audit Committee meeting. A summary of the items considered are noted below.

**6.1 Elected Member Report**

The Committee noted the written and verbal report from Councillor Pfeiffer including the new Terms of Reference for the Finance and Audit Committee. The Committee noted that this was Councillor Pfeiffer's last meeting and thanked him for his contribution for the past 12 months.

The Committee noted that a combination of reports related to the annual financial statement and received an overview of reports prior to commencing discussion on the individual reports.

**7.2 Independence of Council's Auditor for the year ending 30 June 2015**

A verbal report was received from Ms Penny Wood (Deloitte) attesting the auditor independence in accordance with the Local Government (Financial Management) Regulations 2011 and endorsed the CEO and Audit Committee Chair to sign the statement of independence.

**7.5 Meeting with the External Auditors in Confidence**

The Audit Committee Terms of Reference recognises that the Audit Committee will meet with both the external auditor and internal auditor without management at least once per year. The committee and Elected Members present held a discussion with Ms Penny Woods and Mr Jason Liu from Deloitte. The auditors reported that there were no issues of substance they wanted to raise with the Committee, and that the response and support from Management throughout the Audit was of the highest order. All issues and requests were dealt with in a timely and professional manner.

**7.3 Audited Annual Financial Statements for the year ending 30 June 2015**

The Committee recommended to Council that the audited Annual Financial Statements for the year ended 30 June 2015 be adopted. A separate report is included within the agenda for 27 October 2015 Council Meeting for consideration.

**7.1 Audit Committee Annual Report to Council**

The Committee noted the draft annual report and requested that it be further aligned with the Committees Terms of Reference. A separate report is included within the agenda for 27

October 2015 Council Meeting for consideration. The Presiding Member of the Audit Committee, Mr Greg Connor, will be at the meeting to present the report.

#### **7.4 Debtor Report**

The Committee noted the report and queried whether any debts were written off during the 2014/15 financial year and were advised that only a small number of very minor debts, totalling less than \$500, had been written off.

#### **7.6 Investment Report**

The Committee noted the Investment Performance Report 2014/15 and advised that it would be useful to benchmark against commercial rates being offered by one or more of the big 4 banks, in addition to the Reserve Bank cash rate.

#### **7.7 Asset Valuation Process and Outcomes for 2014/15**

The Committee noted the report and advised management to discuss the change in process regarding annual desktop valuations for Non-Infrastructure Assets with the external auditors (Deloitte) to ensure they were comfortable with the proposed change before implementing it.

#### **7.8 Hard Rubbish Service Review Project Brief**

The Committee noted the report and sought clarification regarding the scope and internal expertise to complete this review. It was noted that this project is the first new service review and the approach, information and expertise to be sought, will continue to be assessed as the review progresses.

#### **7.9 Internal Audit and Service Review Update**

The Committee noted the report and provided feedback that they supported the proposed approach for the service review program. The Committee requested that this report, with a progress update, be added to the Audit Committee meeting in December to enable the Committee to consider the Internal Audit and Service Review program in more detail.

### **RECOMMENDATIONS (1)**

### **DUE DATES**

#### **That Council:**

- |                                                                                                                             |              |
|-----------------------------------------------------------------------------------------------------------------------------|--------------|
| 1. Receive and note the minutes of the Audit Committee meeting of 13 October 2015 (Appendix 1).                             | October 2015 |
| 2. Note that separate reports will be brought to Council for consideration of any recommendations from the Audit Committee. | October 2015 |

**MINUTES OF THE AUDIT COMMITTEE MEETING  
HELD AT THE ADMINISTRATION CENTRE  
245 STURT ROAD, STURT  
ON TUESDAY 13 OCTOBER 2015**



**PRESENT**

Mr Greg Connor (Chair), Mr Lew Owens, Councillor Tim Pfeiffer

**In Attendance**

|                   |                                                               |
|-------------------|---------------------------------------------------------------|
| Mr Adrian Skull   | Chief Executive Officer                                       |
| Ms Kathy Jarrett  | Director                                                      |
| Mr Vincent Mifsud | Director                                                      |
| Ms Abby Dickson   | Acting Director                                               |
| Mr Ray Barnwell   | Manager Finance                                               |
| Ms Fiona Harvey   | Manager Strategy                                              |
| Ms Penny Woods    | Partner Deloitte Touche Tohmatsu (items 7.2, 7.3, 7.5)        |
| Mr Jason Liu      | Client Manager Deloitte Touche Tohmatsu (items 7.2, 7.3, 7.5) |

**1. OPEN MEETING**

The meeting commenced at 3.02pm. The Chair welcomed all those present to the meeting. The Chair advised the Committee that the order of the agenda will change to accommodate the series of discussions regarding the annual financial statements.

**2. KAURNA ACKNOWLEDGEMENT**

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

**3. MEMBERS 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 Chair noted his membership on the Southern Region Waste Resource Authority Audit Committee.

**4. CONFIRMATION OF MINUTES**

**Moved Councillor Pfeiffer, Seconded Mr Owens** that the minutes of the Audit Committee meeting held on 18 August 2015 be confirmed as a true and correct record of proceedings.

**Carried**

**5. BUSINESS ARISING**

The statement identifying business arising from previous meetings of the Committee was reviewed and progress achieved against identified actions was noted.

Confirmation was sought on the status of item 1, the Project Management Review. The Committee was advised that a body of work to develop a project management system has been conducted and will be presented to the Committee out of session for their feedback.

**Action: Circulate project management review report out-of-session to Audit Committee for their feedback.**

Confirmation was sought regarding item 2, the Debtors Aging report. The Committee was advised that this report would be included in the suite of annual reports to the Committee. This report will be brought to the Committee annually in conjunction with the presentation of the report on the Annual Financial Statements.

The Committee queried whether item 4, the driver safety training sessions were classroom based, and whether there was value in having practical session for drivers in higher risk roles. It was advised that data on motor vehicle incidents would be analysed to assess where practical training may be beneficial.

## **6. ELECTED MEMBER REPORT**

### **6.1 Elected Member Representative Report to Audit Committee Report Reference: AC131015R6.1**

Councillor Pfeiffer presented the Elected Member report and, in addition to the written report, informed that Committee that, under the newly adopted Council committee structure, he would not be nominating for reappointment to the new Finance and Audit Committee. Councillor Pfeiffer recognised the highly valuable work of the Audit Committee and thanked current and past members for their support during his time on the Committee.

The Committee noted the comprehensive nature of the Terms of Reference for the newly formed Finance and Audit Committee and sought clarification on item 6.5 in the terms of reference regarding the timing of the bi-annual review of the Committee's performance. The Committee was advised that a bi-annual review is due to be scheduled shortly and the methodology for the review used in the past, the LeBlanc survey, is being considered and may be revised for the next review.

**Action: Add the bi-annual review of the Committee to the 2016 annual work program**

The Committee also sought confirmation of the engagement term of the external auditor-Deloitte Touche Tohmatsu and were advised that their term expires at the end of 2015/16. The Committee were also advised that the external auditor has put in place a rotation policy in relation to the auditors undertaking audits at the City of Marion over the term of their engagement. The Committee was advised that the review of the contract for the engagement of the external auditor is included in its 2016 annual work program.

**Action: Add the external auditor contract review to the 2016 annual work program**

The Committee requested that any changes made to policies, Terms of Reference and other Committee documentation be marked in red when presented to the Committee so they can be easily recognised.

The Chairman also thanked Councillor Pfeiffer for his contribution to the Committee.

## **7. REPORTS**

### **Corporate and Financial Management**

The Chair noted the combination of reports relating to the Annual Financial Statements and advised the Committee that overviews from the City of Marion and the external auditor representing Deloitte Touche Tohmatsu would be provided and then the Committee will formally consider each individual report.

Mr. Barnwell, Manager Finance, provided a brief overview of the key points in relation to the City of Marion's 2014/15 Annual Financial Statements:

- A high level analytical review was provided (pages 191-192 of the agenda) which explained the main variances in the Comprehensive Income Statement and Statement of Financial Position against the 2013/14 position.
- The Statement of Comprehensive Income showed a continued sound financial performance with a positive underlying operating surplus for the tenth year in a row. The operating surplus reported for 2014/15 is \$10.027m. This included a substantial increase in Grants of \$2.3m predominantly relating to advance payment of an installment of 2015/16 Grants Commission's Financial Assistance Grants (FAG) received in the 2014/15 year.
- The adoption of the 2014/15 budget came with a commitment given to making a concerted effort and having a strong focus on pursuing efficiency and effectiveness savings throughout the year resulting in the strong financial position being presented in the 2014/15 annual Financial Statements.

Mr Barnwell informed the Committee that the audit process went very well, with no issues or delays arising. The result from the audit of the financial statements of no significant issues and an unmodified audit report being issued was very pleasing. In addition the audit on the effectiveness of Internal Controls demonstrated that all of last year's points raised had been appropriately dealt with.

3:25pm Ms Penny Woods, Partner and Mr Jason Liu, Client Manager Deloitte Touche Tohmatsu entered the meeting.

Ms Woods provided a verbal summary of key points regarding the 2014/15 audit of financial statements and internal controls. Ms Woods confirmed that the audit is now completed and Deloitte can now proceed to sign the financial statements. Ms Woods also confirmed that:

- The City of Marion would receive an unqualified audit opinion for the 2014/15 Annual Financial statements and an unqualified audit opinion on the effectiveness of the Internal Controls for 2014/15.
- There may be an opportunity for improvement moving forward to streamline and consolidate internal controls to reduce number of core controls.
- There were no issues raised during the audit process. Management has been very helpful with no delays encountered during the process.

The Committee noted the summaries provided by Mr Barnwell and Ms Woods and congratulated staff, and in particular the Finance Team, for the excellent results of the 2014/15 audit and its outcomes. It was noted that all actions from the previous year's audit on Internal Controls had been addressed which was very pleasing.

The Committee requested that the 'Analytical Review' provided in Appendix 6 (explaining the major variances shown in the Financial Statements) be presented in the future, at the front of

the suite of reports, as it provides valuable information in preparation for review of the detailed reports.

**7.2 Independence of Council's Auditor for the year ending 30 June 2015  
AC131015R7.2**

Deloitte Touch Tohmatsu's Partner Ms Woods provided a verbal statement of independence as part of her summary report to the Audit Committee.

**Moved Councillor Pfeiffer, Seconded Mr Owens** that the Audit Committee:

1. Note the statement provided by Council's Auditor attesting to their independence in accordance with the Local Government (Financial Management) Regulations 2011 for the 2014/15 financial year.
2. Note that the CEO will be signing a statement that Council's external auditor Deloitte Touche Tohmatsu maintained their independence in accordance with the Local Government (Financial Management) Regulations 2011 for the 2014/15 financial year.
3. Endorse the Chairperson signing a statement that Council's external auditor Deloitte Touche Tohmatsu maintained their independence in accordance with the Local Government (Financial Management) Regulations 2011 for the 2014/15 financial year.

**Carried**

**7.5 Meeting with external Auditors (in confidence)  
AC131015R7.5**

**Moved Councillor Pfeiffer, Seconded Mr Owens** that the Audit Committee:

1. pursuant to Section 90(2) and (3)(b) of the *Local Government Act 1999*, orders that all persons present, with the exception of Ms Penny Wood (Deloitte) be excluded from the meeting as the Audit Committee meets with Councils external auditor to discuss the end of financial year audit, on the basis that the Audit Committee 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 given the information relates to commercial information of the Council.

**Carried**

3:40 pm The meeting went into confidence and all staff present left the meeting.

The Audit Committee and Elected Members present held a discussion with Ms Penny Woods and Mr Jason Liu from Deloitte. Through the discussion the auditors reported that there were no issues of substance they wanted to raise with the Committee, and that the response and support from Management throughout the Audit was of the highest order. All issues and requests were dealt with in a timely and professional manner.

3.55 pm The meeting came out of confidence.

### **7.3 Audited Annual Financial Statements for the year ending 30 June 2015 AC131015R7.3**

The Committee considered the detailed audited annual Financial Statements for the year ending 30 June 2015 and sought clarity on a range of elements in addition to the Analytical Review presented in Appendix 6, accompanying the audited annual Financial Statements.

The Committee sought clarification on the increase in net surplus from operations, and was advised that a significant contribution to this surplus was due to the early receipt of a \$1.4m Financial Assistance Grant payment received in 2014/15 which relates to the 2015/16 financial year. The adoption of the 2014/15 budget also came with a commitment given to making a concerted effort and having a strong focus on pursuing efficiency and effectiveness savings throughout the year resulting in the strong financial position being presented in the 2014/15 annual Financial Statements.

The Committee noted that the 'Net Financial Liabilities' presented on page 42 of the report is not a ratio, rather a representation of total Net Financial Liabilities.

The Committee noted the variance in the prior year user charges figures provided in the Statement of Comprehensive Income and the Statement of Cash Flows, along with the reference to the full expenditure of grants for the Cove Civic Centre in 2013/14 on page 79 should be reviewed and appropriately updated prior to adoption by Council. They also reiterated the need to ensure explanatory notes provide clarity in areas of significant variances such as the increases in 'Physical Resources Received Free of Charge' from developers including roads, bridges and footpaths (page 68).

The Committee queried the reason employee leave expenses had increased in 2014/15 and were advised that this was due to improved reporting resulting in the 2014/15 leave expense being reflected more accurately. The Committee was also provided clarification that the contractors expenses only includes engagement of external parties. Agency hire staff are appropriately captured within Employee Costs and FTE numbers.

The Committee noted that the category under the Employer of Choice heading on pg 84 should be updated to read Work, Health and Safety.

The Committee discussed the process and controls in place for ensuring that monies allocated to Super Funds are actually paid into those funds. The Committee recommended that appropriate processes are in place as part of the Annual Financial Statements process to verify this.

**Action: Ensure appropriate processes are in place to verify that the transfer of funds to Superannuation Accounts occurs in accordance with legislative requirements.**

The Committee also sought clarification regarding whether any increase in employer contributions is needed into Defined Benefit Fund. The Committee was advised that an independent bi-annual actuarial review is undertaken to ensure contributions are adequate. The Committee was advised that current funding levels in the Defined Benefit Fund are adequate.

The Committee sought further details regarding the benefits in being part of the Council Solutions Regional Authority and advised it would be useful to provide an annual overview regarding the benefits in being part of both Southern Regional Waste Resource Authority (SRWRA) and Council Solutions.

**Action: Provide details regarding the benefits and value of being part of SRWRA and Council Solutions, to accompany the future annual Financial Statements reports.**

The Committee discussed the three key areas of focus included in the information paper 'Model Work Program for Council Audit Committees' developed by the Local Government Association and queried whether these areas had been adequately addressed as part of the preparation and deliberations on the annual financial statements. Confirmation was provided that these key areas of focus had been comprehensively covered, however cross referencing back to these areas of focus will become part of reporting in the future.

**Action: Cross reference against areas of focus in information paper 'Model Work Program for Council Audit Committees' and provide analysis as part of ongoing reporting to the Committee.**

**Moved Cr Pfeiffer, Seconded Mr Owens** that the Audit Committee:

1. Recommend to Council that the audited Annual Financial Statements for the year ended 30 June 2015, as attached at Appendices 1-4, be adopted.
2. Note Deloitte's management letter, as attached at Appendix 5
3. Note the comparative analysis to prior year Audited Financial Statements (Analytical Review), as attached at Appendix 6

**Carried**

4:30pm Ms Woods and Mr Liu left the meeting

## **7.1 Audit Committee Annual Report to Council 2014/15 Ref No: AC131015R7.1**

The Audit Committee noted the report and made the following comments:

The Committee requested that future annual reports align with the elements in the Committee's Terms of Reference. Clarification was provided that the annual agenda program for the Committee closely aligns with the Terms of Reference and the report follows the agenda structure. Further improvements will be made to the report to strengthen alignment with the Terms of Reference.

**Action – Cross reference the current Annual Report against the Committee's Terms of Reference to ensure all elements of Terms of Reference have been considered.**

The Committee requested that the draft Asset Management Plan approval process always includes tabling with the Audit Committee prior to presentation to the Council, as was the case in 2014/15.

The Committee also requested that a further key point be added to the report to reflect the focus on strengthening the information sharing and reporting between the Audit Committee and Council. It was agreed that a focus on embedding good two-way reporting over the past year has been very beneficial for both the Audit Committee and Council.



The Committee noted some minor editorial amendments to the Annual report which will be revised before tabling with Council on 27 October.

Councillor Gard sought advice regarding the need to strengthen reporting and alignment on delivery, particularly in respect of Council's resolutions, against various strategic, operational and financial plans. The Chair of the Audit Committee noted that this is a primary role and responsibility of the CEO. Ms Jarrett provided further clarity regarding the system of reporting of corporate KPIs on a quarterly basis to Council. This includes reporting progress of Council resolutions and will also focus on strengthening alignment of plans and delivery in 2015/16.

**Moved Mr Owens, Seconded Councillor Pfeiffer** endorses the Annual Report to Council for 2014/15 provided at Appendix 1 to this report, subject to amendments as required, prior to being presented to Council at the 27 October 2015 General Council meeting.

**Carried**

#### **7.4 Debtors Report AC131015R7.4**

The Committee noted the report and queried whether any debts were written off during the 2014/15 year and were advised that only a small number of very minor debts, totaling less than \$500, had been written-off during the year. As previously advised to the Committee the Debtors Ageing report will be provided annually with the year-end Financial Statements.

**Action: The Committee sought further information on the actual recovery of debts in the past year from debts preserved in the deferred rates category following sale of the property.**

#### **7.6 Investment Performance 2014/2015 AC131015R7.6**

The Committee noted the Investment Performance Report 2014/15 and sought clarification regarding the risk that may be associated with investing monies with the Local Government Finance Authority (LGFA) given the City of Marion's current consideration of its membership with the Local Government Association (LGA). The Chief Executive provided clarity that the LGFA is a separate entity to the LGA and membership of the LGA is not a prerequisite for the LGFA.

The Committee provided advice regarding benchmarking of investment performance, and that it would be useful to benchmark against commercial rates being offered by one or more of the big 4 banks, in addition to the Reserve Bank cash rate.

#### **7.7 Asset Valuation Process and Outcomes for 2014/2015 AC131015R7.7**

The Audit Committee noted the report and advised management to discuss the change in process regarding annual desktop valuations for Non-Infrastructure Assets with the external auditors (Deloitte) to ensure they were comfortable with the proposed change before implementing it.

The Committee also advised that the Non-Infrastructure valuation report should still be reviewed annually by Finance. This will ensure that if any material movements do occur, appropriate adjustments are made in the Annual Financial Statements to reflect these movements.

**Action: Seek advice from Deloitte regarding the proposed change to the desktop valuation process for Non-Infrastructure Assets prior to implementing the change.**

### **Risk Management**

Nil

### **Program Evaluation**

#### **7.8 Hard Rubbish Service Review Project Brief AC131015R7.8**

The Committee noted the report and sought clarification regarding the scope of the hard rubbish review, specifically whether it would include difficult waste streams such as e-waste, paint and batteries. The Committee was advised that the scope of the review would not include these types of waste, and would focus on waste that is part of the Hard Rubbish collection service. The importance of containing the scope of this review was explained to the Committee as this will be the first review under the new service review program and it provides a valuable project to inform the continued development of the system and review approach. Hence it is critical to complete this review in a timely manner to support the roll out of the next suite of reviews.

The Committee also queried whether there is adequate internal expertise regarding management of specialised waste streams and difficult waste management challenges. The Committee was advised that the City of Marion has good internal expertise for this review, and also has access to expertise at the Southern Region Waste Resource Authority, and other Councils such as City of Charles Sturt which has recently undertaken a targeted waste review from which we are able to learn. As this project is the first new service review, the approach, information and expertise to be sought, will continue to be assessed as the review progresses.

#### **7.9 Internal Audit and Service Review Update AC131015R7.9**

The Committee noted the report and provided feedback that they supported the proposed approach for the service review program. The Committee requested that this report, with a progress update, be added to the Audit Committee meeting in December to enable the Committee to consider the Internal Audit and Service Review program in more detail.

**Action: Add the Internal Audit and Service Review Update report to the December Audit Committee meeting agenda.**

The Committee discussed the way in which the services are defined and that this would likely influence the focus, process and outcomes of the review. They advised it would be worthwhile to compare the current City of Marion service list with the way in which other councils define their services. The Committee was advised that the service list and definitions will continue to

be reviewed and their priority for a service review will be considered at a number of levels. An update on this process will be provided to the Audit Committee at its December meeting.

## **8. CONFIDENTIAL ITEMS**

Nil

## **9. ANY OTHER BUSINESS**

The Audit Committee Chair invited the new Chief Executive Officer Mr Adrian Skull to provide any comments to the Committee. Mr Skull provided comments regarding a key priority being managing the carryover issues related to the Capital Works program and that he will ensure that this issue is managed as quickly and effectively as possible. He also informed the Committee that he provided a report to Council after his first 30 days in the role, covering his early views of a range of aspects of the organisation.

Councillor Pfeiffer sought clarification regarding contributed assets, and specifically whether engineering standards are required to be met for these assets. This question was taken on notice, with a response to be provided to the Audit Committee.

**Action: Provide the Audit Committee with comment regarding if contributed assets are specifically required to meet engineering standards.**

## **10. MEETING CLOSURE**

The meeting was declared closed at 5.27 pm

## **11. NEXT MEETING**

The next meeting of the Audit Committee is scheduled to be held on:

**Time: 3.00 pm - 6.00 pm**

**Date: 15 December 2015**

**Venue: Chamber, Administration Building, 245 Sturt Road, Sturt**

.....  
**CHAIRPERSON**

/ /

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 OCTOBER 2015**

**Originating Officer:** Kate McKenzie, Manager Governance  
**Director:** Kathy Jarrett  
**Subject:** Audit Committee Annual Report to Council 2014/15  
**Report Reference:** GC271015R05

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**REPORT OBJECTIVES:**

The primary objective of the 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 assists 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.

The Audit Committee Policy provides that the Audit Committee shall report annually to the Council on its operation and activities during the year. This report provides an important communication tool with Council in addition to the minutes received after each meeting.

**EXECUTIVE SUMMARY:**

The purpose of this report is to present the Audit Committee Annual Report for 2014/2015 to Council and to invite Council's feedback on the opportunities for continuing development of the Committee's operations. **Appendix 1** is a copy of the Report which provides a summary of the work of the Committee pursuant to the Committee's Terms of Reference and Annual Work Program.

Note that the Chairman of the Committee, Mr Greg Connor will be attending the meeting to present the report.

**RECOMMENDATIONS (2)**

**DUE DATES**

**That Council:**

- |                                                                                                                                       |                   |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>1. Note the Audit Committee's Annual Report to Council for 2014/15 provided at Appendix 1 to report reference GC271015R05</b>      | <b>October 15</b> |
| <b>2. Provides the following feedback to the Committee on opportunities for continuing development of the Committee's operations:</b> | <b>October 15</b> |
| <ul style="list-style-type: none"><li>-</li><li>-</li><li>-</li></ul>                                                                 |                   |

## **APPENDIX 1**

### **REPORT TO THE CITY OF MARION COUNCIL ON THE OPERATIONS OF THE AUDIT COMMITTEE FOR 2014/15**

#### **INTRODUCTION**

This report provides an overview of the City of Marion Audit Committee operations for 2014/15.

Clause 4.23 of the Audit Committee Policy provides that the Audit Committee shall report annually to the Council on its operation and activities during the year. This report includes:

- Key discussion points from Committee meetings for Council to note;
- A summary of the work the Committee performed during the year aligned to the Committee's Terms of Reference;
- A summary of the Committee's assessment of the City of Marion's risk and control framework;
- Details of meetings, including the number of meetings held during the period, and the number of meetings attended by each member;
- Advising future work scheduled for 2015/16.

The report is intended to invite comment from the Council on all of the above.

#### **KEY DISCUSSION POINTS FOR COUNCIL TO NOTE**

From the 2014/15 financial year, the key points that the Audit Committee would like Council to note are:

##### **Annual Business Plan and Budget & Long Term Financial Plan**

The Audit Committee highlighted early within this financial year that the likelihood of financial regulations for rate capping in Local Government was high. This provides an opportunity for the City of Marion to be sector leaders and adopt a sustainable rate increase closer to CPI. The draft Annual Business Plan and Budget for 2015/16 was considered by the Committee in conjunction with the LTFP and the following key points were raised:

- A consistent rate increase is preferable over the course of the Long Term Financial Plan as this avoids uncertainty and improves sustainability for rate payers.
- Long Term Financial sustainability should be the focus.
- Productivity improvements and efficiency gains would allow more to be done with fewer resources.
- A lower rate increase would be prudent.
- It would be unwise to reduce the rate knowing that it would create a forecast deficit in the future years without knowing the fiscal impact and assumptions used in modelling.

At its June 2015 meeting, the Committee congratulated the City of Marion on the savings achieved and acknowledged that Council set the rate for 2015/16 at 2.9%. The Committee did however caution the Council about the assumptions within the LTFP as these may create challenges in the future and further reviews should be considered.

## **Asset Management Framework and Plans**

The development and implementation of the Asset Management Framework and Plans was closely monitored by the Audit Committee throughout 2014/15. The Committee provided oversight and direction regarding the Asset Management Policy which places a priority on maintenance before renewal and renewal of assets before acquisition of new or upgrade of existing assets where it is cost effective to do so. The Committee was pleased to see that Asset Management Plans were in final draft by the end of the financial year and ready for community consultation. The Committee did note the funding shortfall of \$10.2m in the LTFFP which was highlighted as a best case scenario and suggested Council needs to regularly review this figure to ensure that any funding gaps are identified.

It is noted community consultation has been undertaken and that the outcomes are planned to be brought to the Committee and the Council during the 2015/16 financial year.

## **Significant Organisational Change**

The Committee has noted the significant organisational change during the 2014/15 financial year with the Local Government Elections held in November 2014. This meant a change in Mayor and seven (7) new Councillors being elected. Former Chief Executive Officer, Mark Searle resigned in March 2015 which created a change in key personnel. The Committee observed the organisation responded well to this change period.

## **SUMMARY OF WORK PERFORMED DURING THE YEAR**

The Audit Committee's Terms of Reference state that the Committee 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:

- External Audit
- Internal Audit & Service Reviews
- Financial Reporting and Prudential Requirements
- Internal Controls and Risk Management Systems
- Other matters within the Committee's Terms of Reference.

The significant items brought before the Committee for consideration during the year included:

### **External Audit 2013/14**

- The 2013/14 external audit was completed in accordance with the Australian Auditing Standards. No contraventions of the *Local Government Act 1999* were identified, and a unqualified audit opinion was given by Deloitte's identifying that:
  - The City of Marion financial report provides a true and fair view of the Council's financial position as at year end 2014/15.
  - Council would receive an unqualified audit opinion for the 2013/14 financial year with respect to the effectiveness of its internal control environment and Council's compliance with section 125 of the *Local Government Act 1999*.
  - The auditors did not note any issues regarding fraud (concerning an employee or management), there were no uncorrected misstatements or any uncorrected disclosure deficiencies in the financial statements.
- Key focus areas of the audit included infrastructure, property, plant and equipment and ensuring that major project spends were appropriately capitalised. The Auditors noted that the fair value of the assets as at 30 June 2014 was appropriately determined and disclosed. The Committee is now working on the end of financial year audit for the 2014/15 financial year.

- Other associated items received by the Audit Committee included Council's investment performance, Council Reserve Funds and confirmation of the on-going independence of Council's auditor.
- The Audit Committee met with Council's external Auditors in the absence of management. The Committee also met with the Internal Auditors without management being present. In both instances, both sets of auditors reported no significant issues regarding management.

### **Internal Audit & Service Reviews**

- The Committee noted that Internal Audit and Service Reviews would be tendered in the 2014/15 financial year and were advertised in April 2015.
- A number of scopes and reports were considered by the Committee which included both mandatory and discretionary service reviews as well as a series of core assurance audits.
- Various service review scopes and reports included:
  - Employer of Choice
  - Contractor Management
  - GST and FBT health check
  - Grant Management and Funding to the Community

### **Financial Reporting and Prudential Requirements**

- The Committee requested that a body of work be completed regarding the financial indicators currently used by Council. It was suggested that a more holistic approach be applied that looked beyond the operating statement. Three new indicators were introduced being Working Capital Ratio (Quick Ratio), Debt Service Coverage Ratio and Operating Cash Flow Average Ratio.
- The Committee requested and reviewed a debtors and debt collection report noting that debtors are split into two categories being sundry and rates. The Committee recommended that an ageing debtors report is presented to Council and Audit Committee at least once per year. It is noted that the reporting of ageing debtors on a monthly basis to Council has now been implemented.
- The Audit Committee did not consider any prudential reports pursuant to section 48 of the Local Government Act 1999 in the 2013/14 financial year.

### **Internal Controls and Risk Management**

- Strategic Risk Profile was reviewed and the Committee noted the next steps of reviewing of the Risk Management Framework/Policy and completion of the operational risk reviews at a business unit level.
- The Annual Work Health and Safety (WHS) Performance and Update Report was considered, highlighting that focus was being applied to systems, processes and implementation/training on key focus areas.
- Review of Council's claims management activity for the previous year.

### **Asset Management**

- The Committee reviewed the Community Facilities Partnership Program (CFPP) noting that the provisions set aside for this program were for building renewal. It was noted that the CFPP funding is now quarantined as part of the Asset Sustainability Reserve and the funds can only be accessed via Council resolution. It was noted that discipline needed to be applied by Council when accessing these funds to ensure used for building renewal.

- The Committee reviewed and recommended that Council adopt the Acquisition and Disposal of Land Assets Policy.

#### **Other**

- Various reports and/or policies were considered by the Committee including;
  - The draft CEO's Key Performance Indicators
  - Ombudsman's Annual Report 2013-14
- A joint workshop was held with Council and the independent members from the Strategic Directions Committee in July 2014 that focused on the future directions of the Asset Management Plans.

### **COMMITTEE'S ASSESSMENT OF THE CITY OF MARION'S RISK & CONTROL FRAMEWORK**

The Committee's assessment of the Council's Risk, Control and Audit Frameworks draws from a number of sources including Council's external and internal audits/reviews, and Council's control and risk frameworks.

The City of Marion's Enterprise Wide Risk Management Framework and Policy was revised in 2012/13 to further align to the ISO 31000 Risk Management Standard. The Framework and Policy will be refined in 2015/16 to further mature the risk management practices across the City of Marion.

It is evident that the risk framework and processes continue to mature and the current focus is on greater alignment between operational and strategic activities across the organisation. This creates a level of empowerment for the organisation as individuals can relate to how they are contributing to the strategic outcomes for the Council and community.

The Committee considered the corporate risk profile at its meeting on 15 June 2015 which was based on the six community themes within the Community Plan and one additional risk focused on the organisation. The Committee noted 7 main risks including controls and treatments.

The City of Marion Risk Framework and processes continue to be tailored to meet the needs of the organisation and form an integral part of the organisation's decision making processes.

### **DETAILS OF MEETINGS**

During 2014/15, a total of five (5) Audit Committee meetings were held being:

- 29 July 2014
- 14 October 2014
- 16 December 2014
- 14 April 2015
- 15 June 2015

The above meeting cycle is consistent with the requirements of the Committee's Terms of Reference which requires, at a minimum, the conduct of quarterly meetings. During 2014/15 financial year, the Committee thanked Ms Cathy Cooper for her 8 years of service on the Audit Committee and welcomed Ms Kathryn Presser.



Audit Committee member attendance at meetings during the year was:

| <b>Member</b>                                  | <b>Number of Meetings Eligible to Attend</b> | <b>Number of Meetings Attended</b> |
|------------------------------------------------|----------------------------------------------|------------------------------------|
| Mr Greg Connor<br>(Chairperson since Dec 2013) | 5                                            | 5                                  |
| Ms Cathy Cooper                                | 2                                            | 2                                  |
| Mr Lew Owens                                   | 5                                            | 4                                  |
| Ms Kathryn Presser                             | 1                                            | 1                                  |
| Councillor Tim Pfeiffer                        | 3                                            | 3                                  |
| Councillor Alice Campbell                      | 2                                            | 2                                  |

## **FUTURE WORK PROGRAM PROPOSAL**

Major items for the Committee to review and provide comment / feedback on during 2015/16 include:

- Asset Management Plans including asset renewal, purchase and/or disposal
- Service Reviews
- Bi Annual review of the Committee's operations and performance
- Draft Section 48 prudential reports for Council's progress on its strategic priorities.
- Service Reviews and Internal Audit Reports
- The annual joint workshop held between Council and the Committee.

## **CONCLUSION**

In conclusion, this report indicates that the Committee has undertaken its principal functions as set out in Section 126(4) of the Local Government Act 1999 which include:

- a) reviewing annual financial statements to ensure that they present fairly the state of affairs of the Council;
- b) proposing, and providing information relevant to, a review of the Council's strategic management plans or annual business plan; and
- c) Liaising with the Council's auditor.

The body of work undertaken by the Committee is continuing to develop over time and the Committee is striving to ensure that its work is useful in the context of contributing to the City of Marion's strategic objectives. The Committee invites Council's feedback on the opportunities for continuing development of the Committee's operations.

Finally, I record my thanks for the support and diligence of those involved in the Committee being my fellow Audit Committee members and the Council's Elected Members. I would also like to thank the management team for their hard work in the production of quality reporting that allows robust and fruitful discussions.

**Greg Connor**  
Chairperson

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** David Harman, Financial Accountant

**Corporate Manager:** Ray Barnwell, Manager Finance

**Director:** Vincent Mifsud

**Subject:** Annual Financial Statements for the year ended 30 June 2015

**Report Reference:** GC271015R06

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**REPORT OBJECTIVES:**

This report presents the City of Marion's Annual Financial Statements for the financial year ended 30 June 2015. Reports provided include:

- Appendix 1 Analytical Review – a comparative analysis to prior year Audited Financial Statements.
- Appendix 2 Annual Financial Statements for the year ended 30 June 2015.
- Appendix 3 Representation letters - audit of annual financial report for period 1 July 2014 to 30 June 2015. The purpose of these letters is to express an opinion as to whether the financial report is prepared in accordance with Australian Accounting Standards, the Local Government Act 1999 and other mandatory reporting requirements in Australia. These letters will be signed by Adrian Skull, CEO and Vincent Mifsud, Director.
- Appendix 4 External Auditor (Deloitte Touché Tohmatsu) report to Council.
- Appendix 5 Annual Financial Statements for Southern Region Waste Resource Authority.
- Appendix 6 Annual Financial Statements for Council Solutions Regional Authority.

These reports were provided for consideration to the Audit Committee on 13 October 2015 and have been fully endorsed by the Audit Committee for adoption prior to being brought to Council.

**EXECUTIVE SUMMARY:**

The 2014/15 Annual Financial Statements demonstrate Council's continued improvement in its financial performance, providing a sound basis for Council's long-term objectives set out in its Strategic Plan.

In adopting the 2014/15 Annual Budget in June 2014 there was a commitment given to making a concerted effort and having a strong focus throughout the year on achieving efficiency and effectiveness savings across the organisation, without impacting on service delivery outcomes. A primary objective of this was to ease the financial burden on rate payers. This has been achieved and is reflected in the significantly lower adopted rate rise of 2.9% for the 2015/16 year and forecast on-going average rate increases in the recently

adopted Long Term Financial Plan of 2.75% from 2016/17 onwards. The outcomes of these efficiency and effectiveness savings achieved in 2014/15 have been identified in the analysis of the Statement of Comprehensive Income with further detail attached at Appendix 1 (Analytical Review). This Analytical Review also provides an analysis of major variances in the Statement of Financial Position.

In summary an Operating Surplus of \$10.027m was achieved, which was \$6.284m above the original 2014/15 budget adopted by Council. The key factors resulting in this higher than expected operating surplus are:-

- Operating Expenditure (excluding Depreciation) – net savings of \$2.677m (4.3%) compared to adopted budget, including \$1.020m (3.1%) in Employee Costs primarily due to efficiency gains and savings achieved through vacancy management.
- Rates Rebates – savings of \$0.415m as a result of budgeted rebates anticipated for the transfer of SA Housing Trust properties in Mitchell Park to Community Housing Associations not eventuating.
- Operating Grants & Subsidies – an additional \$2.027m in grants were received, primarily as a result of an advance instalment \$1.4m of the 2015/16 Financial Assistance Grant revenue being received in the 2014/15 year.
- Other Income - \$0.401m higher, predominantly as a result of contributions being received from lessees for renewal works relating to the Major Sporting Hubs (\$0.460m).

The Annual Financial Statements of the City of Marion, for the year ended 30 June 2015, have been completed and Council's Auditors have indicated that they expect to issue an unmodified audit opinion subject to the satisfactory completion of the following matters:

- A subsequent events review up to the date of the audit opinion
- Receipt of management's signed representation letters

As outlined in their Management Letter (Appendix 4) Deloitte are satisfied that 11 of the 12 prior year audit findings have now been fully implemented with the one finding not implemented being acknowledged as acceptable given the cost of implementation against the low level of risk. This year there was one Audit finding which management agree with and will implement the recommended action as noted. In addition there were 7 recommendations made to further strengthen our Internal Control environment, with 6 of these being categorised as 'insignificant' under the risk matrix and the other one as 'minor'. Management have agreed to appropriately implement all of these recommendations.

This report has been prepared in accordance with section 127 of the Local Government Act and the Local Government Accounting Regulations.

In accordance with section 125 of the Local Government Act 1999 Council's external auditors have also assessed the Internal Financial Control environment in regards to Council's compliance with all material aspects of the Act.

As part of the annual audit process, Council's external auditors perform a number of minor grant audits, which are required as part of each individual funding agreement, and these have also been appropriately completed.

### Next Steps

Following the adoption of the 2014/15 Audited Financial Statements the 1<sup>st</sup> Budget Review 2015/16 process will be conducted, which includes:-

- transferring the 2014/15 Carryovers & Unexpended Grants of \$15.2m (being Carryovers of \$8.8m and Unexpended Grants of \$6.4m) into the 2015/16 budget;
- reconciling and identifying the 2014/15 funding savings achieved against adopted budget.

**RECOMMENDATIONS (3)****DUE DATES****That Council:**

- |                                                                                                                    |                      |
|--------------------------------------------------------------------------------------------------------------------|----------------------|
| 1. Adopts the audited Annual Financial Statements for the year ended 30 June 2015 (Appendix 2).                    | <b>27 OCTOBER 15</b> |
| 2. Receive the Southern Region Waste Resource Authority (SRWRA) 2014/15 audited Financial Statements (Appendix 5). | <b>27 OCTOBER 15</b> |
| 3. Receive the Council Solutions Regional Authority 2014/15 audited Annual Financial Statements (Appendix 6).      | <b>27 OCTOBER 15</b> |

## BACKGROUND AND DISCUSSION

The Statements have been prepared in accordance with applicable Australian Accounting Standards and the Local Government Regulations.

The Local Government Accounting Regulations require that a Council must prepare its accounts for audit by the second Friday in October and on or before 30 November, supply a copy of the Audited Financial Statements to each of the following:

- The Minister
- The Local Government Grants Commission
- The Deputy Commonwealth Statistician and Government Statistician

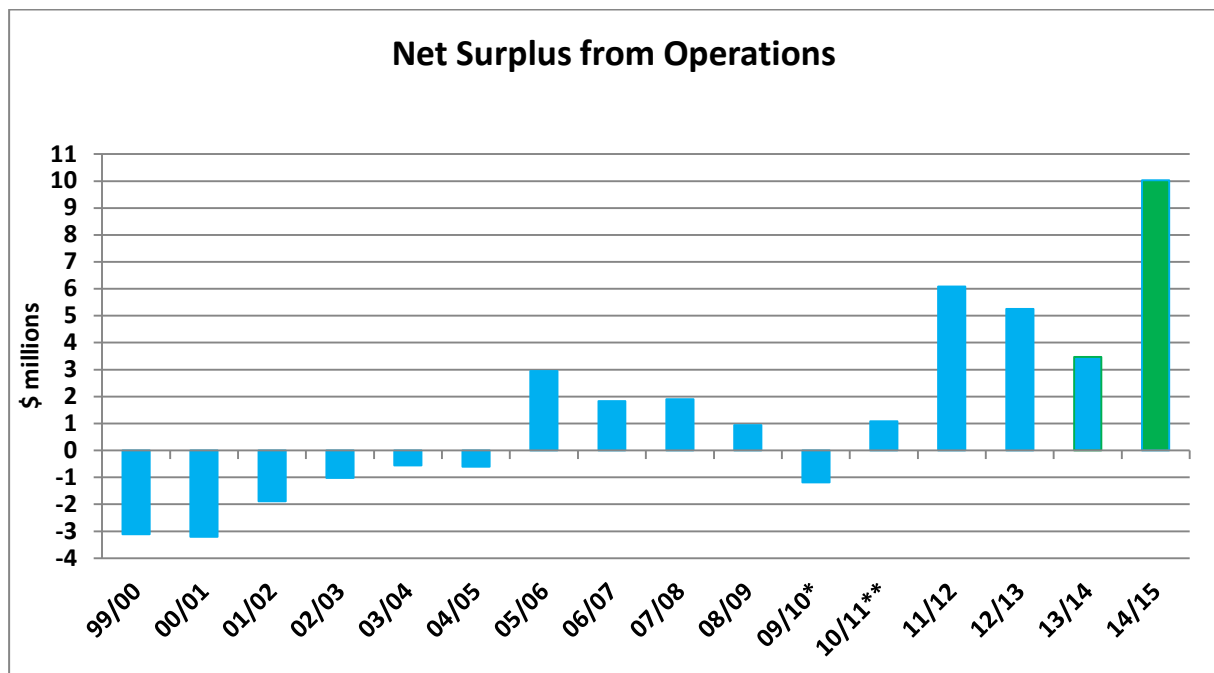
Four main Statements are prepared and these are summarised below.

### ANALYSIS:

#### Statement of Comprehensive Income

The Statement of Comprehensive Income details Council's revenues and expenses for the reporting period and reveals an operating surplus (before capital revenues and contributed assets) of \$10.027m for 2014/15 compared to an operating surplus of \$3.467m for 2013/14.

The increase in Operating Surplus is primarily due to an increase in operating income of \$7.082m whilst maintaining operating expenses to a minimal increase of \$0.522m for the 2014/15 year.



\* The underlying operating surplus for 2009/10 after adjusting for the once-off Domain Land transfer for the SA Aquatic and Leisure Centre is \$4.787m.

\*\* The underlying operating surplus for 2010/11 after adjusting for the once-off cash contribution for the SA Aquatic and Leisure Centre is \$6.078m

#### Operating Income

Total Operating income for 2014/15 was \$81.976m compared to \$74.894m in 2013/14. The increase of \$7.082m (9.4%) is mainly attributed to the adopted increase in Rates of \$3.7m (4.1% + growth of 1.0%) and a substantial increase in Grants, Subsidies and Contributions of \$2.3m (42.7%).

This substantial increase in Grants, Subsidies and Contributions of \$2.3m predominantly relates to timing of the payment of the Grants Commission's Financial Assistance Grants (FAG) which is normally paid in quarterly instalments. The first two payments for 2013/14 were received in advance in June 2013 (\$1m), after which the timing of these payments was scheduled to revert back to normal. This resulted in only two instalments (\$1.7m) of the 2013/14 FAG being received in 2013/14. The full payment of the 2014/15 FAG (\$2.7m) was paid in 2014/15 financial year, however on 30 June 2015 the Grants Commission paid in advance the first two instalments of the 2015/16 FAG, resulting in a total of six quarterly instalments being paid in 2014/15 compared to only two in 2013/14. The table below illustrates the distortion created by the timing of the payment of these grants.

|                                                           | Financial Year FAG Paid |         |         |                     |         |
|-----------------------------------------------------------|-------------------------|---------|---------|---------------------|---------|
|                                                           | 2012/13                 | 2013/14 | 2014/15 | Variance<br>2014/15 | 2015/16 |
| Grants Commission's Financial Assistance Grants - 2013/14 | \$1.0m                  | \$1.7m  | -       |                     | -       |
| Grants Commission's Financial Assistance Grants - 2014/15 | -                       | -       | \$2.7m  |                     | -       |
| Grants Commission's Financial Assistance Grants - 2015/16 | -                       | -       | \$1.4m  |                     | \$1.3m  |
|                                                           | \$1.0m                  | \$1.7m  | \$4.1m  | \$2.4m              | \$1.3m  |

### Operating Expenses

Total Operating expenses for 2014/15 were \$71.949m compared to \$71.427m in 2013/14. The minimal increase of \$0.522m (0.73%) is mainly attributed to a concerted effort and strong focus on achieving efficiency and effectiveness savings across the organisation.

Employee costs increased marginally \$0.225m (0.7%) in 2014/15 from 2013/14. This is primarily due to efficiency gains and savings achieved through vacancy management (\$1.020m) which have to a large degree offset increased costs incurred through Councils wages and salaries EB agreements.

Finance costs rose by \$0.442m in 2014/15 as a result of borrowings (\$9m) taken out in June 2014 for one of Councils major projects, the construction of the recently opened Cove Civic Centre.

Achieving a reduction in Materials, Contracts and Other expenses of \$0.563m in 2014/15 helped to offset the increases outlined above.

### Capital Revenues and Contributed Assets

Other key variances reported on the Statement of Comprehensive Income are *Amounts Received Specifically for New or Upgraded Assets* (up \$1.4m) relating to an increased number of projects attracting external funding, and *Contributed Assets* (up \$6.8m) with the majority of this relating to infrastructure in a new residential development at Hallett Cove, including a retaining wall with a value of \$4.45m.

Variances against the 2013/14 Statement of Comprehensive Income are discussed in detail in the Analytical Review (Appendix 1).

## Key Operating Ratios

| <b>OPERATING SURPLUS RATIO</b>                     | <b>2015</b> | 2014 | 2013 | 2012 | 2011 |
|----------------------------------------------------|-------------|------|------|------|------|
| <u>Operating Surplus (before capital revenues)</u> | <b>15%</b>  | 6%   | 9%   | 11%  | 2%   |
| Rates - general and other less NRM levy            |             |      |      |      |      |

This ratio expresses the operating surplus/ (deficit) as a percentage of general and other rates, net of rebates. The target for this ratio is between 0 and 5% on a 5 year rolling average.

*Comment:*

- The target set in Council's Long Term Financial Plan is to "maintain a financial position at an average of between 0 and 5% over any five financial years" however this was exceeded in the 5 years to 2014/15, with an average ratio of 8.6%. As per the 2015/16 Annual Business Plan and Budget, the target for next year is between 0 and 6% (adjusted for extraordinary items). This year's ratio has been impacted by significant savings achieved as a result of an organisation wide focus on efficiency and effectiveness savings together with the receipt of operating revenues over and above original budget. As a result the total operational costs have only marginally increased \$0.522m (0.7%). In addition, the impact on this ratio caused by the receipt of two of the 2015/16 FAG payments of \$1.4m being received in advance in the 2014/15 year as discussed earlier is 2%.

| <b>RATE REVENUE RATIO</b> | <b>2015</b> | 2014 | 2013 |
|---------------------------|-------------|------|------|
| <u>Rate Revenue</u>       | <b>82%</b>  | 85%  | 81%  |
| Operating Revenue         |             |      |      |

This ratio expresses rate revenue as a percentage of operating revenue.

Although this ratio is not a prescribed ratio 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.

*Comment:*

To address the dependency of Council on rate revenue the following programs have been implemented:

- Grants Co-Design Group focused on internal training and development of Council officers to maximise grant opportunities.
- Annual review of Fees and Charges Schedule.

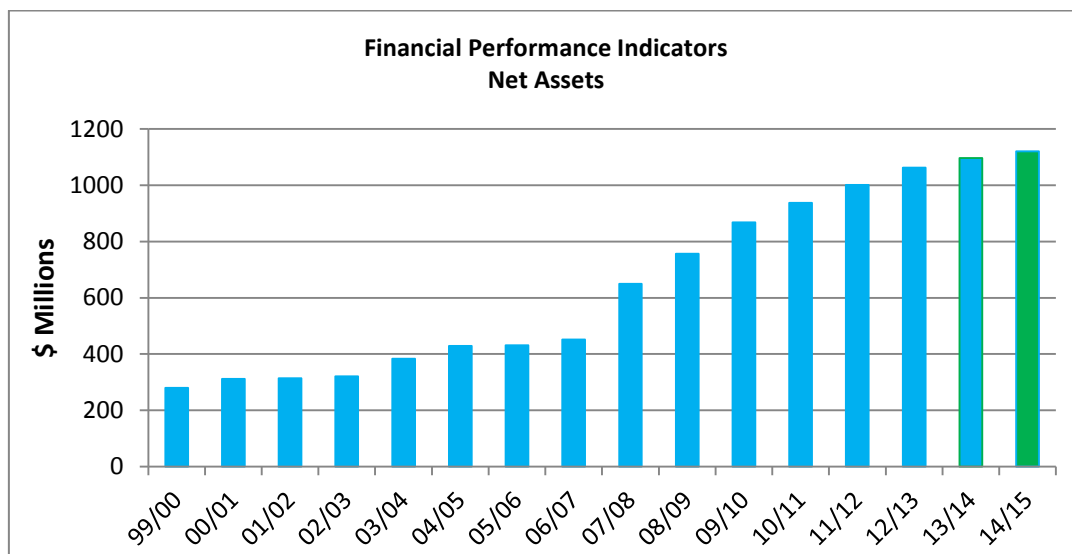
## Statement of Financial Position

The Statement of Financial Position provides details of Council's assets, liabilities and equity as at 30 June 2015.

It should be noted that there has been a reclassification to the 2013/14 year of \$8.9m from Cash to "Other Financial Assets" as the maturity dates of some fixed term deposits were greater than 90 days from the end of the Financial Year. This compares with a figure of \$2.7m for 2014/15, with the reduction being predominantly due to funding for the construction of the Cove Civic Centre which utilised loan funding taken out in June 2014.

The majority of Council's assets relate to community property and infrastructure assets (roads, paths, drainage, etc).

The following graph illustrates the increase in Council's total equity from \$279.8m in 1999/00 to \$1,120.5m in 2014/15.



This identifies the continued increase in Council's net assets which can mainly be attributed to revaluations of its Infrastructure assets as noted in the following table.

|                | 2014<br>\$'000 | 2015<br>\$'000 | Increase<br>\$'000 |
|----------------|----------------|----------------|--------------------|
| Infrastructure | 633,645        | 651,612        | 17,967             |
| Buildings      | 85,096         | 92,075         | 6,979              |

#### Infrastructure, Property, Plant & Equipment (IPPE):

Council's IPPE increased by \$24.032m (2.2%) compared to 2013/14. The majority of the increase relates to a revaluation of \$6.8m in infrastructure assets, the construction of the Cove Civic Centre (\$10.4m to date) and the contribution of \$8.2m in assets, predominantly encompassing infrastructure from Developers.

Other variances when comparing 2014/15 against the 2013/14 Statement of Financial Position are discussed in detail in the Analytical Review provided at Appendix 1.

#### Key Financial Position Ratios

| WORKING CAPITAL RATIO | 2015 | 2014 |
|-----------------------|------|------|
|                       | 1.0  | 0.8  |

Current Assets – Restricted Assets

Current Liabilities – Liabilities Associated with Restricted Assets

This ratio focuses on the liquidity position of Council, adjusting for restricted assets (e.g. 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).

Council's target for this ratio is between 1.0 and 1.1.

*Comment:*

Council's cash flow is in a good position to undertake day to day operations.



| <b>ASSET SUSTAINABILITY RATIO</b> | <b>2015</b> | 2014 | 2013 |
|-----------------------------------|-------------|------|------|
| <u>Net Asset Renewals</u>         | <b>76%</b>  | 57%  | 80%  |
| Depreciation Expense              |             |      |      |

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.

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.

*Comment:*

Council's Long Term Financial Plan (LTFP) achieves a target of 95-100% in future years by providing increased funding for renewal of assets, including the upgrade and renewal of Council's City Services Depot. Going forward this ratio will be calculated using the average required renewal as per Council's Asset Management Plans.

| <b>ASSET CONSUMPTION RATIO</b>              | <b>2015</b> | 2014 | 2013 |
|---------------------------------------------|-------------|------|------|
| <u>Carrying value of depreciable assets</u> | <b>80%</b>  | 81%  | 81%  |
| Gross value of depreciable assets           |             |      |      |

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. The ratios reflected above indicate on average a relatively high remaining useful life for assets.

Council's target for this ratio is between 80-100%.

*Comment:*

A ratio higher than 80% indicates that Council's overall asset base has on average a relatively high remaining useful life.

## 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 as at the 30 June 2015 were \$11.9m a net decrease of \$1.6m over the level of borrowings in June 2014.

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

## Key Debt Ratios

| <b>NET FINANCIAL LIABILITIES</b> | <b>2015</b>    | 2014    | 2013     |
|----------------------------------|----------------|---------|----------|
|                                  | <b>\$'000</b>  | \$'000  | \$'000   |
|                                  | <b>(1,284)</b> | (6,271) | (12,815) |

Net Financial Liabilities for the purpose of this financial indicator is defined as total liabilities less non-equity financial assets. This indicator is a measure of Council's total indebtedness. The level of net financial liabilities increases when a net borrowing occurs.

*Comment:*

The negative result as shown above indicates that Council's non-equity financial assets are greater than its total liabilities. This result is due to a substantial holding of cash and other financial assets

totalling \$22.4m, of which \$15.2m is allocated for unexpended grants and uncompleted capital projects carried over to 2015/16 which, when taken into account would give Council a Net Financial Liability position of \$13.9m.

| <b>NET FINANCIAL LIABILITIES RATIO</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> |
|----------------------------------------|-------------|-------------|-------------|
| <u>Net Financial Liabilities</u>       | <b>(2%)</b> | (9%)        | (18%)       |
| Total Operating Revenue                |             |             |             |

This ratio indicates the extent to which net financial liabilities of the council can be met by the council's total operating revenue and is based on the Net Financial Liabilities above.

*Comment:*

Without the additional cash holding and other financial assets mentioned above this ratio would actually be 17%, which sits at the lower end of Council's target range of 0 - 50%. Council's capacity to meet its financial obligations from operating revenues is strong and it has capacity to meet future requirements identified in its Long Term Financial Plan.

| <b>INTEREST COVER RATIO</b> | <b>2015</b>   | <b>2014</b> | <b>2013</b> |
|-----------------------------|---------------|-------------|-------------|
| <u>Net Interest Expense</u> | <b>(0.1%)</b> | (0.5%)      | (1.0%)      |
| Total Operating Revenue     |               |             |             |

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.

*Comment:*

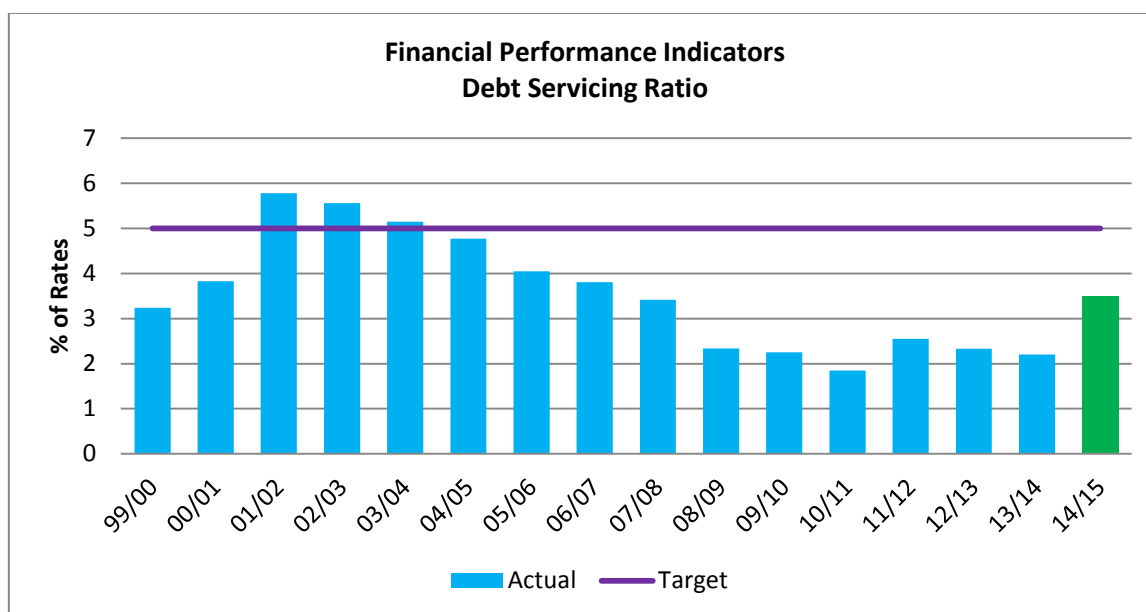
Negative ratios have been recorded for the past 3 years reflecting interest revenues being greater than interest expenses.

| <b>DEBT SERVICING RATIO</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> |
|-----------------------------|-------------|-------------|-------------|
| <u>Principal + Interest</u> | <b>3.5%</b> | 2.2%        | 2.3%        |
| Total Rate Revenue          |             |             |             |

This ratio identifies Council's ability to services its debt obligations from rate revenues, with a maximum target set at 5%.

*Comment:*

The ratio confirms that Council has a low debt holding and is well positioned for the borrowing program as outlined in its Long Term Financial Plan. The 3.5% result is below the maximum target of 5% as illustrated in the graph below.



## 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 \$1,120.5m as reflected in the Statement of Financial Position.

## Cash Flow Statement

The Cash Flow Statement details the cash movements for the year ended and reconciles with Note 11 of the Annual Financial Statements. In line with the Statement of Financial Position, the Cash Flow Statement has seen a restatement of the 2013/14 year with \$8.9m now being classified as "Other Financial Assets" and therefore is no longer included in the Cash Flow Statement.

The Statement indicates a cash surplus of \$19.7m compared with \$19.2m in 2013/14. As previously mentioned a significant portion of the cash position is committed to carryovers, unexpended grants and retimed works (\$15.2m).

## Key Cash Ratios

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| <b>OPERATING CASH FLOW COVERAGE</b> | <b>2015</b>   | <b>2014</b>   |
|                                     | <b>133.8%</b> | <b>100.8%</b> |

### Cash Flows from Operations – (Loan Principal Repayments)

Average Annual Optimal Level of Expenditure per Council's Asset Management Plans

This ratio identifies Council's abilities to fund its operating and capital expenditure requirements without the need for significant sudden rate increases or service reductions, and whilst continuing to maintain intergenerational equity and the sustainable and responsible use of borrowings.

Council's target for this ratio is between 100% and 105%.

### *Comment:*

Whilst the 2014/15 result is above the targeted range, this is predominantly due to the strong focus this year on achieving efficiency and effectiveness savings across the organisation (\$2.677m against original budget), together with higher than budgeted operating revenue (\$3.052m against original budget). If these were excluded (net \$5.729m) then this ratio would be 98.5%.

## RESERVE FUNDS

A review of the balances of these reserves indicates that they are at a level sufficient to meet their purpose and intent which are listed in *Note 9 Reserves* in Appendix 2. Council's current Reserve funds are made up of the following:

### **Grants and Carryovers Reserve: \$15.211m**

This is predominantly made up of capital works totalling \$6.943m and grant funded carryover projects totalling \$6.385m including Grants Commission Financial Assistance grant funding received in advance for the 2015/16 year (\$1.437m).

### **Open Space Reserve: \$0.857m**

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

**Asset Sustainability Reserve****\$3.136m**

It is considered by management that the balance of this fund at 30 June 2015 is adequate to meet its intended purpose which now includes the Community Facility Partnership Program (CFPP) funding. The balance of \$3.135m at 30 June 2015 represents funding set aside for the sustainable maintenance and renewal of existing assets, including sufficient funds (minimum of \$2m) to enable Council to respond to a major infrastructure failure.

Note: As at the 30 June 2015, taking into consideration all carried over and retimed works, current payables and receivables these reserve funds are 100% cash-backed.

**Equity Accounted Investments**

Council has part ownership in two equity accounted investments and is required to include its equity share in these in its Annual Financial Statements along with copies of these entities' Financial Statements.

Southern Region Waste Resource Authority (SRWRA)

SRWRA provides and operates services for the management of waste and waste facilities on behalf of its constituent councils – The Cities of Onkaparinga, Marion and Holdfast Bay – ensuring that a long term Waste Management Strategy exists in the southern region of Adelaide. The City of Marion has a 30% share in SRWRA.

It should be noted that whilst there was a significant contribution from SRWRA towards Council's operating income that this was non-cash. SRWRA needs to generate operating surpluses during its operation as it will require funds to facilitate remediation at some stage in the future when it is no longer collecting waste.

Council Solutions

Council Solutions is a joint initiative of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully. Its purpose is to optimise the financial sustainability of its constituent councils through the benefits of collaborative strategic procurement and contract negotiation and management. The City of Marion has a 16.67% share in Council Solutions.

**CONCLUSION:**

The Annual Financial Statements demonstrate Council's continued improvement in its financial performance, providing a sound basis for Council's long-term objectives set out in its Strategic Plan.

Appendix 1 – Analytical Review of Statement of Comprehensive Income and Statement of Financial Position

Appendix 2 – Audited Financial Statements 2014/15

Appendix 3 – Representation letters

Appendix 4 – External Auditor Report to Council and Board Audit Committee Report

Appendix 5 – Audited SRWRA General Purpose Financial Reports 2014/15

Appendix 6 – Audited Council Solutions General Purpose Financial Reports 2014/15

**Statement of Comprehensive Income**

|                                                                         | 2014/15       | 2013/14       | Variance        | Variance     | Analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------|---------------|---------------|-----------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                         | \$000's       | \$000's       | \$000's         | %            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Income</b>                                                           |               |               |                 |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Rates Revenues                                                          | 67,465        | 63,765        | 3,700           | 6%           | Rate increase of 4.1% plus growth of 1.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Statutory Charges                                                       | 1,749         | 1,715         | 34              | 2%           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| User Charges                                                            | 1,689         | 1,571         | 118             | 8%           | 20% increase in revenue from Swimming Pool \$114k - attributable to combination of favourable weather conditions and the installation of a new waterslide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Grants, Subsidies & Contributions                                       | 7,694         | 5,391         | 2,303           | 43%          | Predominantly relates to timing of the payment of the Grants Commission's Financial Assistance Grants (FAG) which is normally paid in quarterly instalments. The first two payments for 2013/14 were received in advance in June 2013 (\$1m), after which the timing of these payments was scheduled to revert back to normal. This resulted in only two instalments (\$1.7m) of the 2013/14 FAG being received in 2013/14. The full payment of the 2014/15 FAG (\$2.7m) was paid in 2014/15 financial year, however on 30 June 2015 the Grants Commission paid in advance the first two instalments of the 2015/16 FAG, resulting in a total of six quarterly instalments being paid in 2014/15 (\$4.1m) compared to only two in 2013/14. |
| Investment Income                                                       | 888           | 793           | 95              | 12%          | Greater opening cash balance held at beginning of year resulted in increased average interest across the year - refer Investment Report                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Reimbursements                                                          | 874           | 898           | (24)            | (3%)         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Other Income                                                            | 800           | 315           | 485             | 154%         | Contributions from lessees for renewal works relating to the Major Sporting Hubs (\$460k)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Net Gain - Equity Accounted Businesses                                  | 817           | 446           | 371             | 83%          | Movement in equity accounted investments - refer SRWRA and Council Solutions Annual Financial Statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Total Income</b>                                                     | <b>81,976</b> | <b>74,894</b> | <b>7,082</b>    | <b>9%</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Expenses</b>                                                         |               |               |                 |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Employee Costs                                                          | 31,757        | 31,532        | 225             | 1%           | Pay increase of 3.4% Salary, 4.23% Wages less substantial savings (\$1.020m against original budget) from temporarily vacant positions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Materials, Contracts & Other Expenses                                   | 26,418        | 26,981        | (563)           | (2%)         | Reduction in training (\$186k), works performed on non-Council owned land in relation to Cove Civic Centre car parking in 2013/14 (\$372k). Also a number of other net minor variances for items including but not limited to Masterplanning, utility costs, elections, and recruitment.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Depreciation, Amortisation & Impairment                                 | 12,974        | 12,556        | 418             | 3%           | Variances related to an increase in capital value relating to revaluations from 2013/14 and additions and disposals of assets during 2014/15 - refer Annual Financial Statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Finance Costs                                                           | 800           | 358           | 442             | 123%         | Extra interest on new borrowings (\$9m) taken out at end of 2013/14. Reduction in interest on other loans means variance is slightly less than this.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Total Expenses</b>                                                   | <b>71,949</b> | <b>71,427</b> | <b>0</b>        | <b>0%</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Operating Surplus/(Deficit)</b>                                      | <b>10,027</b> | <b>3,467</b>  | <b>6,560</b>    | <b>189%</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Asset Disposal & Fair Value Adjustments                                 | (202)         | (527)         | 325             | (62%)        | Asset disposal related differences                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Amounts Received Specifically for New or Upgraded Assets                | 1,831         | 438           | 1,393           | 318%         | Increase in number of NEW asset related projects that received external funding contributions both directly from Govt sources and via sporting clubs, etc. Including but not limited to: Major Sporting Hubs, Inclusive Playspace, Oaklands Wetland, Mike Turtur Bikeway, Jervois Street Reserve, Heron Way Commemorative Space, Southbank Boulevard Toilet and Trott Park Dog Park.                                                                                                                                                                                                                                                                                                                                                       |
| Physical Resources Received Free of Charge                              | 8,242         | 1,490         | 6,752           | 453%         | Increase in contributed assets, with significant contributions in 14/15 relating to new developments in Hallett Cove                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Net Surplus/(Deficit)</b>                                            | <b>19,898</b> | <b>4,868</b>  | <b>15,030</b>   | <b>309%</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Other Comprehensive Income</b>                                       |               |               |                 |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Changes in Revaluation Surplus - IPP&E                                  | 3,556         | 30,242        | (26,686)        | (88%)        | Decrease in revaluation against prior year \$26,686k - refer Annual Financial Statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Share of Other Comprehensive Income - Equity Accounted Council Business | 0             | (890)         | 890             | (100%)       | SRWRA Devaluation in prior year \$890k - refer SRWRA Annual Financial Statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Total Other Comprehensive Income</b>                                 | <b>3,556</b>  | <b>29,352</b> | <b>(25,796)</b> | <b>(88%)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Total Comprehensive Income</b>                                       | <b>23,454</b> | <b>34,220</b> | <b>(10,766)</b> | <b>(31%)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

**Statement of Financial Position**

|                                                    | 2014/15          | 2013/14          | Variance       | Variance     | Analysis                                                                                                                                                                                                                                                                                |
|----------------------------------------------------|------------------|------------------|----------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                    | \$000's          | \$000's          | \$000's        | %            |                                                                                                                                                                                                                                                                                         |
| <b>ASSETS</b>                                      |                  |                  |                |              |                                                                                                                                                                                                                                                                                         |
| <b>Current Assets</b>                              |                  |                  |                |              |                                                                                                                                                                                                                                                                                         |
| Cash & Cash Equivalents                            | 19,688           | 19,165           | 523            | 3%           | Current year variance is due to the difference between extra cash generated through income statement variations and funding used for asset renewal and upgrade. (Note:- There was also a reclassification of \$8.9m from the 2013/14 Cash balance into "Other Financial Assets" below.) |
| Trade & Other Receivables                          | 4,036            | 3,545            | 491            | 14%          | Increase includes DPTI contribution of \$275k, and Club contributions (\$110k) towards the Major Sporting Hub works - both related to grant funding                                                                                                                                     |
| Other Financial Assets                             | 2,750            | 8,900            | (6,150)        | (69%)        | Relates to current term deposits with over 90 days to maturity (reclassification in 2013/14 of \$8.9m from Cash & Cash Equivalents)                                                                                                                                                     |
| Inventories                                        | 166              | 172              | (6)            | (3%)         |                                                                                                                                                                                                                                                                                         |
| <b>Total Current Assets</b>                        | <b>26,640</b>    | <b>31,782</b>    | <b>(5,142)</b> | <b>(16%)</b> |                                                                                                                                                                                                                                                                                         |
| <b>Non-Current Assets</b>                          |                  |                  |                |              |                                                                                                                                                                                                                                                                                         |
| Equity Accounted Investments in Council Businesses | 5,120            | 4,363            | 757            | 17%          | Movement in equity accounted investments - refer SRWRA and Council Solutions Annual Financial Statements                                                                                                                                                                                |
| Infrastructure, Property, Plant & Equipment        | 1,101,403        | 1,077,371        | 24,032         | 2%           | Capitalisation of the Cove Civic Centre major project (\$10.4m) and other infrastructure (\$15.7m), contributed assets (\$8.2m) and revaluation (\$3.6m), net of depreciation                                                                                                           |
| Other Non-Current Assets                           | 12,495           | 8,837            | 3,658          | 41%          | Increase in WIP due to City Services Construction in progress at 30 June 2015 (\$3.7m)                                                                                                                                                                                                  |
| <b>Total Non-Current Assets</b>                    | <b>1,119,018</b> | <b>1,090,571</b> | <b>28,447</b>  | <b>3%</b>    |                                                                                                                                                                                                                                                                                         |
| <b>TOTAL ASSETS</b>                                | <b>1,145,658</b> | <b>1,122,353</b> | <b>23,305</b>  | <b>2%</b>    |                                                                                                                                                                                                                                                                                         |
| <b>LIABILITIES</b>                                 |                  |                  |                |              |                                                                                                                                                                                                                                                                                         |
| <b>Current Liabilities</b>                         |                  |                  |                |              |                                                                                                                                                                                                                                                                                         |
| Trade & Other Payables                             | 7,278            | 6,408            | 870            | 14%          | Net increase predominantly relating to payments due to contractors for work done on the construction of Cove Civic Centre and the new City Services Depot (\$0.8m)                                                                                                                      |
| Borrowings                                         | 1,671            | 1,572            | 99             | 6%           | Due to nature of fixed borrowings current borrowings have increased as interest decreases                                                                                                                                                                                               |
| Provisions                                         | 5,155            | 4,932            | 223            | 5%           | Increase of Long Service Leave entitlement hours in part due to revised calculation method where a percentage has been allocated for all employees. Previously allocated in full for those with a length of service greater than five years                                             |
| <b>Total Current Liabilities</b>                   | <b>14,104</b>    | <b>12,912</b>    | <b>1,192</b>   | <b>9%</b>    |                                                                                                                                                                                                                                                                                         |
| <b>Non-Current Liabilities</b>                     |                  |                  |                |              |                                                                                                                                                                                                                                                                                         |
| Borrowings                                         | 10,229           | 11,900           | (1,671)        | (14%)        | Reduction in total borrowings in line with scheduled repayments of existing loans - no new borrowings taken out during 2014/15                                                                                                                                                          |
| Provisions                                         | 857              | 527              | 330            | 63%          | Increase of Long Service Leave entitlement hours in part due to revised calculation method where a percentage has been allocated for all employees. Previously allocated in full for those with a length of service greater than five years                                             |
| <b>Total Non-Current Liabilities</b>               | <b>11,086</b>    | <b>12,427</b>    | <b>(1,341)</b> | <b>(11%)</b> |                                                                                                                                                                                                                                                                                         |
| <b>TOTAL LIABILITIES</b>                           | <b>25,190</b>    | <b>25,339</b>    | <b>(149)</b>   | <b>(1%)</b>  |                                                                                                                                                                                                                                                                                         |
| <b>Net Assets</b>                                  | <b>1,120,468</b> | <b>1,097,014</b> | <b>23,454</b>  | <b>2%</b>    |                                                                                                                                                                                                                                                                                         |
| <b>EQUITY</b>                                      |                  |                  |                |              |                                                                                                                                                                                                                                                                                         |
| Accumulated Surplus                                | 360,929          | 340,053          | 20,876         | 6%           | Refer Income Statement (\$19.898m) + Reserve Transfer (\$0.978) = Statement of Change in Equity.                                                                                                                                                                                        |
| Asset Revaluation Reserves                         | 740,335          | 736,779          | 3,556          | 0%           | Change in asset valuations per Annual Financial Statements                                                                                                                                                                                                                              |
| Other Reserves                                     | 19,204           | 20,182           | (978)          | (5%)         | Reduction in amounts transferred to Grants & Carryover (\$0.6m) and funding drawn from the Open Space Reserve (\$0.4m) that predominantly relates to the planned Jervois Street Reserve upgrade                                                                                         |
| <b>Total Council Equity</b>                        | <b>1,120,468</b> | <b>1,097,014</b> | <b>23,454</b>  | <b>2%</b>    |                                                                                                                                                                                                                                                                                         |

# City of Marion

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

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*Our purpose is wellbeing*



## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2015

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## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2015

### 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 2015 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**

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Kris Hanna  
**MAYOR**

**Date:**

## City of Marion

## Statement of Comprehensive Income

for the year ended 30 June 2015

| \$ '000                                                                        | Notes | 2015          | 2014          |
|--------------------------------------------------------------------------------|-------|---------------|---------------|
| <b>Income</b>                                                                  |       |               |               |
| Rates Revenues                                                                 | 2a    | 67,465        | 63,765        |
| Statutory Charges                                                              | 2b    | 1,749         | 1,715         |
| User Charges                                                                   | 2c    | 1,689         | 1,571         |
| Grants, Subsidies and Contributions                                            | 2g    | 7,694         | 5,391         |
| Investment Income                                                              | 2d    | 888           | 793           |
| Reimbursements                                                                 | 2e    | 874           | 898           |
| Other Income                                                                   | 2f    | 800           | 315           |
| Net Gain - Equity Accounted Council Businesses                                 | 19    | 817           | 446           |
| <b>Total Income</b>                                                            |       | <b>81,976</b> | <b>74,894</b> |
| <b>Expenses</b>                                                                |       |               |               |
| Employee Costs                                                                 | 3a    | 31,757        | 31,532        |
| Materials, Contracts & Other Expenses                                          | 3b    | 26,418        | 26,981        |
| Depreciation, Amortisation & Impairment                                        | 3c    | 12,974        | 12,556        |
| Finance Costs                                                                  | 3d    | 800           | 358           |
| <b>Total Expenses</b>                                                          |       | <b>71,949</b> | <b>71,427</b> |
| <b>Operating Surplus / (Deficit)</b>                                           |       | <b>10,027</b> | <b>3,467</b>  |
| Asset Disposal & Fair Value Adjustments                                        | 4     | (202)         | (527)         |
| Amounts Received Specifically for New or Upgraded Assets                       | 2g    | 1,831         | 438           |
| Physical Resources Received Free of Charge                                     | 2i    | 8,242         | 1,490         |
| <b>Net Surplus / (Deficit) <sup>1</sup></b>                                    |       | <b>19,898</b> | <b>4,868</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    | 3,556         | 30,242        |
| Share of Other Comprehensive Income - Equity Accounted Council Businesses      | 19    | -             | (890)         |
| <b>Total Other Comprehensive Income</b>                                        |       | <b>3,556</b>  | <b>29,352</b> |
| <b>Total Comprehensive Income</b>                                              |       | <b>23,454</b> | <b>34,220</b> |

<sup>1</sup> Transferred to Equity Statement

## City of Marion

## Statement of Financial Position

as at 30 June 2015

| \$ '000                                            | Notes | 2015             | 2014             |
|----------------------------------------------------|-------|------------------|------------------|
| <b>ASSETS</b>                                      |       |                  |                  |
| <b>Current Assets</b>                              |       |                  |                  |
| Cash and Cash Equivalents                          | 5a    | 19,688           | 19,165           |
| Trade & Other Receivables                          | 5b    | 4,036            | 3,545            |
| Other Financial Assets                             | 5c    | 2,750            | 8,900            |
| Inventories                                        | 5d    | 166              | 172              |
| <b>Total Current Assets</b>                        |       | <b>26,640</b>    | <b>31,782</b>    |
| <b>Non-Current Assets</b>                          |       |                  |                  |
| Equity Accounted Investments in Council Businesses | 6a    | 5,120            | 4,363            |
| Infrastructure, Property, Plant & Equipment        | 7a    | 1,101,403        | 1,077,371        |
| Other Non-Current Assets                           | 6b    | 12,495           | 8,837            |
| <b>Total Non-Current Assets</b>                    |       | <b>1,119,018</b> | <b>1,090,571</b> |
| <b>TOTAL ASSETS</b>                                |       | <b>1,145,658</b> | <b>1,122,353</b> |
| <b>LIABILITIES</b>                                 |       |                  |                  |
| <b>Current Liabilities</b>                         |       |                  |                  |
| Trade & Other Payables                             | 8a    | 7,278            | 6,408            |
| Borrowings                                         | 8b    | 1,671            | 1,572            |
| Provisions                                         | 8c    | 5,155            | 4,932            |
| <b>Total Current Liabilities</b>                   |       | <b>14,104</b>    | <b>12,912</b>    |
| <b>Non-Current Liabilities</b>                     |       |                  |                  |
| Borrowings                                         | 8b    | 10,229           | 11,900           |
| Provisions                                         | 8c    | 857              | 527              |
| <b>Total Non-Current Liabilities</b>               |       | <b>11,086</b>    | <b>12,427</b>    |
| <b>TOTAL LIABILITIES</b>                           |       | <b>25,190</b>    | <b>25,339</b>    |
| <b>Net Assets</b>                                  |       | <b>1,120,468</b> | <b>1,097,014</b> |
| <b>EQUITY</b>                                      |       |                  |                  |
| Accumulated Surplus                                |       | 360,929          | 340,053          |
| Asset Revaluation Reserves                         | 9a    | 740,335          | 736,779          |
| Other Reserves                                     | 9b    | 19,204           | 20,182           |
| <b>Total Council Equity</b>                        |       | <b>1,120,468</b> | <b>1,097,014</b> |

## City of Marion

Statement of Changes in Equity  
for the year ended 30 June 2015

| \$ '000                                                | Notes | Asset                  |                        | Other<br>Reserves | Total<br>Equity  |
|--------------------------------------------------------|-------|------------------------|------------------------|-------------------|------------------|
|                                                        |       | Accumulated<br>Surplus | Revaluation<br>Reserve |                   |                  |
| <b>2015</b>                                            |       |                        |                        |                   |                  |
| <b>Balance at the end of previous reporting period</b> |       | 340,053                | 736,779                | 20,182            | <b>1,097,014</b> |
| <b>a. Net Surplus / (Deficit) for Year</b>             |       | 19,898                 | -                      | -                 | <b>19,898</b>    |
| <b>b. Other Comprehensive Income</b>                   |       |                        |                        |                   |                  |
| - Gain (Loss) on Revaluation of I,PP&E                 | 7a    | -                      | 3,556                  | -                 | <b>3,556</b>     |
| <b>Other Comprehensive Income</b>                      |       | -                      | 3,556                  | -                 | <b>3,556</b>     |
| <b>Total Comprehensive Income</b>                      |       | <b>19,898</b>          | <b>3,556</b>           | <b>-</b>          | <b>23,454</b>    |
| <b>c. Transfers between Reserves</b>                   |       | 978                    | -                      | (978)             | -                |
| <b>Balance at the end of period</b>                    |       | <b>360,929</b>         | <b>740,335</b>         | <b>19,204</b>     | <b>1,120,468</b> |
| <b>2014</b>                                            |       |                        |                        |                   |                  |
| <b>Balance at the end of previous reporting period</b> |       | 333,847                | 707,427                | 21,520            | <b>1,062,794</b> |
| <b>a. Net Surplus / (Deficit) for Year</b>             |       | 4,868                  | -                      | -                 | <b>4,868</b>     |
| <b>b. Other Comprehensive Income</b>                   |       |                        |                        |                   |                  |
| - Gain (Loss) on Revaluation of I,PP&E                 | 7a    | -                      | 30,242                 | -                 | <b>30,242</b>    |
| - Share of OCI - Equity Accounted Council Businesses   | 19    | -                      | (890)                  | -                 | <b>(890)</b>     |
| <b>Other Comprehensive Income</b>                      |       | -                      | 29,352                 | -                 | <b>29,352</b>    |
| <b>Total Comprehensive Income</b>                      |       | <b>4,868</b>           | <b>29,352</b>          | <b>-</b>          | <b>34,220</b>    |
| <b>c. Transfers between Reserves</b>                   |       | 1,338                  | -                      | (1,338)           | -                |
| <b>Balance at the end of period</b>                    |       | <b>340,053</b>         | <b>736,779</b>         | <b>20,182</b>     | <b>1,097,014</b> |

## City of Marion

Statement of Cash Flows  
for the year ended 30 June 2015

| \$ '000                                                         | Notes | 2015            | 2014            |
|-----------------------------------------------------------------|-------|-----------------|-----------------|
| <b>Cash Flows from Operating Activities</b>                     |       |                 |                 |
| <b><u>Receipts</u></b>                                          |       |                 |                 |
| Rates Receipts                                                  |       | 67,321          | 63,642          |
| Statutory Charges                                               |       | 1,745           | 1,851           |
| User Charges                                                    |       | 1,789           | 1,726           |
| Grants, Subsidies and Contributions (operating purpose)         |       | 7,502           | 8,957           |
| Investment Receipts                                             |       | 888             | 798             |
| Reimbursements                                                  |       | 883             | 1,027           |
| Other Receipts                                                  |       | 5,800           | 2,185           |
| <b><u>Payments</u></b>                                          |       |                 |                 |
| Payments to Employees                                           |       | (31,100)        | (31,190)        |
| Payments for Materials, Contracts & Other Expenses              |       | (30,818)        | (28,642)        |
| Finance Payments                                                |       | (800)           | (346)           |
| <b>Net Cash provided by (or used in) Operating Activities</b>   | 11b   | <b>23,210</b>   | <b>20,008</b>   |
| <b>Cash Flows from Investing Activities</b>                     |       |                 |                 |
| <b><u>Receipts</u></b>                                          |       |                 |                 |
| Amounts Received Specifically for New/Upgraded Assets           |       | 1,831           | 168             |
| Sale of Replaced Assets                                         |       | 721             | 532             |
| Sale of Surplus Assets                                          |       | -               | 69              |
| Distributions Received from Equity Accounted Council Businesses |       | 817             | 75              |
| <b><u>Payments</u></b>                                          |       |                 |                 |
| Expenditure on Renewal/Replacement of Assets                    |       | (10,546)        | (6,982)         |
| Expenditure on New/Upgraded Assets                              |       | (19,332)        | (16,186)        |
| Net Purchase of Investment Securities                           |       | 6,150           | (8,900)         |
| Capital Contributed to Equity Accounted Council Businesses      |       | (757)           | -               |
| <b>Net Cash provided by (or used in) Investing Activities</b>   |       | <b>(21,116)</b> | <b>(31,224)</b> |
| <b>Cash Flows from Financing Activities</b>                     |       |                 |                 |
| <b><u>Receipts</u></b>                                          |       |                 |                 |
| Proceeds from Borrowings                                        |       | -               | 9,000           |
| Proceeds from Bonds & Deposits                                  |       | 1               | -               |
| <b><u>Payments</u></b>                                          |       |                 |                 |
| Repayments of Borrowings                                        |       | (1,572)         | (1,063)         |
| <b>Net Cash provided by (or used in) Financing Activities</b>   |       | <b>(1,571)</b>  | <b>7,937</b>    |
| <b>Net Increase (Decrease) in Cash Held</b>                     |       | <b>523</b>      | <b>(3,279)</b>  |
| plus: <b>Cash &amp; Cash Equivalents at beginning of period</b> | 11    | <b>19,165</b>   | <b>22,444</b>   |
| <b>Cash &amp; Cash Equivalents at end of period</b>             | 11    | <b>19,688</b>   | <b>19,165</b>   |

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Contents of the Notes accompanying the Financial Statements

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| 5b      | Trade & Other Receivables                                              | 19     |
| 5c      | Inventories                                                            | 19     |
|         | <b>Non-Current Assets</b>                                              |        |
| 6a      | Equity Accounted Investments in Council's Businesses                   | 20     |
| 6b      | Other Non-Current Assets                                               | 20     |
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n/a - not applicable

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 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 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 1 July 2013.

##### 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

The 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.

#### 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.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

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

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 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

#### 6.2 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.

#### 6.3 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 periodically 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        | \$1,000,000          |
| Reserve Pathways        | \$1,000,000          |
| Reserve Irrigation      | \$1,000,000          |
| Buildings               |                      |
| Bus Shelters            | \$1,000,000          |
| Shelters/Gazebos        | \$100,000            |
| Fencing                 | \$100,000            |
| Furniture and Fittings  | \$25,000             |
| Equipment               | \$100,000            |
| Other                   |                      |
| BBQs                    | \$100,000            |
| Reserve Furniture       | \$500,000            |
| Cricket Practice Nets   | \$100,000            |
| Drink Fountains         | \$50,000             |
| Play Equipment Softfall | \$50,000             |
| Reserve Bollards        | \$500,000            |
| Reserve Bins            | \$100,000            |
| City Band Instruments   | \$100,000            |
| Council Artwork         | \$100,000            |
| Library Stock           | \$1,000,000          |



## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

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

**6.4 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.

**6.5 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.

*Furniture & Equipment*

|                                |                |
|--------------------------------|----------------|
| Office Equipment               | 3 to 15 years  |
| Office Furniture               | 10 to 15 years |
| Vehicles and Road-making Equip | 3 to 15 years  |
| Other Plant & Equipment        | 7 to 25 years  |

*Building & Other Structures*

|           |                |
|-----------|----------------|
| Buildings | 15 to 80 years |
|-----------|----------------|

*Infrastructure*

|                           |                 |
|---------------------------|-----------------|
| Sealed Roads – Surface    | 25 years        |
| Road Base                 | 50 to 80 years  |
| Road Formation            | 100 years       |
| Kerb                      | 80 years        |
| Footpath – Bitumen/Rubber | 25 years        |
| Footpath – Concrete       | 50 years        |
| Footpath – Paved          | 50 years        |
| Other Road Structures     | 15 years        |
| Traffic Signs             | 15 years        |
| Bridges                   | 80 years        |
| Stormwater Pipes          | 60 to 100 years |
| Junction Boxes            | 100 years       |

|                 |           |
|-----------------|-----------|
| Pollutant Traps | 100 years |
| Box Culverts    | 100 years |
| Headwalls       | 100 years |
| Drainage Pits   | 100 years |

*Other Infrastructure*

|                     |                |
|---------------------|----------------|
| Wetland Assets      | 15-100 years   |
| Car Parks           | 25 to 40 years |
| Irrigation          | 25 years       |
| Lighting            | 15-40 years    |
| Recreation Pathways | 40 years       |
| Sports Floodlights  | 25 years       |

*Other Assets*

|                                             |                |
|---------------------------------------------|----------------|
| Library Books - Paperbacks                  | 7 years        |
| Library Books - Hardcover                   | 7 years        |
| Other Library Stock incl. CD's, DVD's, Toys | 3 to 7 years   |
| Playground Equipment                        | 20 years       |
| Reserve Furniture                           | 7-40 years     |
| Band Instruments                            | 60 years       |
| Civic Art Structures                        | 30 to 80 years |

**6.6 Impairment**

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).

For 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, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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.

**6.7 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

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

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

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

Loans 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.

##### 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 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 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 Interpretation 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

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

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

##### **Council has not adopted any of these standards early.**

Council's assessment of the impact of these new standards and interpretations is set out below.

Apart from the AASB disclosures below, there are no other standards that are "not yet effective" which are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

##### **Applicable to Local Government:**

##### **AASB 9 - Financial Instruments (and associated amending standards)**

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value and
- amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

##### **AASB 15 - Revenue from contracts with customers and associated amending standards**

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

##### **AASB 124 - Related Party Disclosures**

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

##### **AASB 2014-10 - Sale or contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

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

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This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

***AASB 2014-3 - Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]***

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

#### 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. Refer to Note 5.

#### 15 Disclaimer

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

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 2. Income

| \$ '000                                              | Notes | 2015          | 2014          |
|------------------------------------------------------|-------|---------------|---------------|
| <b>(a). Rates Revenues</b>                           |       |               |               |
| <b>General Rates</b>                                 |       |               |               |
| General Rates                                        |       | 66,701        | 63,000        |
| Less: Mandatory Rebates                              |       | (953)         | (915)         |
| Less: Discretionary Rebates, Remissions & Write Offs |       | (9)           | (26)          |
| <b>Total General Rates</b>                           |       | <b>65,739</b> | <b>62,059</b> |
| <b>Other Rates (Including Service Charges)</b>       |       |               |               |
| Natural Resource Management Levy                     |       | 1,523         | 1,496         |
| <b>Total Other Rates</b>                             |       | <b>1,523</b>  | <b>1,496</b>  |
| <b>Other Charges</b>                                 |       |               |               |
| Penalties for Late Payment                           |       | 203           | 210           |
| <b>Total Other Charges</b>                           |       | <b>203</b>    | <b>210</b>    |
| <b>Total Rates Revenues</b>                          |       | <b>67,465</b> | <b>63,765</b> |
| <b>(b). Statutory Charges</b>                        |       |               |               |
| Development Act Fees                                 |       | 820           | 724           |
| Town Planning Fees                                   |       | 81            | 109           |
| Animal Registration Fees & Fines                     |       | 435           | 432           |
| Parking Fines / Expiation Fees                       |       | 413           | 450           |
| <b>Total Statutory Charges</b>                       |       | <b>1,749</b>  | <b>1,715</b>  |
| <b>(c). User Charges</b>                             |       |               |               |
| Admission Fees                                       |       | 416           | 314           |
| Hall & Equipment Hire                                |       | 199           | 188           |
| Rental Income                                        |       | 200           | 190           |
| Sales - General                                      |       | 221           | 282           |
| Sundry                                               |       | 653           | 597           |
| <b>Total User Charges</b>                            |       | <b>1,689</b>  | <b>1,571</b>  |

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 2. Income (continued)

| \$ '000                                                                                 | Notes | 2015         | 2014         |
|-----------------------------------------------------------------------------------------|-------|--------------|--------------|
| <b>(d). Investment Income</b>                                                           |       |              |              |
| Interest on Investments                                                                 |       |              |              |
| - Local Government Finance Authority                                                    |       | 882          | 783          |
| - Banks & Other                                                                         |       | 6            | 10           |
| <b>Total Investment Income</b>                                                          |       | <b>888</b>   | <b>793</b>   |
| <b>(e). Reimbursements</b>                                                              |       |              |              |
| Private Works                                                                           |       | 142          | 230          |
| Other                                                                                   |       | 732          | 668          |
| <b>Total Reimbursements</b>                                                             |       | <b>874</b>   | <b>898</b>   |
| <b>(f). Other Income</b>                                                                |       |              |              |
| Insurance & Other Recoupments - Infrastructure, IPP&E                                   |       | 17           | 43           |
| Donations & Contributions income                                                        |       | 632          | 240          |
| Sundry                                                                                  |       | 151          | 32           |
| <b>Total Other Income</b>                                                               |       | <b>800</b>   | <b>315</b>   |
| <b>(g). Grants, Subsidies, Contributions</b>                                            |       |              |              |
| Amounts Received Specifically for New or Upgraded Assets                                |       | 1,831        | 438          |
| Other Grants, Subsidies and Contributions                                               |       | 6,257        | 5,391        |
| Individually Significant Item - Additional Grants Commission Payment (refer (ii) below) |       | 1,437        | -            |
| <b>Total Grants, Subsidies, Contributions</b>                                           |       | <b>9,525</b> | <b>5,829</b> |
| The functions to which these grants relate are shown in Note 12.                        |       |              |              |
| <b>(i) Sources of grants</b>                                                            |       |              |              |
| Commonwealth Government                                                                 |       | 6,319        | 3,790        |
| State Government                                                                        |       | 2,474        | 1,801        |
| Other                                                                                   |       | 732          | 238          |
| <b>Total</b>                                                                            |       | <b>9,525</b> | <b>5,829</b> |
| <b>(ii) Individually Significant Items</b>                                              |       |              |              |
| Grant Commission (FAG) Grant Recognised as Income                                       |       | 1,437        | -            |

In June 2015, Council received payment of the first two instalments of the 2015/16 Grant Commission (FAG) grant. This has had a material effect Council's operating result this year.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 2. Income (continued)

| \$ '000                                                                                                                                                                                                               | Notes | 2015         | 2014           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------|----------------|
| <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>                                                                                                                                                       |       | 1,872        | 8,348          |
| Less:                                                                                                                                                                                                                 |       |              |                |
| Expended during the current period from revenues recognised in previous reporting periods                                                                                                                             |       |              |                |
| Other                                                                                                                                                                                                                 |       | (645)        | (7,335)        |
| <b>Subtotal</b>                                                                                                                                                                                                       |       | <b>(645)</b> | <b>(7,335)</b> |
| Plus:                                                                                                                                                                                                                 |       |              |                |
| Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions                                                                                                        |       |              |                |
| Other                                                                                                                                                                                                                 |       | 2,998        | 859            |
| <b>Subtotal</b>                                                                                                                                                                                                       |       | <b>2,998</b> | <b>859</b>     |
| <b>Unexpended at the close of this reporting period</b>                                                                                                                                                               |       | <b>4,225</b> | <b>1,872</b>   |
| <b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>                                                                                                                        |       | <b>2,353</b> | <b>(6,476)</b> |
| <b>(i). Physical Resources Received Free of Charge</b>                                                                                                                                                                |       |              |                |
| Land & Improvements                                                                                                                                                                                                   |       | 766          | -              |
| Roads, Bridges & Footpaths                                                                                                                                                                                            |       | 7,451        | 853            |
| Stormwater Drainage                                                                                                                                                                                                   |       | -            | 637            |
| Buildings                                                                                                                                                                                                             |       | 15           | -              |
| Other Infrastructure                                                                                                                                                                                                  |       | 10           | -              |
| <b>Total Physical Resources Received Free of Charge</b>                                                                                                                                                               |       | <b>8,242</b> | <b>1,490</b>   |



## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 3. Expenses

| \$ '000                                                                     | Notes | 2015          | 2014          |
|-----------------------------------------------------------------------------|-------|---------------|---------------|
| <b>(a). Employee Costs</b>                                                  |       |               |               |
| Salaries and Wages                                                          |       | 26,840        | 28,108        |
| Employee Leave Expense                                                      |       | 2,849         | 1,326         |
| Superannuation - Defined Contribution Plan Contributions                    | 18    | 2,407         | 2,452         |
| Workers' Compensation Insurance                                             |       | 825           | 694           |
| Less: Capitalised and Distributed Costs                                     |       | (1,164)       | (1,048)       |
| <b>Total Operating Employee Costs</b>                                       |       | <b>31,757</b> | <b>31,532</b> |
|                                                                             |       |               |               |
| Total Number of Employees (full time equivalent at end of reporting period) |       | 348           | 351           |
| <b>(b). Materials, Contracts and Other Expenses</b>                         |       |               |               |
| <b>(i) Prescribed Expenses</b>                                              |       |               |               |
| Auditor's Remuneration                                                      |       |               |               |
| - Auditing the Financial Reports                                            |       | 72            | 67            |
| Bad and Doubtful Debts                                                      |       | -             | 1             |
| Elected Members' Expenses                                                   |       | 317           | 313           |
| Operating Lease Rentals - Cancellable Leases                                |       | 462           | 445           |
| <b>Subtotal - Prescribed Expenses</b>                                       |       | <b>851</b>    | <b>826</b>    |
| <b>(ii) Other Materials, Contracts and Expenses</b>                         |       |               |               |
| Contractors                                                                 |       | 12,307        | 11,575        |
| Energy                                                                      |       | 1,788         | 1,828         |
| Maintenance                                                                 |       | 1,621         | 1,456         |
| Legal Expenses                                                              |       | 421           | 424           |
| Levies Paid to Government - NRM levy                                        |       | 1,517         | 1,495         |
| Levies - Other                                                              |       | 194           | 140           |
| Parts, Accessories & Consumables                                            |       | 2,928         | 3,111         |
| Professional Services                                                       |       | 717           | 1,320         |
| Sundry                                                                      |       | 4,074         | 4,806         |
| <b>Subtotal - Other Material, Contracts &amp; Expenses</b>                  |       | <b>25,567</b> | <b>26,155</b> |
| <b>Total Materials, Contracts and Other Expenses</b>                        |       | <b>26,418</b> | <b>26,981</b> |



## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 3. Expenses (continued)

| \$ '000                                                | Notes | 2015          | 2014          |
|--------------------------------------------------------|-------|---------------|---------------|
| <b>(c). Depreciation, Amortisation and Impairment</b>  |       |               |               |
| <b>(i) Depreciation and Amortisation</b>               |       |               |               |
| Buildings & Other Structures                           |       | 3,799         | 3,581         |
| Infrastructure                                         |       | 5,901         | 5,836         |
| - Other                                                |       | 1,011         | 915           |
| Plant & Equipment                                      |       | 1,352         | 1,348         |
| Furniture & Fittings                                   |       | 41            | 114           |
| Intangible Assets                                      |       | 68            | 75            |
| Other Assets                                           |       | 911           | 800           |
| <b>Subtotal</b>                                        |       | <b>13,083</b> | <b>12,669</b> |
| <b>(ii) Impairment</b>                                 |       |               |               |
| Nil                                                    |       |               |               |
| Less: Capitalised and Distributed costs                |       | (109)         | (113)         |
| <b>Total Depreciation, Amortisation and Impairment</b> |       | <b>12,974</b> | <b>12,556</b> |
| <b>(d). Finance Costs</b>                              |       |               |               |
| Interest on Loans                                      |       | 800           | 358           |
| <b>Total Finance Costs</b>                             |       | <b>800</b>    | <b>358</b>    |

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

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

| \$ '000                                                     | Notes | 2015         | 2014 Restated |
|-------------------------------------------------------------|-------|--------------|---------------|
| <b>Infrastructure, Property, Plant &amp; Equipment</b>      |       |              |               |
| <b>(i) Assets Renewed or Directly Replaced</b>              |       |              |               |
| Proceeds from Disposal                                      |       | 721          | 533           |
| Less: Carrying Amount of Assets Sold                        |       | (923)        | (1,103)       |
| <b>Gain (Loss) on Disposal</b>                              |       | <b>(202)</b> | <b>(570)</b>  |
| <b>(ii) Assets Surplus to Requirements</b>                  |       |              |               |
| Proceeds from Disposal                                      |       | -            | 69            |
| Less: Carrying Amount of Assets Sold                        |       | -            | (26)          |
| <b>Gain (Loss) on Disposal</b>                              |       | <b>-</b>     | <b>43</b>     |
| <b>Net Gain (Loss) on Disposal or Revaluation of Assets</b> |       | <b>(202)</b> | <b>(527)</b>  |

## Note 5. Current Assets

|                                                                      |  |               |               |
|----------------------------------------------------------------------|--|---------------|---------------|
| <b>(a). Cash &amp; Cash Equivalents</b>                              |  |               |               |
| Cash on Hand and at Bank                                             |  | 888           | 365           |
| Short Term Deposits & Bills, etc.                                    |  | 18,800        | 18,800        |
| <b>Total Cash &amp; Cash Equivalents</b>                             |  | <b>19,688</b> | <b>19,165</b> |
| <b>(b). Trade &amp; Other Receivables</b>                            |  |               |               |
| Rates - General & Other                                              |  | 1,568         | 1,465         |
| Rates Postponed for State Seniors                                    |  | 80            | 39            |
| Accrued Revenues                                                     |  | 200           | 249           |
| Debtors - General                                                    |  | 1,021         | 567           |
| GST Recoupment                                                       |  | 720           | 657           |
| Prepayments                                                          |  | 447           | 568           |
| <b>Total Trade &amp; Other Receivables</b>                           |  | <b>4,036</b>  | <b>3,545</b>  |
| <b>(c). Other Financial Assets (Investments)</b>                     |  |               |               |
| Other Financial Assets (Term Deposits with over 90 days to maturity) |  | 2,750         | 8,900         |
| <b>Total Other Financial Assets (Investments)</b>                    |  | <b>2,750</b>  | <b>8,900</b>  |
| <b>(d). Inventories</b>                                              |  |               |               |
| Stores & Materials                                                   |  | 166           | 172           |
| <b>Total Inventories</b>                                             |  | <b>166</b>    | <b>172</b>    |

The cash balance initially reported in 2013/14 was \$28,065,000, \$8,900,000 has been reclassified into "Other Financial Assets" as its maturity date was greater than 3 months and the cash balance has been adjusted to \$19,165,000. The balance of "Other Financial Assets" before reclassification was nil.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 6. Non-Current Assets

| \$ '000                                                         | Notes | 2015          | 2014         |
|-----------------------------------------------------------------|-------|---------------|--------------|
| <b>(a). Equity Accounted Investments in Council Businesses</b>  |       |               |              |
| Southern Region Waste Resource Authority                        | 19    | 5,019         | 4,241        |
| Council Solutions                                               | 19    | 101           | 122          |
| <b>Total Equity Accounted Investments in Council Businesses</b> |       | <b>5,120</b>  | <b>4,363</b> |
| <b>(b). Other Non-Current Assets</b>                            |       |               |              |
| Capital Works-in-Progress                                       |       | 12,323        | 8,576        |
| Computer Software & Licences                                    |       | 1,113         | 1,146        |
| Less Accumulated Amortisation                                   |       | (941)         | (885)        |
| <b>Total Other</b>                                              |       | <b>12,495</b> | <b>8,837</b> |
| <b>Total Other Non-Current Assets</b>                           |       | <b>12,495</b> | <b>8,837</b> |

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

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

| \$ '000                                                      | Fair Value<br>Level | as at 30/6/2014  |               |                |            |                   | Asset Movements during the Reporting Period |               |                              |                                      |                                                             |                                                             | as at 30/6/2015  |               |                |            |                   |
|--------------------------------------------------------------|---------------------|------------------|---------------|----------------|------------|-------------------|---------------------------------------------|---------------|------------------------------|--------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|------------------|---------------|----------------|------------|-------------------|
|                                                              |                     | At<br>Fair Value | At<br>Cost    | Accumulated    |            | Carrying<br>Value | Asset Additions                             |               | WDV<br>of Asset<br>Disposals | Depreciation<br>Expense<br>(Note 3c) | Revaluation<br>Decrements<br>to Equity<br>(ARR)<br>(Note 9) | Revaluation<br>Increments<br>to Equity<br>(ARR)<br>(Note 9) | At<br>Fair Value | At<br>Cost    | Accumulated    |            | Carrying<br>Value |
|                                                              |                     |                  |               | Dep'n          | Impairment |                   | New /<br>Upgrade                            | Renewals      |                              |                                      |                                                             |                                                             |                  |               | Dep'n          | Impairment |                   |
| Land                                                         | 2                   | 341,724          | 194           | -              | -          | 341,918           | 955                                         | -             | (240)                        | -                                    | -                                                           | 2                                                           | 341,485          | 1,150         | -              | -          | 342,635           |
| Buildings & Other Structures                                 | 3                   | 143,444          | -             | 58,348         | -          | 85,096            | 11,465                                      | 1,159         | (3)                          | (3,799)                              | (1,843)                                                     | -                                                           | 144,967          | 12,625        | 65,517         | -          | 92,075            |
| Infrastructure                                               | 3                   | 689,591          | 2,105         | 91,745         | -          | 599,951           | 10,600                                      | 5,875         | -                            | (5,901)                              | -                                                           | 4,760                                                       | 706,392          | 1,514         | 92,621         | -          | 615,285           |
| - Other                                                      | 3                   | 44,008           | -             | 10,314         | -          | 33,694            | 532                                         | 1,083         | (52)                         | (1,011)                              | -                                                           | 2,081                                                       | 48,171           | 1,497         | 13,341         | -          | 36,327            |
| Plant & Equipment                                            |                     | -                | 12,670        | 5,595          | -          | 7,075             | 94                                          | 1,906         | (585)                        | (1,352)                              | -                                                           | -                                                           | -                | 13,114        | 5,976          | -          | 7,138             |
| Furniture & Fittings                                         |                     | -                | 1,263         | 980            | -          | 283               | 142                                         | -             | -                            | (41)                                 | -                                                           | -                                                           | -                | 1,405         | 1,021          | -          | 384               |
| Other Assets                                                 | 3                   | 13,445           | -             | 4,091          | -          | 9,354             | 40                                          | 524           | (4)                          | (911)                                | (1,444)                                                     | -                                                           | 13,664           | 176           | 6,281          | -          | 7,559             |
| <b>Total Infrastructure, Property, Plant &amp; Equipment</b> |                     | <b>1,232,212</b> | <b>16,232</b> | <b>171,073</b> | <b>-</b>   | <b>1,077,371</b>  | <b>23,828</b>                               | <b>10,547</b> | <b>(884)</b>                 | <b>(13,015)</b>                      | <b>(3,287)</b>                                              | <b>6,843</b>                                                | <b>1,254,679</b> | <b>31,481</b> | <b>184,757</b> | <b>-</b>   | <b>1,101,403</b>  |
| <b>Comparatives</b>                                          |                     | 1,177,203        | 23,388        | 165,118        | -          | <b>1,035,473</b>  | 17,676                                      | 7,702         | (1,128)                      | (12,594)                             | -                                                           | 30,242                                                      | 1,232,212        | 16,232        | 171,073        | -          | <b>1,077,371</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 2015

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

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\$ '000

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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

*Accounting procedure:* 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, fair value is taken to be the current replacement cost.

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 2015Note 7b. Valuation of Infrastructure, Property, Plant & Equipment &  
Investment Property (continued)

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\$ '000

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## Valuation of Assets (continued)

## Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 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 re-stated 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 2015

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

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\$ '000

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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 desktop revaluation was carried out by independent valuation for the reporting period, 30 June 2015

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 desktop revaluation was carried out by independent valuation for this reporting period, 30 June 2015.

##### Infrastructure

Infrastructure assets (roads, footpaths, kerbs, drains, bridges, traffic devices and traffic signs) were valued by independent valuation as at 30 June 2015.

A desktop revaluation was carried out by independent valuation for this reporting period, 30 June 2015 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 desktop revaluation was carried out by independent valuation for this reporting period, 30 June 2015, apart from Library Stock which is valued by Council Officers at written down replacement cost on an annual basis.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 8. Liabilities

| \$ '000                                                                              | Notes | 2015<br>Current | 2015<br>Non Current | 2014<br>Current | 2014<br>Non Current |
|--------------------------------------------------------------------------------------|-------|-----------------|---------------------|-----------------|---------------------|
| <b>(a). Trade and Other Payables</b>                                                 |       |                 |                     |                 |                     |
| Goods & Services                                                                     |       | 5,945           | -                   | 5,254           | -                   |
| Payments Received in Advance                                                         |       | -               | -                   | 4               | -                   |
| Accrued Expenses - Employee Entitlements                                             |       | 1,286           | -                   | 1,100           | -                   |
| Accrued Expenses - Other                                                             |       | 39              | -                   | 50              | -                   |
| Deposits, Retentions & Bonds                                                         |       | 1               | -                   | -               | -                   |
| Other                                                                                |       | 7               | -                   | -               | -                   |
| <b>Total Trade and Other Payables</b>                                                |       | <b>7,278</b>    | <b>-</b>            | <b>6,408</b>    | <b>-</b>            |
| <b>(b). Borrowings</b>                                                               |       |                 |                     |                 |                     |
| Loans                                                                                |       | 1,671           | 10,229              | 1,572           | 11,900              |
| <b>Total Borrowings</b>                                                              |       | <b>1,671</b>    | <b>10,229</b>       | <b>1,572</b>    | <b>11,900</b>       |
| All interest bearing liabilities are secured over the future revenues of the Council |       |                 |                     |                 |                     |
| <b>(c). Provisions</b>                                                               |       |                 |                     |                 |                     |
| Employee Entitlements (including oncosts)                                            |       | 5,155           | 857                 | 4,932           | 527                 |
| <b>Total Provisions</b>                                                              |       | <b>5,155</b>    | <b>857</b>          | <b>4,932</b>    | <b>527</b>          |



## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 9. Reserves

| \$ '000                                        | 1/7/2014       | Increments<br>(Decrements) | Transfers | Impairments | 30/6/2015      |
|------------------------------------------------|----------------|----------------------------|-----------|-------------|----------------|
| <b>(a). Asset Revaluation Reserve</b>          |                |                            |           |             |                |
| Land                                           | 242,530        | 2                          | -         | -           | 242,532        |
| Buildings & Other Structures                   | 72,967         | (1,843)                    | -         | -           | 71,124         |
| Infrastructure                                 | -              | 4,760                      | -         | -           | 4,760          |
| - Stormwater drainage                          | 97,742         | -                          | -         | -           | 97,742         |
| - Other                                        | -              | 2,081                      | -         | -           | 2,081          |
| - Roads, Bridges, Footpaths                    | 318,547        | -                          | -         | -           | 318,547        |
| Other Assets                                   | 5,883          | (1,444)                    | -         | -           | 4,439          |
| JV's / Associates - Other Comprehensive Income | (890)          | -                          | -         | -           | (890)          |
| <b>Total Asset Revaluation Reserve</b>         | <b>736,779</b> | <b>3,556</b>               | <b>-</b>  | <b>-</b>    | <b>740,335</b> |
| <b>Comparatives</b>                            | <b>707,427</b> | <b>29,352</b>              | <b>-</b>  | <b>-</b>    | <b>736,779</b> |

| \$ '000                               | 1/7/2014      | Tfrs to<br>Reserve | Tfrs from<br>Reserve | Other<br>Movements | 30/6/2015     |
|---------------------------------------|---------------|--------------------|----------------------|--------------------|---------------|
| <b>(b). Other Reserves</b>            |               |                    |                      |                    |               |
| Open Space Reserve                    | 1,288         | 241                | (672)                | -                  | 857           |
| Grants/Carry Forward Projects Reserve | 15,865        | 15,156             | (15,810)             | -                  | 15,211        |
| Asset Sustainability Reserve          | 3,029         | 316                | (209)                | -                  | 3,136         |
| <b>Total Other Reserves</b>           | <b>20,182</b> | <b>15,713</b>      | <b>(16,691)</b>      | <b>-</b>           | <b>19,204</b> |
| <b>Comparatives</b>                   | <b>21,520</b> | <b>16,986</b>      | <b>(18,324)</b>      | <b>-</b>           | <b>20,182</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 developers are transferred to the Fund.

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 9. Reserves (continued)

\$ '000

**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.

**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 borrowings

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

2015

2014

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.

**Cash & Financial Assets****Unexpended amounts received from Federal Government**

Other

3,334

1,872

**Total Cash & Financial Assets****3,334****1,872****Total Assets Subject to Externally Imposed Restrictions****3,334****1,872**

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 11. Reconciliation to Statement of Cash Flows

| \$ '000                                                                                                                                                                                                                                                                              | Notes | 2015          | 2014          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------|---------------|
| <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     | 19,688        | 19,165        |
| <b>Balances per Statement of Cash Flows</b>                                                                                                                                                                                                                                          |       | <b>19,688</b> | <b>19,165</b> |
| <b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>                                                                                                                                                                                                 |       |               |               |
| <b>Net Surplus/(Deficit)</b>                                                                                                                                                                                                                                                         |       | <b>19,898</b> | <b>4,868</b>  |
| Non-Cash Items in Income Statements                                                                                                                                                                                                                                                  |       |               |               |
| Depreciation, Amortisation & Impairment                                                                                                                                                                                                                                              |       | 12,974        | 12,556        |
| Equity Movements in Equity Accounted Investments (Increase)/Decrease                                                                                                                                                                                                                 |       | (817)         | (446)         |
| Physical Resources Received Free of Charge                                                                                                                                                                                                                                           |       | -             | (1,490)       |
| Net Increase/(Decrease) in Unpaid Employee Benefits                                                                                                                                                                                                                                  |       | 553           | 342           |
| Non-Cash Asset Acquisitions                                                                                                                                                                                                                                                          |       | (8,242)       | (270)         |
| Grants for Capital Acquisitions (Treated as Investing Activity Receipts)                                                                                                                                                                                                             |       | (1,831)       | (168)         |
| Net (Gain) Loss on Disposals                                                                                                                                                                                                                                                         |       | 202           | 527           |
|                                                                                                                                                                                                                                                                                      |       | <b>22,737</b> | <b>15,919</b> |
| <b>Add (Less): Changes in Net Current Assets</b>                                                                                                                                                                                                                                     |       |               |               |
| Net (Increase)/Decrease in Receivables                                                                                                                                                                                                                                               |       | (491)         | 2,950         |
| Net (Increase)/Decrease in Inventories                                                                                                                                                                                                                                               |       | 6             | 134           |
| Net (Increase)/Decrease in Other Current Assets                                                                                                                                                                                                                                      |       | 89            | 69            |
| Net Increase/(Decrease) in Trade & Other Payables                                                                                                                                                                                                                                    |       | 869           | 936           |
| <b>Net Cash provided by (or used in) operations</b>                                                                                                                                                                                                                                  |       | <b>23,210</b> | <b>20,008</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    | 8,242         | 1,490         |
| - Non-Cash Grants & Contributions                                                                                                                                                                                                                                                    |       | -             | 270           |
| <b>Amounts recognised in Income Statement</b>                                                                                                                                                                                                                                        |       | <b>8,242</b>  | <b>1,760</b>  |
| <b>Total Non-Cash Financing &amp; Investing Activities</b>                                                                                                                                                                                                                           |       | <b>8,242</b>  | <b>1,760</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 2015

## Note 12a. Functions

| Functions/Activities                                        | Income, Expenses and Assets have been directly attributed to the following Functions / Activities.<br>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 2015                                                                                                                                                             | Actual 2014   | Actual 2015   | Actual 2014   | Actual 2015                 | Actual 2014     | Actual 2015               | Actual 2014  | Actual 2015                               | Actual 2014      |
| <b>\$ '000</b>                                              |                                                                                                                                                                         |               |               |               |                             |                 |                           |              |                                           |                  |
| <b>Leader in the Delivery of the Community Vision</b>       |                                                                                                                                                                         |               |               |               |                             |                 |                           |              |                                           |                  |
| Development Assessment                                      | 1,164                                                                                                                                                                   | 900           | 3,602         | 3,559         | (2,438)                     | (2,659)         | 9                         | 5            | -                                         | -                |
| Crime Prevention                                            | 2                                                                                                                                                                       | 16            | 336           | 492           | (334)                       | (476)           | 1                         | 15           | -                                         | -                |
| Community Support & Development                             | 3,391                                                                                                                                                                   | 2,741         | 9,412         | 8,953         | (6,021)                     | (6,212)         | 1,729                     | 1,523        | 122,759                                   | 115,290          |
| Public & Environment Health                                 | 93                                                                                                                                                                      | 274           | 855           | 1,420         | (762)                       | (1,146)         | 47                        | 238          | -                                         | -                |
| General Inspection                                          | 867                                                                                                                                                                     | 894           | 1,519         | 1,468         | (652)                       | (574)           | 3                         | 1            | -                                         | -                |
| Public Infrastructure                                       | 2,341                                                                                                                                                                   | 1,951         | 15,909        | 15,597        | (13,568)                    | (13,646)        | 2,193                     | 1,696        | 683,592                                   | 658,902          |
| Open Space                                                  | 285                                                                                                                                                                     | 543           | 11,301        | 11,508        | (11,016)                    | (10,965)        | 111                       | 275          | 257,390                                   | 258,302          |
| Public Conveniences                                         | 7                                                                                                                                                                       | 3             | 437           | 428           | (430)                       | (425)           | 4                         | -            | 2,805                                     | 2,711            |
| Strategic Projects                                          | 14                                                                                                                                                                      | 15            | 1,218         | 1,710         | (1,204)                     | (1,695)         | 5                         | 8            | 3                                         | 4,761            |
| Asset Management                                            | -                                                                                                                                                                       | -             | -             | -             | -                           | -               | -                         | -            | 12,564                                    | 12,680           |
| Neighbourhood Centres                                       | 541                                                                                                                                                                     | 404           | 2,178         | 2,069         | (1,637)                     | (1,665)         | 243                       | 155          | 7,138                                     | 7,305            |
| Cultural Development                                        | 389                                                                                                                                                                     | 423           | 3,141         | 3,234         | (2,752)                     | (2,811)         | 29                        | 13           | 15,556                                    | 15,889           |
| Libraries                                                   | 604                                                                                                                                                                     | 620           | 6,806         | 6,727         | (6,202)                     | (6,107)         | 523                       | 531          | 12,736                                    | 9,707            |
| Waste & Recycling                                           | 915                                                                                                                                                                     | 137           | 7,144         | 7,135         | (6,229)                     | (6,998)         | 2                         | 6            | 5,100                                     | 4,241            |
| Trees                                                       | -                                                                                                                                                                       | -             | -             | -             | -                           | -               | -                         | -            | -                                         | 5                |
| Economic Development                                        | 84                                                                                                                                                                      | 121           | 564           | 560           | (480)                       | (439)           | 63                        | -            | -                                         | -                |
| <b>Total Leader in the Delivery of the Community Vision</b> | <b>10,697</b>                                                                                                                                                           | <b>9,042</b>  | <b>64,422</b> | <b>64,860</b> | <b>(53,725)</b>             | <b>(55,818)</b> | <b>4,962</b>              | <b>4,466</b> | <b>1,119,643</b>                          | <b>1,089,793</b> |
| <b>Organisation of Excellence</b>                           |                                                                                                                                                                         |               |               |               |                             |                 |                           |              |                                           |                  |
| Governance                                                  | 113                                                                                                                                                                     | 94            | 4,604         | 4,278         | (4,491)                     | (4,184)         | -                         | -            | 6                                         | 46               |
| Service Quality                                             | 29                                                                                                                                                                      | 25            | 134           | 130           | (105)                       | (105)           | 29                        | 25           | 555                                       | 610              |
| <b>Total Organisation of Excellence</b>                     | <b>142</b>                                                                                                                                                              | <b>119</b>    | <b>4,738</b>  | <b>4,408</b>  | <b>(4,596)</b>              | <b>(4,289)</b>  | <b>29</b>                 | <b>25</b>    | <b>561</b>                                | <b>656</b>       |
| <b>Treasury</b>                                             | <b>71,137</b>                                                                                                                                                           | <b>65,733</b> | <b>2,789</b>  | <b>2,159</b>  | <b>68,348</b>               | <b>63,574</b>   | <b>2,703</b>              | <b>900</b>   | <b>25,454</b>                             | <b>31,904</b>    |
| <b>Total Functions/Activities</b>                           | <b>81,976</b>                                                                                                                                                           | <b>74,894</b> | <b>71,949</b> | <b>71,427</b> | <b>10,027</b>               | <b>3,467</b>    | <b>7,694</b>              | <b>5,391</b> | <b>1,145,658</b>                          | <b>1,122,353</b> |

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, 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 2015

#### Note 12b. Components of Functions

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\$ '000

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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 Kaurna 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

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

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

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\$ '000

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##### **NEIGHBOURHOOD CENTRES**

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

##### **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.

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

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

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\$ '000

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##### **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

##### **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

###### **Work Health & Safety**

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

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 13. Financial Instruments

\$ '000

**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 2.05% and 2.65% (2014: 3.0% and 3.40%). Short term deposits have an average maturity of 72 days and an average interest rate of 3.0% (2014: 61 days and 3.15%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

**Receivables****Rates & Associated Charges**

(including legals & 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% (2014: 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).



## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 13. Financial Instruments (continued)

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\$ '000

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**Recognised Financial Instruments****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.

**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****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 (describe basis); interest is charged at fixed (or variable - describe) rates between 5.80% and 6.85% (2014: 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 2015

## Note 13. Financial Instruments (continued)

| \$ '000                       | Due<br>< 1 year | Due > 1 year<br>& ≤ 5 years | Due<br>> 5 years | Total Contractual<br>Cash Flows | Carrying<br>Values |
|-------------------------------|-----------------|-----------------------------|------------------|---------------------------------|--------------------|
| <b>2015</b>                   |                 |                             |                  |                                 |                    |
| <b>Financial Assets</b>       |                 |                             |                  |                                 |                    |
| Cash & Equivalents            | 19,688          | -                           | -                | 19,688                          | 19,688             |
| Receivables                   | 1,221           | -                           | -                | 1,221                           | 1,221              |
| Other Financial Assets        | 2,750           | -                           | -                | 2,750                           | 2,750              |
| <b>Total Financial Assets</b> | <b>23,659</b>   | <b>-</b>                    | <b>-</b>         | <b>23,659</b>                   | <b>23,659</b>      |

|                                    |              |              |              |               |               |
|------------------------------------|--------------|--------------|--------------|---------------|---------------|
| <b>Financial Liabilities</b>       |              |              |              |               |               |
| Payables                           | 7,278        | -            | -            | 7,278         | 7,278         |
| Current Borrowings                 | 2,383        | -            | -            | 2,383         | 1,671         |
| Non-Current Borrowings             | -            | 6,625        | 6,886        | 13,511        | 10,229        |
| <b>Total Financial Liabilities</b> | <b>9,661</b> | <b>6,625</b> | <b>6,886</b> | <b>23,172</b> | <b>19,178</b> |

| \$ '000                       | Due<br>< 1 year | Due > 1 year<br>& ≤ 5 years | Due<br>> 5 years | Total Contractual<br>Cash Flows | Carrying<br>Values |
|-------------------------------|-----------------|-----------------------------|------------------|---------------------------------|--------------------|
| <b>2014</b>                   |                 |                             |                  |                                 |                    |
| <b>Financial Assets</b>       |                 |                             |                  |                                 |                    |
| Cash & Equivalents            | 19,165          | -                           | -                | 19,165                          | 19,165             |
| Receivables                   | 816             | -                           | -                | 816                             | 816                |
| Other Financial Assets        | 8,900           | -                           | -                | 8,900                           | 8,900              |
| <b>Total Financial Assets</b> | <b>28,881</b>   | <b>-</b>                    | <b>-</b>         | <b>28,881</b>                   | <b>28,881</b>      |

|                                    |               |              |              |               |               |
|------------------------------------|---------------|--------------|--------------|---------------|---------------|
| <b>Financial Liabilities</b>       |               |              |              |               |               |
| Payables                           | 11,336        | 527          | -            | 11,863        | 11,867        |
| Current Borrowings                 | 2,383         | -            | -            | 2,383         | 1,572         |
| Non-Current Borrowings             | -             | 7,438        | 8,456        | 15,894        | 11,900        |
| <b>Total Financial Liabilities</b> | <b>13,719</b> | <b>7,965</b> | <b>8,456</b> | <b>30,140</b> | <b>25,339</b> |

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

|                      | 30 June 2015                  |                   | 30 June 2014                  |                   |
|----------------------|-------------------------------|-------------------|-------------------------------|-------------------|
|                      | Weighted Avg<br>Interest Rate | Carrying<br>Value | Weighted Avg<br>Interest Rate | Carrying<br>Value |
| Fixed Interest Rates | 6.20%                         | 11,900            | 6.2%                          | 13,472            |
|                      |                               | <b>11,900</b>     |                               | <b>13,472</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 2015

## 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

2015

2014

## Capital Commitments

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

|                   |              |              |
|-------------------|--------------|--------------|
| Land              | 90           | 66           |
| Buildings         | 177          | 909          |
| Infrastructure    | 1,155        | 1,254        |
| Plant & Equipment | 63           | -            |
| Other             | 400          | 38           |
|                   | <b>1,885</b> | <b>2,267</b> |

**These expenditures are payable:**

|                                                |              |              |
|------------------------------------------------|--------------|--------------|
| Not later than one year                        | 1,885        | 2,267        |
| Later than one year and not later than 5 years | -            | -            |
| Later than 5 years                             | -            | -            |
|                                                | <b>1,885</b> | <b>2,267</b> |

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 15. Financial Indicators

|         | Amounts | Indicator | Prior Periods |      |
|---------|---------|-----------|---------------|------|
| \$ '000 | 2015    | 2015      | 2014          | 2013 |

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                     | 10,027 | 15% | 6% | 9% |
| Rates - General & Other Less NRM levy | 65,942 |     |    |    |

*This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.*

**1a. Adjusted Operating Surplus Ratio**

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. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

|        |     |    |    |
|--------|-----|----|----|
| 8,590  | 13% | 8% | 9% |
| 65,942 |     |    |    |

**2. Net Financial Liabilities Ratio**

|                           |         |      |      |       |
|---------------------------|---------|------|------|-------|
| Net Financial Liabilities | (1,284) | (2%) | (8%) | (18%) |
| Total Operating Revenue   | 81,976  |      |      |       |

*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.*

**3. Asset Sustainability Ratio**

|                                                             |        |     |     |     |
|-------------------------------------------------------------|--------|-----|-----|-----|
| Net Asset Renewals                                          | 9,825  | 76% | 57% | 80% |
| Infrastructure & Asset Management Plan required expenditure | 12,974 |     |     |     |

*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 2015

## Note 16. Uniform Presentation of Finances

| \$ '000                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2015           | 2014           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <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                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 81,976         | 74,894         |
| less Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (71,949)       | (71,427)       |
| <b>Operating Surplus / (Deficit)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>10,027</b>  | <b>3,467</b>   |
| less <b>Net Outlays on Existing Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |
| Capital Expenditure on Renewal and Replacement of Existing Assets                                                                                                                                                                                                                                                                                                                                                                                                                  | 10,547         | 6,982          |
| less Depreciation, Amortisation and Impairment                                                                                                                                                                                                                                                                                                                                                                                                                                     | (12,974)       | (12,556)       |
| less Proceeds from Sale of Replaced Assets                                                                                                                                                                                                                                                                                                                                                                                                                                         | (721)          | (532)          |
| <b>Subtotal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>(3,148)</b> | <b>(6,106)</b> |
| less <b>Net Outlays on New and Upgraded Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |                |
| Capital Expenditure on New and Upgraded Assets<br>(including Investment Property & Real Estate Developments)                                                                                                                                                                                                                                                                                                                                                                       | 19,332         | 16,186         |
| less Amounts Received Specifically for New and Upgraded Assets                                                                                                                                                                                                                                                                                                                                                                                                                     | (1,831)        | (168)          |
| less Proceeds from Sale of Surplus Assets<br>(including Investment Property & and Real Estate Developments)                                                                                                                                                                                                                                                                                                                                                                        | -              | (69)           |
| <b>Subtotal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>17,501</b>  | <b>15,949</b>  |
| <b>Net Lending / (Borrowing) for Financial Year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>(4,326)</b> | <b>(6,376)</b> |

## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 17. Operating Leases

\$ '000

2015

2014

**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                        | 324        | 276        |
| Later than one year and not later than 5 years | 446        | 298        |
| Later than 5 years                             | -          | -          |
|                                                | <b>770</b> | <b>574</b> |

## City of Marion

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### Note 18. Superannuation

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\$ '000

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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 2014/15; 9.25% in 2013/14). 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 2013/14) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% 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, 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 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 2015

#### 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 |              |
|----------------|-------------------------------|------------|-------------------------------|--------------|
|                | 2015                          | 2014       | 2015                          | 2014         |
| Joint Ventures | 817                           | 446        | 5,120                         | 4,363        |
| <b>Total</b>   | <b>817</b>                    | <b>446</b> | <b>5,120</b>                  | <b>4,363</b> |

#### (i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

##### (a) Carrying Amounts

| Name of Entity                                                  | 2015         | 2014         |
|-----------------------------------------------------------------|--------------|--------------|
| Southern Region Waste Resource Authority (SRWRA)                | 5,019        | 4,241        |
| Council Solutions                                               | 101          | 122          |
| <b>Total Carrying Amounts - Joint Ventures &amp; Associates</b> | <b>5,120</b> | <b>4,363</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 2015, the net assets of SRWRA total \$16,728,000. The City of Marion interest, totalling \$5,019,000 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's share of Council Solutions Operating Result is comprised of 16.67% of the joint venture Operating Deficit \$120,000 and 16.67% share of the joint venture's equity \$608,000.



## City of Marion

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

## Note 19a. Interests in Other Entities (continued)

\$ '000

**(b) Relevant Interests**

| Name of Entity                                   | Interest in<br>Operating<br>Result |        | Ownership<br>Share of<br>Equity |        | Proportion of<br>Voting Power |        |
|--------------------------------------------------|------------------------------------|--------|---------------------------------|--------|-------------------------------|--------|
|                                                  | 2015                               | 2014   | 2015                            | 2014   | 2015                          | 2014   |
| Southern Region Waste Resource Authority (SRWRA) | 30%                                | 30%    | 30%                             | 30%    | 30%                           | 33%    |
| Council Solutions                                | 17%                                | 16.67% | 17%                             | 16.67% | 17%                           | 16.67% |

**(c) Movement in Investment in Joint Venture or Associate**

|                                                                 | Southern Region Waste<br>Resource Authority (SRWRA) |              | Council Solutions |            |
|-----------------------------------------------------------------|-----------------------------------------------------|--------------|-------------------|------------|
|                                                                 | 2015                                                | 2014         | 2015              | 2014       |
| Opening Balance                                                 | 4,241                                               | 4,821        | 122               | 61         |
| Share in Operating Result                                       | 838                                                 | 385          | (21)              | 61         |
| Share in Other Comprehensive Income                             | -                                                   | (890)        | -                 | -          |
| Distributions Received                                          | (60)                                                | (75)         | -                 | -          |
| <b>Council's Equity Share in the Joint Venture or Associate</b> | <b>5,019</b>                                        | <b>4,241</b> | <b>101</b>        | <b>122</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:

**(i) Capital Expenditures Payable**

|                                                |              |              |
|------------------------------------------------|--------------|--------------|
| Not later than one year                        | 1,806        | 2,200        |
| Later than one year and not later than 5 years | -            | -            |
| Later than 5 years                             | -            | -            |
|                                                | <b>1,806</b> | <b>2,200</b> |

**(ii) Operating Expenditures Payable**

|                                                |          |           |
|------------------------------------------------|----------|-----------|
| Not later than one year                        | -        | 18        |
| Later than one year and not later than 5 years | -        | -         |
| Later than 5 years                             | -        | -         |
|                                                | <b>-</b> | <b>18</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 2015

#### Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

---

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.

##### 2. POTENTIAL INSURANCE LOSSES (continued)

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 has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$305,000 (2014: \$505,000) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

##### 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 3 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.

#### Note 22. Events after the Balance Sheet Date

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Events that occur after the reporting date of 30 June 2015, 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 13/10/15.

**Council is unaware of any material or significant "non adjusting events" that should be disclosed.**

## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2015

### Auditor's Report - Financial Statements

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## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2015

### Auditor's Report - Financial Statements

This page has been left blank for insertion of the Audit Report

## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2015

### Auditor's Report - Internal Controls

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## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2015

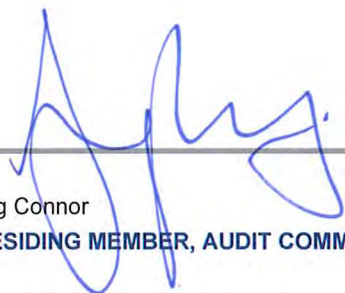
### Certification of Auditor Independence

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 2015, 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**



Greg Connor  
**PRESIDING MEMBER, AUDIT COMMITTEE**

Date: 13.10.15

## City of Marion

### General Purpose Financial Statements for the year ended 30 June 2015

#### Statement by Auditor

I confirm that, for the audit of the financial statements of City of Marion for the year ended 30 June 2015, 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*.

---

Penny Woods  
Deloitte Touche Tohmatsu

Dated this       day of       2015.

*(client letterhead)*

**[Date]**

Deloitte Touche Tohmatsu  
11 Waymouth Street  
Adelaide SA 5000

This representation letter is provided in connection with your audit of the financial report of Corporation of the City of Marion for the year ended 30 June 2015, for the purpose of expressing an opinion as to whether the financial report is presented fairly, in all material respects, in accordance with the Local Government Act 1999 including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government (Financial Management) Regulations 2011.

We confirm that:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 11 June 2015, for the preparation of the financial report in accordance with the Local Government Act 1999 including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government (Financial Management) Regulations 2011; in particular the financial report is presented fairly, in all material respects, in accordance therewith.
2. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit;
  - Unrestricted access to the persons within the entity from whom you determined it necessary to obtain audit evidence; and
  - All requested information, explanations and assistance for the purposes of the audit.
3. All transactions have been recorded in the accounting records and are reflected in the financial report.
4. We are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
5. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
6. There has been no fraud or suspected fraud affecting the entity involving management, employees who have significant roles in internal control or others where the fraud could have a material effect on the financial report.
7. There have been no allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
8. There have been no instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
9. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.



10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
11. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the *Local Government Act 1999*, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Local Government (Financial Management) Regulations 2011*.
12. All known actual or possible litigation and claims whose effects should be considered when preparing the financial report have been disclosed to you and accounted for and disclosed in accordance with the *Local Government Act 1999*, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Local Government (Financial Management) Regulations 2011*.
13. The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial report as a whole. A summary of such items is attached to the representation letter as Appendix A.
14. All events occurring subsequent to the date of the financial report and for the *Local Government Act 1999*, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Local Government (Financial Management) Regulations 2011* which require adjustment or disclosure have been adjusted or disclosed within the financial report.
15. The selection and application of accounting policies as described in Note 1 in the financial report are appropriate.
16. We have no plans or intentions that may affect the carrying value or classification of assets and liabilities.
17. Liabilities, both actual and contingent, have been properly recorded and, when appropriate, adequately disclosed in the financial report.
18. The entity has satisfactory title to, or control over all assets and there are no liens or encumbrances on such assets that have not been disclosed nor has any asset been pledged as collateral.
19. We have properly recorded and, when appropriate, adequately disclosed in the financial report the effects of any laws, regulations and contractual agreements on the financial report, including non-compliance.
20. We have communicated to you all deficiencies in internal control of which we are aware.
21. All post-employment benefits have been identified and properly accounted for and all events impacting the plans have been brought to the actuary's attention.
22. For defined benefit plans:
  - (a) the actuarial assumptions underlying the valuation of the plan are in accordance with the Council's best estimate of future events and are consistent with our knowledge of the business;
  - (b) the actuary's calculations have been based on complete and up-to-date member information; and
  - (c) the amounts included in the financial report derived from the work of the actuary are in accordance with the requirements of AASB 119 "Employee Benefits".
23. For any transactions and structures, including "Special Purpose Vehicles/Entities" that we consider are appropriately classified as off-balance sheet, we have not withheld any information

and documentation from you and there are no side agreements that we have not disclosed to you. In addition, there are no other relationships of a related party nature which would affect how these transactions and structures are accounted for, that we have not disclosed to you.

24. We have obtained all necessary information from subsidiaries that are not subject to Accounting Standards in Australia, to enable us to make appropriate adjustments for the purpose of preparing the financial report. Appropriate adjustments have been made to the information provided by the subsidiaries, to enable the preparation of the financial report.
25. We have disclosed to you all financial guarantees that we have given to third parties and we have accounted for these guarantees in accordance with the requirements of AASB 139 “Financial Instruments Recognition and Measurement”.

We understand that your audit was conducted in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your test of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully

---

**Adrian Skull**  
**Chief Executive Officer**

---

**Date**

---

**Vincent Mifsud**  
**Director**

---

**Date**

**Appendix A to the Management Representation Letter**

City of Marion 30 June 2015

| Account Name                                          | Account Number   | Assets<br>DR/(CR)    | Liabilities<br>DR/(CR)       | Retained<br>Earnings<br>DR/(CR)                                                                 | Other<br>Equity<br>DR/(CR) | Income<br>Statement<br>DR/(CR) | Total<br>DR/(CR) |
|-------------------------------------------------------|------------------|----------------------|------------------------------|-------------------------------------------------------------------------------------------------|----------------------------|--------------------------------|------------------|
| <b>Known misstatements</b>                            |                  |                      |                              |                                                                                                 |                            |                                |                  |
| None noted                                            |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
| <b>Likely misstatements</b>                           |                  |                      |                              |                                                                                                 |                            |                                |                  |
| None noted                                            |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
| <b>Carry over effects of prior year misstatements</b> |                  |                      |                              |                                                                                                 |                            |                                |                  |
| None noted                                            |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  | 0                    | 0                            | 0                                                                                               | 0                          | 0                              | 0                |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
|                                                       |                  |                      |                              |                                                                                                 |                            |                                |                  |
| Description of Disclosure Deficiency                  | Disclosure Title | Disclosure<br>Number | Amount (where<br>applicable) | Management Reason for<br>Disclosure Deficiency<br>(e.g., not deemed<br>material for disclosure) |                            |                                |                  |
| None noted                                            |                  |                      |                              |                                                                                                 |                            |                                |                  |

*(client letterhead)*

Deloitte Touche Tohmatsu  
11 Waymouth Street,  
Adelaide, South Australia,  
5000, Australia

### **Management Representations to the Compliance Plan Auditor as at 30 June 2015**

This representation letter is provided in connection with your audit of the compliance of City of Marion Council ("the Council") with the requirements of Section 125 of the Local Government Act 1999 ("the Act") in relation to the Internal Controls established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2014 to 30 June 2015 are in accordance with legislative provisions.

### **Purpose of the Audit**

The purpose of your audit, in accordance with Section 125 of the Local Government Act 1999, is to form an opinion as to whether the Council has complied, in all material respects, with the requirements of Section 125 of the Act, in relation to internal controls, for the period 1 July 2014 to 30 June 2015.

### **Responsibilities of Management**

We acknowledge that it is our responsibility to implement and maintain an adequate system of internal controls, in accordance with Section 125 of the Local Government Act 1999 in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

### **Representations**

We confirm, to the best of our knowledge and belief:

- We are responsible for the design and implementation of the compliance framework to prevent and detect fraud and error. We have established and maintained an adequate internal control structure to ensure that compliance with our obligations has been maintained, and that adequate documentation to demonstrate compliance exists.
- There have been no irregularities including fraud or suspected fraud involving management or employees who have a significant role in the compliance function and internal control systems that could have a material effect on the adequacy of compliance.
- There have been no allegations of fraud, or suspected fraud, affecting City of Marion Council's compliance with Section 125 of the Act.
- We have made available to you the control documentation for controls implemented at the Council.
- The information provided by you regarding the identification of controls deficiencies is complete.
- There have been no instances of non-compliance with laws and regulations involving management or employees who have a significant role in compliance or internal control.
- There have been no communications from Local Government or other agencies concerning non-compliance with, or deficiencies in, the compliance with Section 125 of the Act that could have a material effect on us meeting our compliance obligations.

- We have complied with the requirement of Section 125 of the Act during the year, in all material respects.
- We accept the internal control environment would be strengthened with the implementation of your recommendations as listed below in Appendix A.
- No events have occurred subsequent to 30 June 2015 that impacted the compliance framework, compliance reporting or breaches that occurred during the period.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We understand that your examination was made in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, as applicable, and was, therefore, designed primarily for the purpose of expressing a conclusion on the Council's compliance with the requirements of Section 125 of the Act in relation to the Internal Controls established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2014 to 30 June 2015, and that your tests of our records and controls and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours sincerely,

---

**Adrian Skull**  
**Chief Executive Officer**

---

**Date**

---

**Vincent Mifsud**  
**Director**

---

**Date**

| Appendix A to the Management Representation Letter - internal control |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 30 June 2015                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                   |
| Control                                                               | Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Recommendation                                                                                                                                                                                                                    |
| ASS-PET-0004                                                          | Deloitte note that petty cash reconciliations are being performed on a daily basis, but are not always evidenced with the signature of an independent person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Deloitte recommends that the practice of crosschecking and signing petty cash reconciliations on a daily basis is enforced and reviewed by management. In addition, the person reviewing should be independent from the preparer. |
| EXP-PAY-0034                                                          | There is no termination policy in place, and the current exit procedure does not directly address the statutory regulations, or enterprise agreement requirements that may need to be adhered to.                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Deloitte recommends a centralised procedure for actions on terminating employment                                                                                                                                                 |
| EXP-PAY-0015                                                          | There is no documented evidence that a payroll deduction report is reviewed on a regular basis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Deloitte recommends that formal process be put in place to ensure that the payroll deduction review is fully documented and signed off.                                                                                           |
| LIA-TAX-0008                                                          | There is no formal, documented Fringe Benefit Tax procedure used in the preparation of the annual return. In previous years an accounting assistant prepared the calculation and this was reviewed by the Financial Accountant, however this did not occur in the current year due to the Financial Accounting Assistant leaving the City of Marion immediately prior to the preparation of the return. In the current period the calculation was performed by the Financial Accountant and a high level review was conducted by the Manager Finance and a summary including prior year comparative data was presented to the director of Finance. | Deloitte recommends that a Fringe Benefits Tax procedure be documented and utilised to ensure a standard procedure is followed in the preparation of all future returns.                                                          |
| ASS-PET-0005<br>ASS-PET-0006                                          | 1. Although petty cash is always kept locked away, the access to the storage points is not highly restricted<br>2. Security levels of petty cash drawers may lead to a chance of theft/fraud                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Deloitte recommends a review of the security surrounding petty cash in the council chamber front office                                                                                                                           |
| REV-OTR-0003                                                          | There is no documented policy for reconciling receipting to cash at remote locations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Deloitte recommends that a formal policy for cash receipts outside the council receipting area be documented and adopted.                                                                                                         |
| ASS-LOA-0002                                                          | Signed acquittal was not received before deadline.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Deloitte has noted that outstanding acquittals are followed up by management. It is recommended that the final follow-up (i.e. once they are overdue) is completed in a more timely fashion.                                      |
|                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                   |

**The Corporation of  
the City of Marion  
Management Letter  
for the Year Ended 30 June 2015**

**October 2015**







Deloitte Touche Tohmatsu  
ABN 74 490 121 060

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Adelaide SA 5001 Australia

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**STRICTLY PRIVATE & CONFIDENTIAL**

Mr Kris Hanna  
Mayor  
City of Marion  
PO Box 21  
OAKLANDS PARK SA 5046

2 October 2015

Dear Sir

**Re: Matters arising from the audit of the Corporation of the City of Marion for the year ended 30 June 2015**

We have substantially completed our audit of The Corporation of the City of Marion ("City of Marion" or "the Council") for the year ended 30 June 2015. In accordance with our normal practice, we set out below certain matters concerning the Council's internal control and accounting practices which came to our attention during our work in connection with the audit for the year ended 30 June 2015 and our recommendations for improvements.

You will appreciate that our procedures are designed primarily to enable us to form an opinion on the financial report as a whole, as well as compliance with Section 125 of the *Local Government Act*, and therefore do not necessarily bring to light all the weaknesses in internal control or accounting practice which a special investigation might do. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full commercial impact before they are implemented.

We have prepared this report solely for the use of the Council. As you know, this report forms part of a continuing dialogue between the Council and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy without our prior written consent, we would not accept any responsibility for any reliance that they might place on it.

We would like to take this opportunity to extend our appreciation to management and staff throughout the Council for their assistance and cooperation during the course of our audit.

We shall be pleased to discuss with you any matters mentioned in this report.

Yours faithfully

A handwritten signature in black ink, appearing to read "Penny Woods", with a stylized flourish at the end.

Penny Woods  
Partner  
Chartered Accountants

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Member of Deloitte Touche Tohmatsu Limited



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# 1 Introduction and Scope of Work

We have completed both the statutory audit of the Corporation of the City of Marion and the ASAE 3100 engagement with respect to the Council's compliance with Section 125 of the *Local Government Act* for the year ended 30 June 2015. The scope of our work was set out in our audit engagement letters dated 11 June 2015.

During the audit, every effort was made to identify audit, accounting and other issues which would be of benefit to the Council. In accordance with our normal practice, we write to draw your attention to the internal control, accounting and other matters that came to our attention during our audit for the year ended 30 June 2015. We have provided an update on prior period findings where these matters have not been dealt with elsewhere.

## 2 Key Audit Findings

| Observation                                                                                                                                                                                                                                                                                                              | Implication                                                                                                                                                                                                                                                                                             | Recommendation                                                                                                                                                                                                                                                                                       | Management response                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1 Asset classification                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                    |
| Deloitte noted that there was currently no formal process in place for asset project managers to communicate to finance the completion of projects. Finance will classify a project as 'Capital Works in Progress' where there are identified purchase order commitments still remaining in place at financial year end. | Deloitte noted that whilst the total value of Non-Current Assets reported in the Balance Sheet is not misstated, there remains the issue that completed projects may be incorrectly disclosed as Capital Works-in-Progress. The potential risk is that this may result in misstatement of depreciation. | Deloitte recommends that City of Marion include a confirmation type process to the end of year procedures through which the status of each open capital project is confirmed to finance as either 'In Progress' or 'In Use', in conjunction with its existing Budget Carryover confirmation process. | Finance will carry out a full review of all projects that have outstanding capital commitments at year end. Confirmation will be sought from Project Managers to determine project status where funds have not been identified or requested for future years through the annual carryover process. |



## 3 Update on Prior Year Findings

To the extent that prior year matters have not been included in Section two of this report they have been covered in this section - it should be noted that 11 of the 12 findings have been implemented, with the one finding that has not been implemented being acknowledged as acceptable given the cost of implementation against the low level of risk.

| Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Prior year response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Status update 30 June 2015                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.1 Grouping of fixed assets</b><br><br>Deloitte has identified that some individual assets that should be componentised in the Fixed Asset Management System are recorded together as a group.<br><br>However, the City of Marion has commenced this process with the componentisation of its Light Towers. A review could include but not be restricted to high value groupings such as playground equipment, irrigation systems and reserve furniture. | Deloitte recommends that: <ol style="list-style-type: none"> <li>When new assets are purchased or otherwise obtained, City of Marion should put in place a procedure that ensures that:               <ul style="list-style-type: none"> <li>consideration is given to the nature of the addition and whether it is appropriate to split out and recognise any asset components separately</li> <li>an appropriately detailed asset description is recorded</li> </ul> </li> <li>City of Marion undertakes a review of their Fixed Asset Register and identifies assets that are inappropriately grouped and split out these assets as appropriate. This should be an on-going process that is substantially completed by the next full revaluation by Maloney's (due in 2017).</li> <li>When assets are disposed, City of Marion should put in place a procedure that ensures all employees and contractors are aware of the need to inform the finance team when assets are disposed of.</li> </ol> | <p>The City of Marion has started the process of componentising some of its grouped assets. We will undertake as recommended a comprehensive review of all assets that are currently grouped. All grouped assets will be assessed on a practical and material basis and individual asset records will be created in the Finance Asset Register where it is deemed appropriate to do so.</p> <p>Procedures will be put in place as recommended to ensure that new assets are appropriately itemised and finance is notified of any assets that are disposed of during the year.</p> | <p>Our recommendation has been implemented and no further issues have been identified.</p> <p>Deloitte considers this matter completed.</p> |

| Observation                                                                                                                                                                                                                                                                 | Recommendation                                                                                                                                                                                                                                                                                                        | Prior year response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Status update 30 June 2015                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>3.2 Segregation of duties</b></p> <p>There is no formal Segregation of Duties (SOD) matrix documenting conflicting roles within the Authority system for use when granting access to new users within the application or performing periodic user access reviews.</p> | <p>A detailed SOD matrix should be developed for application roles. This process should include the identification of key segregation of duties risks relevant to the existing financial systems and the definition of standards that can be applied to prevent conflicting access being assigned to individuals.</p> | <p>City of Marion will implement periodic access reviews, investigate further the means to make current access privileges available to security access approvers, and investigate the additional value of developing a basic SOD matrix (considering resource effort, practical ease of use, risk mitigation and any other factors). As background, the access management process uses role based security in the Authority system. User access privileges are based on job roles. Access requests are submitted electronically and require workflow approval from relevant manager. Sample form was supplied to Deloitte. A security access review and clean-up is currently underway.</p> | <p>Management has finalised and implemented a SOD matrix. One acknowledged role conflict exists, however the nature of the role requires access to two areas of the system that cannot be broken down into more restricted roles and this will be monitored via alternate controls.</p> |
|                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                       | <p>Deloitte considers this matter completed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                         |



| Observation                                                                                                                                              | Recommendation                                                                                                                                                                                                                                                                                                                                                          | Prior year response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Status update 30 June 2015                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>3.3 Change management</b></p> <p>Limited documentation is being provided by the vendor when making minor changes to the Authority application.</p> | <p>Management should enhance Change Management practices with the vendor to include the following areas at a minimum:</p> <ul style="list-style-type: none"> <li>• Detailed change control documentation</li> <li>• Requirement for testing of changes</li> <li>• Approval of changes</li> </ul> <p>Requirements for implementation plans, including back out steps</p> | <p>The need for adequate testing and recording of change event details for minor changes in addition to major changes will be re-emphasised by ICT with Civica through the account manager. As background, City of Marion ICT has a Change Management Framework (developed with CQR security consultants in September 2013). There is a separate "Access Request" form for external support users on the web site. Civica, who provide the managed services for Authority, provide a monthly report of all change requests completed. Significant changes are managed via project management principles and require testing and approval of changes.</p> | <p>Our recommendation has been implemented and no further issues have been identified.</p> <p>Deloitte considers this matter completed.</p> |

| Observation                                                                                                                                                                | Recommendation | Prior year response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Status update 30 June 2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <p><b>3.3 Change management (cont'd)</b></p> <p>Limited documentation is being provided by the vendor when making minor changes to the Authority application. (cont'd)</p> |                | <p>The Civica Authority Application patching of minor changes is carried out on a contractually documented process on 2 week cycle with new patches being loaded into a separate test server environment for user testing and approval, before being applied to the Authority production server. Civica communicate all patch changes to the appropriate Users and the fault escalation reporting process is communicated and agreed with all stake holders. Consideration will be given to include "change control" process references in relevant ICT policies for Remote Access and Access Control. The need for adequate testing and recording of change event details for minor changes in addition to major changes will be re-emphasised by ICT with Civica through the account manager.</p> |                            |

| Observation                                                                                             | Recommendation                                                                                                                                                                                                                                                                                                                                                                          | Prior year response                                                                                                                                                                                                                                                                                                                                                                                                                                                | Status update 30 June 2015                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.4 Privileged access</b>                                                                            |                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                      |
| The vendor (Civica) is using generic accounts to access the application, operating system and database. | Management should ensure that all users, including vendors, have individual user accounts for administrator access to Council systems.                                                                                                                                                                                                                                                  | As Civica are providing a full managed service to City of Marion, and can only access the system on an approved request basis, management control of Authority support user login accounts by Civica (via their internal change management processes) is the preferred City of Marion approach. This reduces significant internal administration overhead, streamlines support, minimises problem resolution timeframes, and the accountability rests with Civica. | Given the low level of risk associated with Civica using generic account, management does not consider the benefit of implementing the recommendation will outweigh the cost.<br><br>Deloitte considers this acceptable given the low level of risk. |
| <b>3.5 Database logging</b>                                                                             |                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                      |
| No security event logging or administrative user logging has been enabled on the Infomix database.      | Management should identify critical tables supporting financial and payment information and enable the audit logs on critical events like Update, Drop etc.<br><br>Furthermore, a periodic review of these logs should be conducted to ensure that no inappropriate or unauthorised access has occurred and evidence of this review retained along with any remedial actions performed. | City of Marion ICT will raise observation with Civica managed services, to identify solutions for improvements in appropriate levels of Informix database logging and periodic reviews.                                                                                                                                                                                                                                                                            | Our recommendation has been implemented and no further issues have been identified.<br><br>Deloitte considers this matter completed                                                                                                                  |



| Observation                                                                                      | Recommendation                                                                                                                                                                                                                               | Prior year response                                                                                                                                                             | Status update 30 June 2015                                                                                                          |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 3.6 Linux root account                                                                           |                                                                                                                                                                                                                                              |                                                                                                                                                                                 |                                                                                                                                     |
| The Linux 'root' account is not locked to the console for both application and database servers. | We recommend direct access to the Root account should only be allowed from the system console or by using the SU function from an individual user account.<br><br>The SU Log should be reviewed on a regular basis to verify access to Root. | City of Marion ICT will action locking of the 'root' account with Civica. This was previously in place as per CQR internal security audits. Review of SU log also to be raised. | Our recommendation has been implemented and no further issues have been identified.<br><br>Deloitte considers this matter completed |

| Observation                                                                                                                                                                                                                                                                                                                                            | Recommendation                                                                                                                                                             | Prior year response                                                                                                                                                                                                                                                                                                 | Status update 30 June 2015                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 3.7 Petty Cash Policy                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                     |                                                                                                                                      |
| ASS-PET-0009<br>While receipts are attached to all petty cash claims, the Council does not have a formal petty cash policy. Any individual can sign off the petty cash vouchers. The City of Marion does however require a second independent authorisation of all petty cash claims by an appropriate officer higher up their departmental hierarchy. | A formal petty cash policy should be developed to ensure all petty cash disbursements are independently authorised within financial delegations and supported by receipts. | A draft Petty Cash policy has been developed to formally document the procedures currently in place for handling petty cash. This includes the requirement for independent authorisation of petty cash expenditure, supported by receipts, by a staff member with a higher financial delegation than the recipient. | Our recommendation has been implemented and no further issues have been identified.<br><br>Deloitte considers this matter completed. |

| Observation                                                                                                                                                                                                       | Recommendation                                                                                                                                                   | Prior year response                                              | Status update 30 June 2015                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.8 Conflict of interest forms</b>                                                                                                                                                                             |                                                                                                                                                                  |                                                                  |                                                                                                                                      |
| EXT-CON-0006<br>During testing, the conflict of interest was not attached to selected contracts in two cases from five selections. There is no evidence that this control has been applied in the selected cases. | Re-iterate to City of Marion staff the requirement to ensure documentation confirming the consideration of conflicts of interest is retained for every contract. | City of Marion agree with and will implement the recommendation. | Our recommendation has been implemented and no further issues have been identified.<br><br>Deloitte considers this matter completed. |

| Observation                                                                                                                                                                                                                                                                                                                                                                                                                             | Recommendation                                                                           | Prior year response                                                                                                                                                                                                                                                                | Status update 30 June 2015                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.9 Grant Funding</b>                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                          |                                                                                                                                                                                                                                                                                    |                                                                                                                                      |
| REV-GRA-0003<br>A recommended core control is for the management to approve all grants (prior to funds being received by Council) to ensure that Council will be able to meet the terms and obligations of the grant, and that the grant is in line with the Council's Strategic Objectives. This process occurs but there is no central registry to demonstrate the approval. There is no evidence that this control has been applied. | A grant database should be developed to monitor obligations in respect of grant funding. | Grants database is being prepared to record all new and expired grants. This will be reviewed regularly for completeness once developed. A supporting policy will further be developed to ensure that staff are aware that all grants are required to be recorded in the database. | Our recommendation has been implemented and no further issues have been identified.<br><br>Deloitte considers this matter completed. |



| Observation                                                                                                                                                                                                                     | Recommendation                                                                                                                    | Prior year response                                                                                                                                                                                                                                                                                                                                                                                          | Status update 30 June 2015                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.10 Fraud risk assessment</b>                                                                                                                                                                                               |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                             |
| <p>GEI-ETH-0001</p> <p>Whilst training is provided to managers, there is no formal fraud risk assessment performed by management. Fraud risk assessments assist identification of risk areas that are susceptible to fraud.</p> | <p>A specific fraud risk assessment should be performed, documented and followed up as part of internal assurance activities.</p> | <p>Action plan is in place to develop a Fraud Risk Policy and Risk Assessment. Can be included within the operational risk assessment for departments.</p> <p><i>This control is additional to what is required in the Better Practice Model and has been added by the City of Marion to further strengthen the effectiveness of its internal control environment.</i></p>                                   | <p>Our recommendation has been implemented and no further issues have been identified.</p> <p>Deloitte considers this matter completed.</p> |
| <b>3.11 Fraud investigation</b>                                                                                                                                                                                                 |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                             |
| <p>GEI-ETH-0002</p> <p>No recent incidents of fraud, however there is no formal procedure in place for conducting investigations.</p>                                                                                           | <p>Appropriate policies and procedures should be in place to manage and investigate instances of fraud.</p>                       | <p>A specific core assurance fraud risk assessment could be completed through the BDO contract. Fraud controls are currently assessed via the core assurance reviews carried out by BDO.</p> <p><i>This control is additional to what is required in the Better Practice Model and has been added by the City of Marion to further strengthen the effectiveness of its internal control environment.</i></p> | <p>Our recommendation has been implemented and no further issues have been identified.</p> <p>Deloitte considers this matter completed.</p> |

| Observation                                                                                                                                                         | Recommendation                                                                                                                   | Prior year response                                                                                             | Status update 30 June 2015                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 3.12 Recording of revenue receipts                                                                                                                                  |                                                                                                                                  |                                                                                                                 |                                                                                                                                             |
| <p>REV-REC-0012</p> <p>During testing Deloitte noted that the three selected employees all have access to receipting funds and the creation of debtor invoices.</p> | <p>Officers who create debtors invoices should not have access to receipting payments and/or reversing receipt transactions.</p> | <p>Council will implement recommendation and review all debtor receipting access to ensure no issues exist.</p> | <p>Our recommendation has been implemented and no further issues have been identified.</p> <p>Deloitte considers this matter completed.</p> |

## 4 Internal Controls

### Background

Amendments to the *Local Government Act 1999* (the “Act”) require local government auditors to provide separate formal opinions in relation to:

- The financial statement audit; and
- Financial internal controls audit as prescribed in Section 125 of the Act.

### *Implications for Councils*

To comply with these changes Council has implemented an internal control framework as that prescribed in the South Australian Local Government Financial Management Group (“SALGFMG”) Better Practice Model – Financial Internal Controls.

Deloitte has tested the design and implementation for an agreed sample of internal controls representing 62% of the population of core controls implemented by Council based on our rotation plan and profiling of internal controls in our audit plan.

### Objectives

We have provided you with the following risk rating matrix and details of the results of our testing and recommendations for improvement as part of the services as determined by the scoping agreed on between City of Marion (CoM) management and Deloitte.



Sample of controls within the best practice model as provided by the Local Government Association (LGA) have been tested by Deloitte. These tests were performed from 15 June 2015 to 19 June 2015.

Any significant control deficiency identified by Deloitte on the controls tested have been summarised below. No significant deficiencies were noted.

The Risk Ratings provided in this report were based on the criteria below and have been determined in accordance with the Local Government Act –Better Practice model.

**Likelihood**

5 (almost certain)  
4 (likely)  
3 (possible)  
2 (unlikely)  
1 (rare)

Extreme  
High  
Moderate  
Low

## Detailed findings

| Observation                                                                                                                                                                                                                  | Implication                                                                                                                                                                                                                                                                                                                                                                                   | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4.1 Review of petty cash reconciliations</b>                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>ASS-PET-0004</p> <p>Deloitte note that petty cash reconciliations are being performed on a daily basis, but are not always evidenced with the signature of an independent person.</p>                                     | <p>The deficiency in this control means there is no documented evidence of the effective review of the cash counting process. As the cashiers handle the cash all day, then perform the count themselves, this may allow them at any time to temporarily remove cash from the cash drawer and go undetected until a reconciliation of the same drawer is performed by a different person.</p> | <p>Deloitte recommends that the practice of crosschecking and signing petty cash reconciliations on a daily basis is enforced and reviewed by management. In addition, the person reviewing should be independent from the preparer.</p> <p>Although a fraud performed in this manner would likely be detected regardless of this control, implementing this would greatly decrease the risk of fraud occurring and the time-lapse between occurrence and detection</p> | <p>Finance will work with Customer Service staff to implement the recommendation proposed to strengthen the security around the management of petty cash. It should be noted that on most days the staff responsible for petty cash are rotated which decreases the likelihood of a delay in detection of such a fraud. However having a daily independent sign off of the petty cash float in addition to daily staff rotation will strengthen the security and management of petty cash.</p> |
| <b>4.2 Termination policy</b>                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>EXP-PAY-0034</p> <p>There is no termination policy in place, and the current exit procedure does not directly address the statutory regulations, or enterprise agreement requirements that may need to be adhered to.</p> | <p>There is a possibility that statutory and union regulations may be breached when terminating employment.</p>                                                                                                                                                                                                                                                                               | <p>Deloitte recommends a centralised procedure for actions on terminating employment.</p>                                                                                                                                                                                                                                                                                                                                                                               | <p>Finance will collaborate with Organisational Development to construct a procedure that ensures statutory and enterprise agreement conditions are strictly followed when terminating employment.</p>                                                                                                                                                                                                                                                                                         |



| Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Implication                                                                                                                                                                          | Recommendation                                                                                                                                                                  | Management response                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4.3 Review of payroll deduction report</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                      |                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                    |
| <p>EXP-PAY-0015</p> <p>There is no documented evidence that a payroll deduction report is reviewed on a regular basis.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>The deficiency in this control could cause unauthorised or incorrect deductions to be removed from an employee's pay.</p>                                                         | <p>Deloitte recommends that formal process be put in place to ensure that the payroll deduction review is fully documented and signed off.</p>                                  | <p>Payroll deduction reports are generated, reviewed and stored electronically with every pay cycle. As recommended management will put in place a process to ensure documentation is retained to provide evidence a formal review of the deduction report is conducted on a regular basis with deductions checked back against employee forms and signed off.</p> |
| Observation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Implication                                                                                                                                                                          | Recommendation                                                                                                                                                                  | Management response                                                                                                                                                                                                                                                                                                                                                |
| <b>4.4 Fringe benefit tax policy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                      |                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                    |
| <p>LIA-TAX-0008</p> <p>There is no formal, documented Fringe Benefit Tax procedure used in the preparation of the annual return. In previous years an accounting assistant prepared the calculation and this was reviewed by the Financial Accountant, however this did not occur in the current year due to the Financial Accounting Assistant leaving the City of Marion immediately prior to the preparation of the return. In the current period the calculation was performed by the Financial Accountant and a high level review was conducted by the Manager Finance and a summary including prior year comparative data was presented to the director of Finance.</p> | <p>The lack of a documented procedure being utilised in the preparation of the FBT return may give rise to inconsistencies in the preparation of the FBT liability year on year.</p> | <p>Deloitte recommends that a Fringe Benefits Tax procedure be documented and utilised to ensure a standard procedure is followed in the preparation of all future returns.</p> | <p>Finance will develop a documented procedure to be followed in the preparation of the Fringe Benefits Tax return. This set of documented procedures will be utilised for all future returns.</p>                                                                                                                                                                 |



| Observation                                                                                                                                                                                                                    | Implication                                                                                                                                       | Recommendation                                                                                                                                                                               | Management response                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4.5 Petty cash security</b>                                                                                                                                                                                                 |                                                                                                                                                   |                                                                                                                                                                                              |                                                                                                                                                                                                                                                 |
| ASS-PET-0005<br>ASS-PET-0006<br>1. Although petty cash is always kept locked away, the access to the storage points is not highly restricted.<br>2. Security levels of petty cash drawers may lead to a chance of theft/fraud. | There is a risk that cash may be removed from the petty cash drawer.                                                                              | Deloitte recommends a review of the security surrounding petty cash in the council chamber front office.                                                                                     | Finance will work with Customer Service to review the security surrounding the access to the locked petty cash drawer and implement a more secure process & procedure to restrict access to the petty cash drawer.                              |
| <b>4.6 Cash receipting policy</b>                                                                                                                                                                                              |                                                                                                                                                   |                                                                                                                                                                                              |                                                                                                                                                                                                                                                 |
| REV-OTR-0003<br>There is no documented policy for reconciling receipting to cash at remote locations.                                                                                                                          | The lack of documented policy may result in misappropriation of cash received outside the council receipting areas.                               | Deloitte recommends that a formal policy for cash receipts outside the Council receipting area be documented and adopted.                                                                    | Whilst most remote locations have their own procedures in place, management agree with the recommendation and will implement a formal policy and standard procedures for the reconciliation of income at all receipting locations be developed. |
| <b>4.7 Grant acquittal</b>                                                                                                                                                                                                     |                                                                                                                                                   |                                                                                                                                                                                              |                                                                                                                                                                                                                                                 |
| ASS-LOA-0002<br>Signed grant acquittal was not received before deadline.                                                                                                                                                       | Compliance monitoring is hindered if acquittals are not received in a timely manner. Grants may not be spent in accordance with the applications. | Deloitte has noted that outstanding acquittals are followed up by management. It is recommended that the final follow-up (i.e. once they are overdue) is completed in a more timely fashion. | Finance will work with the appropriate department to develop a detailed procedure that will ensure a more timely follow-up once returns are overdue.                                                                                            |

## Corporation of the City of Marion Report to the Audit Committee and Elected Members for the year ended 30 June 2015



October 2015



Corporation of the City of Marion  
Chair, Audit Committee  
245 Sturt Road  
STURT SA 5047

2 October 2015

Dear Sir

## **Report to the Audit Committee and Elected Members – for the year ended 30 June 2015**

In accordance with our normal practice, we include in the attached report all matters arising from our audit of the financial report of the Corporation of the City of Marion ("City of Marion" or "the Council") for the year ended 30 June 2015 which we consider appropriate for the attention of the Audit Committee ("the Committee") and Elected Members. These matters have been discussed with management of the Council and their comments have been included, where appropriate.

We look forward to the Committee meeting in October where we will have the opportunity to discuss this report. In the interim, should you require clarification on any matter in this report please do not hesitate to contact us.

We have substantially completed our audit on the financial report of the Corporation of the City of Marion and subject to the satisfactory resolution of the matters detailed in Section 2, we expect to issue an unmodified audit opinion.

Deloitte Touche Tohmatsu  
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We have prepared this report solely for the use of the Committee and Elected Members and it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy without our prior written consent, we would not accept responsibility for any reliance that they might place on it.

We would like to take this opportunity to extend our appreciation to management and staff for their assistance and cooperation during the course of our audit.

Yours faithfully  
Deloitte Touche Tohmatsu



Penny Woods

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## General use restriction

This report is prepared solely for the internal use of the Corporation of the City of Marion. This report is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity. The report has been prepared for the purpose set out in our engagement letter dated 11 June 2015. You should not refer to or use our name or the advice for any other purpose.

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# 1. Executive summary

## 1.1 Overview

### Area

### Comment

Our audit of the financial report is substantially complete.

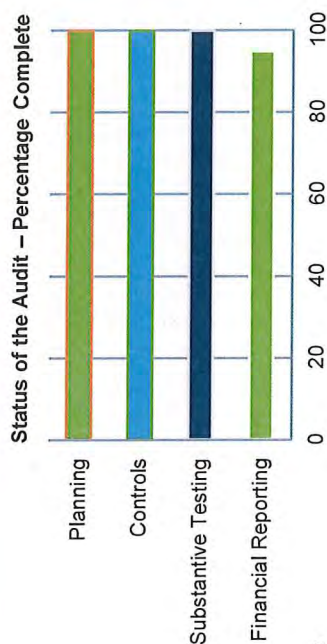
We expect to issue an unmodified audit opinion on the financial report subject to the satisfactory completion of the matters noted in Section 2.3.

### Status of audit and outstanding matters

#### Refer to Section 2

Our reasonable assurance engagement under ASAE 3100 with respect to the Council's compliance with Section 125 of the *Local Government Act* is substantially complete.

We expect to issue an unmodified audit opinion in relation to this engagement subject to the satisfactory completion of the matters noted in Section 2.3



We have assessed the internal control environment to be strong, but with room for continuous improvement.

### Assessment of internal controls

#### Refer to Section 4

In performing our audit of the Council for the year ended 30 June 2015 whilst we have not identified any significant deficiencies in internal controls relating to the prevention and detection of fraud and error which would impact upon our ability to provide our opinion on the financial report for the year ended 30 June 2015, we noted a number of control observations as part of our engagement on the compliance with section 125 of the Local Government Act 1999. These findings are summarised in our letter to management circulated separately

No matters relating to fraud, concerning either employees or management came to our attention.

### Summary of uncorrected misstatements

#### Refer to Appendix A

We have not identified any uncorrected misstatements that, in our judgement, either individually or in aggregate, could have a material effect on the financial report for the year ended 30 June 2015.

There is no net effect of identified uncorrected differences identified on profit.

### Summary of uncorrected disclosure deficiencies

#### Refer to Appendix B

We detected no significant uncorrected disclosure deficiencies in the financial report.

### Developments in financial reporting

#### Refer to Appendix D

Over the next few years there will be a number of substantial changes to Australian Accounting Standards. We will work proactively with management to assess the impact on the Corporation of the City of Marion and the appropriate accounting policies going forward.



# 1. Executive summary (cont)

## 1.2 Key areas of focus and response

| Statement of Financial Position               | FY 2015 (\$'000)       |
|-----------------------------------------------|------------------------|
| Cash and cash equivalents                     | 19,688                 |
| Trade and other receivables                   | 4,036                  |
| Other Financial Assets                        | 2,750                  |
| Inventories                                   | 166                    |
| <b>Total current assets</b>                   | <b>26,640</b>          |
| Equity accounted investments                  | 5,120 <sup>2</sup>     |
| Infrastructure, Property, plant and equipment | 1,101,403 <sup>1</sup> |
| Other non-current assets                      | 12,495                 |
| <b>Total non-current assets</b>               | <b>1,119,018</b>       |
| Trade and other payables                      | 7,278                  |
| Borrowings                                    | 1,671                  |
| Provisions                                    | 5,155                  |
| <b>Total current liabilities</b>              | <b>14,104</b>          |
| Borrowings                                    | 10,229                 |
| Provisions                                    | 857                    |
| <b>Total non-current liabilities</b>          | <b>11,086</b>          |
| <b>Net Assets</b>                             | <b>1,120,468</b>       |
| Accumulated Surplus                           | 360,929                |
| Asset Revaluation Reserves                    | 740,335 <sup>1</sup>   |
| Other Reserves                                | 19,204                 |
| <b>Total Equity</b>                           | <b>1,120,468</b>       |

Our audit procedures were focused on those areas of the Council's activities that are considered to represent the key audit risks identified through discussions with management during the course of our audit and based on our in-depth understanding of the Corporation of the City of Marion.

We are satisfied that these key areas of focus have been addressed appropriately and are properly reflected in the Corporation of the City of Marion's financial report.

### 1 Infrastructure, property, plant and equipment held at depreciated replacement cost

Given the nature and magnitude of the Council's fixed assets, this account balance has been identified as an audit focus area.

Major project spend was assessed to determine whether expenditure was appropriately capitalised. Progress against budgets was also reviewed.

Particular focus was placed on the review of capital expenditure approvals at the inception of projects as well as the verification of expenditure against Delegated Authorities throughout the project life.

The fair value of land, buildings and infrastructure was assessed by external valuers including Maloney Field Services and APV. We have analysed the methodology and basis for the determination of fair value of assets as well as the level of appropriate disclosures to ensure the fair value is appropriately determined and disclosed. In addition, we have involved an internal valuation specialist in assessing the reasonableness of the overall valuation.

### 2 Equity accounted investments

Given the nature of this account it was noted as a focus area.

A significant write-down in the valuation of equity accounted investments was identified in the prior year due to the decreased valuation of the landfill site as result of reduction in the remaining capacity (net loss of \$444,000 and dividend receipt of \$75,000).

No asset revaluation was performed for equity accounted investments in the current period. The increase in equity accounted investments is mainly caused by the share of net profit of \$817,000 and dividend receipt of \$60,000.

# 1. Executive summary (cont)

## 1.2 Key areas of focus and response

| Statement of Comprehensive Income                             | FY 2015 (\$'000)           |
|---------------------------------------------------------------|----------------------------|
| Rates revenue                                                 | 67,465 <sup>3</sup>        |
| Grants, subsidies and contributions                           | 7,694 <sup>3</sup>         |
| Other income                                                  | 6,817                      |
| <b>Total income</b>                                           | <b>81,976</b>              |
| Employee costs                                                | 31,757                     |
| Materials, contracts and other expenses                       | 26,418                     |
| Depreciation, amortisation and impairment                     | 12,974                     |
| Finance costs                                                 | 800                        |
| <b>Total expenses</b>                                         | <b>71,949 <sup>4</sup></b> |
| <b>Operating surplus</b>                                      | <b>10,027</b>              |
| Other non operating income                                    | 9,871                      |
| Revaluations of infrastructure, property, plant and equipment | 3,556 <sup>1</sup>         |
| <b>Total comprehensive income</b>                             | <b>23,454</b>              |

### 3 Rates Revenue and Grant Income

Rate revenue has been identified as a significant transaction cycle given the size of account balance.

Given the stability of rate revenue, we have established an expectation of the overall rate revenue using published rates and Valuer General reports to support property valuations.

No issues in relation to rate revenue were noted.

Grant revenue has been identified as a material account balance in relation to recognition requirements as set out in AASB 1004 (*Contributions*). In accordance with this standard local government councils are required to recognise the revenue at the point where:

1. The Council has a right to receive the revenue, or
2. The Council has control over the grant funding.

Based on the above, we have assessed the revenue recognised during the current year and ensured no grant revenue was inappropriately deferred to the statement of financial position.

### 4 Expenditure

Given the volume, magnitude and public accountability of Council expenditures the preventative and detective controls over expenditures, including the budgetary cycle were given consideration.

Detailed testing has been performed over operating expenditure.

For employee cost, an expectation was developed using staff numbers, average pay and known increases awarded.

Depreciation expenditure was analysed for each asset category for compliance with the Council approved policy which also included an assessment of the useful lives and residual values of the fixed assets.

No issues in relation to these account balances were noted.



## 2. Purpose and scope

### 2.1 Scope

We were engaged to perform an audit of the Council for the year ended 30 June 2015 in accordance with Australian Auditing Standards. Our audit is performed to enable us to express an opinion as to whether the financial report of the Council has been prepared in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

We were also engaged to perform a compliance audit of the Council with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2014 to 30 June 2015 are in accordance with legislative provisions.

We were also engaged to perform an audit with respect to 3 grant programs, and an audit with respect to a Workers Compensation Declaration.

### 2.2 Purpose of the report

We have prepared this report for the Corporation of the City of Marion's Committee and its Elected Members to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process of the Council for which management is responsible. This report includes only those matters that have come to our attention as a result of performing our audit procedures which we believe are appropriate to present to the Committee and Elected Members.

### 2.3 Status of the audit and outstanding matters

Our audit of the financial report is substantially complete.

We expect to issue unmodified audit opinions on the financial report, grant audits, audit of the Workers Compensation Declaration and ASAE 3100 engagement with respect to the Council's compliance with Section 125 of the *Local Government Act* subject to the completion of:

- appropriate procedures relating to subsequent events up to the date of our audit opinion
- receipt of the signed written representation letters
- adoption of the accounts by the Council and signing of Certification of the financial report by the Chief Executive Officer and Mayor.



### 3. Key areas of focus and response

Our audit procedures were focused on those areas of the Council's activities that are considered to represent the key audit risks. These areas of focus were identified as a result of:

- the risk assessment process undertaken during the planning phase of our engagement
- our understanding of the business risks faced by the Corporation of the City of Marion, obtained through our prior experiences providing services to the Corporation of the City of Marion as well as a number of other Councils across South Australia and Australia
- discussions with management during the course of our audit

The identification of key areas of focus included meetings with senior management and work performed by the Deloitte audit team. We are satisfied that these key areas of focus have been addressed appropriately and are properly reflected in the financial report.

#### 3.1 Change in revaluation surplus

##### Focus area

The majority of Infrastructure, Property, Plant & Equipment gets re-valued on an annual basis at a value equal to depreciated replacement cost per Council policy. This re-valuation often involves a significant increase in recognised fair value. In the 2015 financial year the revaluation resulted in a net increase in revaluation surplus of \$3,556,000.

##### Findings

Deloitte performed the following:

- Evaluation of the assumptions made by your experts in their (Maloney's and APV's) valuation reports, by comparing the assumptions they have made with prior year valuation reports and understanding any material variances.

tests of details over

- existence of fixed assets
- additions of fixed assets
- disposal of fixed assets

- Developing an expectation of depreciation expenditure in accordance with policy.

- Review of the reconciliation of the fixed asset register to the financial statements.

- Involvement of our internal valuation specialist in assessing the reasonableness of the overall valuation.

Deloitte has raised an insight in relation to classification between Capital Works-In-Progress and Infrastructure, which is summarised in our letter to management circulated separately.

## 4. Assessment of internal controls

### 4.1 Scope

We were engaged to perform a compliance audit of the Council with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2014 to 30 June 2015 are in accordance with legislative provisions.

### 4.2 Summary of control

The 31 business processes are divided into 6 risk categories including Assets, Liabilities, Expenses, Revenue, Strategic Financial Planning and External Services. The Better Practice Model provided by the Local Government Association (LGA) identifies risks for each business process and suggests several controls to address each risk. In total there are 491 controls, of which 233 are considered "Core" and 258 are considered "Additional".

### 4.3 Summary of result

We have performed the control assessment on a rotation basis for each of six risk categories. For the financial year ended 2015, we have selected the risk categories of Assets and External Services as well as scoping in controls that fit the following profile:

- control activities which are different from last year and different from the BPM
- control activities which have different assessors or reviewers from last year
- control activities which have a rating for assessor or reviewer which are equal or less than 2
- control activities which the rating for assessor and reviewers are different by 2 or more.

In performing our audit of the Council for the year ended 30 June 2015 whilst we have not identified any significant deficiencies in internal controls relating to the prevention and detection of fraud and error which would impact upon our ability to provide our opinion on the financial report for the year ended 30 June 2015, we noted a number of control observations as part of our engagement on the compliance with section 125 of the Local Government Act 1999. These findings are summarised in our letter to management circulated separately.

### 4.4 Future considerations

The Council has implemented 233 core controls in accordance with the recommendations of the Better Practice Model, in order to comply with Section 125 of the Local Government Act 1999. We recommend that management perform further risk profiling analysis on these core controls to identify the key controls required to address the risks specific to the council. This will allow both our testing and the Councils self-assessments to be more focussed.



## 5. Other communications

### 5.1 Use of specialists

As planned, specialists assisted in the audit to the extent we considered necessary:

- **computer assurance specialists** are used on a rotational basis to assist in the evaluation of internal controls and in the use of our computerised audit applications; and
- **valuation specialists** have been consulted in the evaluation of property and infrastructure valuations.

### 5.2 Non-compliance with applicable laws and regulations

In performing our audit of the Corporation of the City of Marion for the year ended 30 June 2015 we have not become aware of any instances of non-compliance with applicable laws and regulations that would have an impact on the determination of material amounts and disclosures in the financial report.

### 5.3 Independence

We confirm that we have maintained our independence in accordance with the independence requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and intend to sign the Auditor's Independence Declaration (Appendix E) to be included in the Financial Report for the year ended 30 June 2015.

The matters considered when assessing our independence, including fees for non-audit services, are included in Appendix F.

# Appendices

## Appendix A

### Summary of uncorrected misstatements

In performing our audit, we have not identified any uncorrected misstatements that management believe could, either individually or in aggregate, have a material effect on the financial report for the year ended 30 June 2015.

## Appendix B

### Summary of uncorrected disclosure deficiencies

In performing our audit, no material uncorrected disclosure deficiencies were detected in the financial report.

# Appendix C

## Summary of corrected misstatements

In performing our audit, we have identified the following corrected misstatements

| Corrected misstatements identified related to 2015                                                                                                   | Assets<br>Dr/(Cr) | Liabilities<br>Dr/(Cr) | Equity<br>Dr/(Cr) | Profit and loss<br>Dr/(Cr) |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|-------------------|----------------------------|
| Infrastructure, Property, Plant and Equipment                                                                                                        | 118,484           | -                      | -                 | -                          |
| Other Non-Current Assets (Capital Works-in-progress)                                                                                                 | (118,484)         | -                      | -                 | -                          |
| <i>To reclassify WIP into fixed asset as it was completed as at 30 June 2015</i>                                                                     |                   |                        |                   |                            |
| Cash and Cash Equivalents                                                                                                                            | (201,438)         | -                      | -                 | -                          |
| Payables                                                                                                                                             | -                 | 201,438                | -                 | -                          |
| <i>To adjust the cash and payable balance as the above amount was paid on 30 June 2015</i>                                                           |                   |                        |                   |                            |
| Cash and Cash Equivalents                                                                                                                            | (2,750,000)       | -                      | -                 | -                          |
| Other Financial Assets                                                                                                                               | 2,750,000         | -                      | -                 | -                          |
| <i>To reclassify the cash and cash equivalents into other financial assets for term deposits where the maturity dates were greater than 3 months</i> |                   |                        |                   |                            |
| Long service leave provision                                                                                                                         | -                 | (268,858)              | -                 | -                          |
| Salary and wages                                                                                                                                     | -                 | -                      | -                 | 268,858                    |
| <i>To recognise long service provision for those who have a length of service less than 5 years</i>                                                  |                   |                        |                   |                            |



# Appendix C (cont'd)

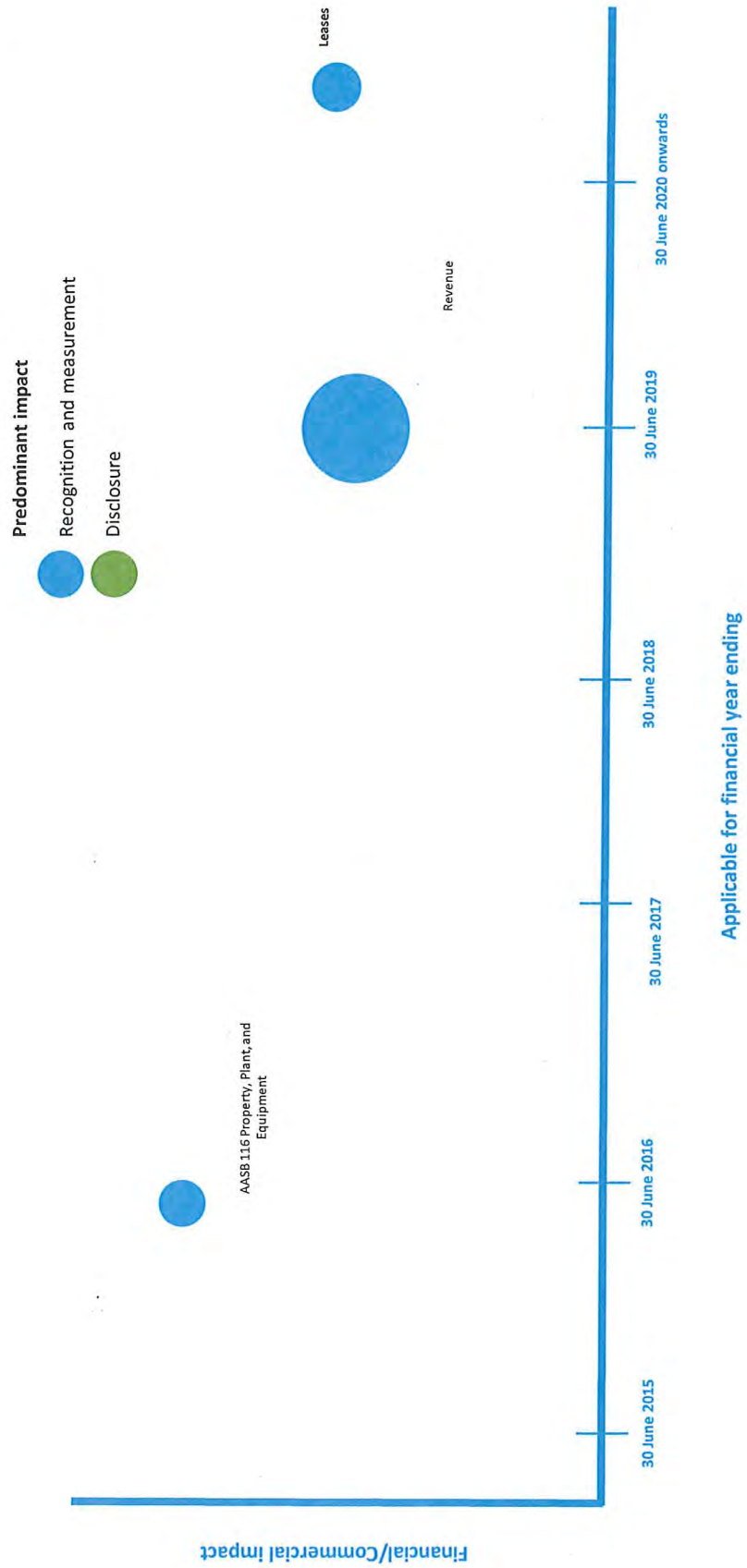
| Summary of corrected misstatements -(cont)                                                                                                    |                   |                        |                   |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|-------------------|----------------------------|
| In performing our audit, we have identified the following corrected misstatement                                                              |                   |                        |                   |                            |
| Corrected misstatements identified related to 2014                                                                                            | Assets<br>Dr/(Cr) | Liabilities<br>Dr/(Cr) | Equity<br>Dr/(Cr) | Profit and loss<br>Dr/(Cr) |
| Cash and Cash Equivalents                                                                                                                     | (8,900,000)       | -                      | -                 | -                          |
| Other Financial Assets                                                                                                                        | 8,900,000         | -                      | -                 | -                          |
| To reclassify the cash and cash equivalents into other financial assets for term deposits where the maturity dates were greater than 3 months |                   |                        |                   |                            |



# Appendix D

There continues to be constant developments in financial reporting mainly driven by harmonisation of international accounting practices. We continue to provide regular analysis of the latest accounting developments through our IAS Plus website, [www.iasplus.com/en](http://www.iasplus.com/en). We have set out below some of the recent accounting developments that are of relevance to the Corporation of the City of Marion and impact the financial report for June 2016 and beyond.

The following new and revised Accounting Standards have been issued by the Australian Accounting Standards Board ("AASB") and are of relevance to the Council.



# Appendix D (cont'd)

| Developments in financial reporting |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard/ Interpretation            | Effective Date | Impact of the new standard/interpretation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Property-plant-equipment</b>     | 30 June 2016   | <ul style="list-style-type: none"> <li>On 29 May 2015, the AASB released an Action Alert in relation to recognition of residual value for fixed assets. The AASB's view is that residual values can only be recognised as the expected consideration arising from a sale of a replaced asset. The 2015 model financial statements reflect cost savings from salvaged components being recognised as residual values. The decision remains under discussion and further guidance is anticipated shortly. On this basis, the interpretation has not been considered in the 2015 financial statements to ensure consistency among councils. However, the treatment of residual value for infrastructure assets will need to be considered in the 2016 financial year.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Revenue</b>                      | 30 June 2019   | <ul style="list-style-type: none"> <li>Introduces detailed guidance for revenue recognition relevant to different goods and services</li> <li>Revenue for each performance obligation is accounted for separately and only recognised once the customer controls the asset (good or service)</li> <li>Performance obligations are recognised separately to the extent that the promised assets (goods or services) are transferred to the customer at different times, either at a point in time or over time</li> <li>Revenue may be recognised using the percentage of completion method for construction contracts, but only if the customer has physical possession of, or title to, the work in progress.</li> <li>The AASB is currently considering the replacement accounting standard for the not-for-profit sector that will replace the existing accounting standards and that is currently expected to be issued with an effective date of accounting periods beginning on or after 1 January 2018 (i.e. would be effective for Council for the year ended 30 June 2019). This replacement accounting standard is still in draft stage and it is currently too early to determine any potential impact on Council.</li> </ul> |
| <b>Leases</b>                       | Not known      | <ul style="list-style-type: none"> <li>Removes distinction between operating and finance lease</li> <li>Requires the lessee to recognise, for all leases:               <ul style="list-style-type: none"> <li>An asset representing its right to use the leased item for the lease term, including rights under options</li> <li>A liability for its obligation to pay rentals, including contingent rental and residual value options.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

# Appendix E

## Draft independence declaration



Corporation of the City of Marion  
245 Sturt Road  
STURT, SA 5047

October 2015

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 2015 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, and in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

Yours faithfully

Deloitte Touche Tohmatsu

**Penny Woods**  
Partner

Member of Deloitte Touche Tohmatsu Limited  
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# Appendix F

## Independence letter for the Board Audit Committee



Corporation of the City of Marion  
Chair, Audit Committee  
245 Sturt Road  
STURT, SA 5047

October 2015

Dear Sir,

### Independence letter for the Audit Committee

Deloitte Touche Tohmatsu ("Deloitte") has prepared the following letter to facilitate our communication with the Audit Committee of the Corporation of the City of Marion ("the Council) and to assist you in meeting your requirements under the *Local Government Act 1999* to communicate matters to the members of Council regarding Auditor independence.

### Independence

The *Local Government Act 1999* and our professional standards require that we communicate with you whether there have been any contraventions of the auditor independence requirements of the *Local Government Act 1999* or of any applicable code of professional conduct in relation to the audit.

To the best of our knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Local Government Act* or of any applicable code of professional conduct in relation to the audit for the financial year ended 30 June 2015.

We are not aware of any relationships between Deloitte and the Council that, in our professional judgment, may reasonably be thought to bear on our independence.

Deloitte Touche Tohmatsu  
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## Appendix F (cont'd)

### Independence letter for the Board Audit Committee (cont)

This report is intended solely for the information and use of the Council and management for the purposes stated herein, and is not intended to be and should not be used or relied upon by any other person or by any person for any other purpose.

Should you have any queries or wish to discuss this matter further please do not hesitate to contact me on 8407 7085.

Yours faithfully

**Penny Woods**  
Partner



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Member of Deloitte Touche Tohmatsu Limited

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# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## General Purpose Financial Reports for the year ended 30 June 2015

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## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2015

#### CERTIFICATION OF FINANCIAL STATEMENTS

I 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 2015 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 16<sup>TH</sup> day of SEPTEMBER 2015

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 30 June 2015**

|                                                                                 | Notes | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------------------------------------------------------------------|-------|----------------|----------------|
| <b>INCOME</b>                                                                   |       |                |                |
| User charges                                                                    | 2     | 9,171          | 9,137          |
| Investment income                                                               | 2     | 672            | 645            |
| Other Income                                                                    | 2     | 1,302          | 1,274          |
| Net gain - equity accounted Joint Venture                                       | 16    | 124            | 65             |
| <b>Total Income</b>                                                             |       | <b>11,269</b>  | <b>11,121</b>  |
| <b>EXPENSES</b>                                                                 |       |                |                |
| Employee costs                                                                  | 3     | 1,005          | 1,023          |
| Materials, contracts & other expenses                                           | 3     | 6,344          | 6,370          |
| Depreciation, amortisation & impairment                                         | 3     | 1,034          | 2,314          |
| Other Expenses                                                                  | 3     | 94             | 135            |
| <b>Total Expenses</b>                                                           |       | <b>8,477</b>   | <b>9,842</b>   |
| <b>OPERATING SURPLUS / (DEFICIT)</b>                                            |       | <b>2,792</b>   | <b>1,279</b>   |
| Net gain (loss) on disposal or revaluation of assets                            | 4     | -              | 2              |
| <b>NET SURPLUS / (DEFICIT)</b>                                                  |       | <b>2,792</b>   | <b>1,281</b>   |
| transfer to Equity Statement                                                    |       |                |                |
| Other Comprehensive Income                                                      |       |                |                |
| Changes in revaluation surplus - infrastructure, property,<br>plant & equipment |       | -              | (2,966)        |
| <b>Total Other Comprehensive Income</b>                                         |       | <b>-</b>       | <b>(2,966)</b> |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                               |       | <b>2,792</b>   | <b>(1,685)</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 2015

|                                             | Notes | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------------------------------|-------|----------------|----------------|
| <b>ASSETS</b>                               |       |                |                |
| <b>Current Assets</b>                       |       |                |                |
| Cash and cash equivalents                   | 5     | 19,245         | 18,049         |
| Trade & other receivables                   | 5     | 1,049          | 1,387          |
| Inventories                                 | 5     | 49             | -              |
|                                             |       | <u>20,343</u>  | <u>19,436</u>  |
| <b>Total Current Assets</b>                 |       | <u>20,343</u>  | <u>19,436</u>  |
| <b>Non-current Assets</b>                   |       |                |                |
| Equity Accounted Joint Venture              | 16    | 189            | 65             |
| Infrastructure, Property, Plant & Equipment | 6     | 16,614         | 17,100         |
|                                             |       | <u>16,803</u>  | <u>17,165</u>  |
| <b>Total Non-current Assets</b>             |       | <u>16,803</u>  | <u>17,165</u>  |
| <b>Total Assets</b>                         |       | <u>37,146</u>  | <u>36,601</u>  |
| <b>LIABILITIES</b>                          |       |                |                |
| <b>Current Liabilities</b>                  |       |                |                |
| Trade & Other Payables                      | 7     | 1,414          | 1,686          |
| Provisions                                  | 7     | 134            | 897            |
|                                             |       | <u>1,548</u>   | <u>2,583</u>   |
| <b>Total Current Liabilities</b>            |       | <u>1,548</u>   | <u>2,583</u>   |
| <b>Non-current Liabilities</b>              |       |                |                |
| Provisions                                  | 7     | 18,870         | 19,882         |
|                                             |       | <u>18,870</u>  | <u>19,882</u>  |
| <b>Total Non-current Liabilities</b>        |       | <u>18,870</u>  | <u>19,882</u>  |
| <b>Total Liabilities</b>                    |       | <u>20,418</u>  | <u>22,465</u>  |
| <b>NET ASSETS</b>                           |       | <u>16,728</u>  | <u>14,136</u>  |
| <b>EQUITY</b>                               |       |                |                |
| Accumulated Surplus                         |       | 16,728         | 14,136         |
| Asset Revaluation Reserve                   | 8     | -              | -              |
| Other Reserves                              | 8     | -              | -              |
| <b>TOTAL EQUITY</b>                         |       | <u>16,728</u>  | <u>14,136</u>  |

This Statement is to be read in conjunction with the attached Notes.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2015

| 2015                                                               | Notes | Accumulated<br>Surplus | Asset<br>Revaluation<br>Reserve | Other<br>Reserves | TOTAL<br>EQUITY |
|--------------------------------------------------------------------|-------|------------------------|---------------------------------|-------------------|-----------------|
| Balance at end of previous reporting period                        |       | 14,136                 | -                               | -                 | 14,136          |
| Adjustments due to compliance with revised Accounting Standards    |       | -                      | -                               | -                 | -               |
| Adjustments to give effect to changed accounting policies          |       | -                      | -                               | -                 | -               |
| Restated Opening Balance                                           |       | 14,136                 | -                               | -                 | 14,136          |
| Net Surplus/ (Deficit) for Year                                    |       | 2,792                  |                                 |                   | 2,792           |
| <b>Other Comprehensive Income</b>                                  |       |                        |                                 |                   |                 |
| Gain on revaluation of infrastructure, property, plant & equipment |       | -                      | -                               | -                 | -               |
| Transfers between reserves                                         |       | -                      | -                               | -                 | -               |
| Distributions to Member Councils                                   |       | (200)                  | -                               | -                 | (200)           |
| <b>Balance at end of period</b>                                    |       | 16,728                 | -                               | -                 | 16,728          |

| 2014                                                               | Notes | Accumulated<br>Surplus | Asset<br>Revaluation<br>Reserve | Other<br>Reserves | TOTAL<br>EQUITY |
|--------------------------------------------------------------------|-------|------------------------|---------------------------------|-------------------|-----------------|
| Balance at end of previous reporting period                        |       | 12,593                 | 2,966                           | 512               | 16,071          |
| Adjustments due to compliance with revised Accounting Standards    |       | -                      | -                               | -                 | -               |
| Adjustments to give effect to changed accounting policies          |       | -                      | -                               | -                 | -               |
| Restated Opening Balance                                           |       | 12,593                 | 2,966                           | 512               | 16,071          |
| Net Surplus/ (Deficit) for Year                                    |       | 1,281                  | -                               | -                 | 1,281           |
| <b>Other Comprehensive Income</b>                                  |       |                        |                                 |                   |                 |
| Gain on revaluation of infrastructure, property, plant & equipment |       | -                      | (2,966)                         | -                 | (2,966)         |
| Transfers between reserves                                         |       | 512                    | -                               | (512)             | -               |
| Distributions to Member Councils                                   |       | (250)                  | -                               | -                 | (250)           |
| <b>Balance at end of period</b>                                    |       | 14,136                 | -                               | -                 | 14,136          |

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 2015

|                                                               | Notes | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------------------------------------------------|-------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |       |                |                |
| <u>Receipts</u>                                               |       |                |                |
| Operating receipts                                            |       | 10,465         | 10,132         |
| Investment receipts                                           |       | 667            | 642            |
| <u>Payments</u>                                               |       |                |                |
| Operating payments to suppliers & employees                   |       | (8,497)        | (8,252)        |
| Finance payments                                              |       | -              | -              |
| <b>Net Cash provided by (or used in) Operating Activities</b> | 9 (b) | <u>2,635</u>   | <u>2,522</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |       |                |                |
| <u>Receipts</u>                                               |       |                |                |
| Sale of surplus assets                                        |       | -              | 43             |
| Net disposal of investment securities                         |       | -              | -              |
| <u>Payments</u>                                               |       |                |                |
| Expenditure on renewal/replacement of assets                  |       | (31)           | (8)            |
| Expenditure on new/upgraded assets                            |       | (1,208)        | (832)          |
| Purchase of Investments                                       |       | -              | -              |
| <b>Net Cash provided by (or used in) Investing Activities</b> |       | <u>(1,239)</u> | <u>(797)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |       |                |                |
| <u>Payments</u>                                               |       |                |                |
| Distributions Paid to Constituent Councils                    |       | (200)          | (250)          |
| <b>Net Cash provided by (or used in) Financing Activities</b> |       | <u>(200)</u>   | <u>(250)</u>   |
| <b>Net Increase (Decrease) in cash held</b>                   |       | <b>1,196</b>   | <b>1,475</b>   |
| Cash & cash equivalents at beginning of period                |       | <u>18,049</u>  | <u>16,574</u>  |
| <b>Cash &amp; cash equivalents at end of period</b>           | 9 (a) | <u>19,245</u>  | <u>18,049</u>  |

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 2015

### 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, and has its principal place of business at 282 Main South Road, Morphett Vale SA 5162. These financial statements have been prepared for use by the Constituent Councils of the Authority.

#### 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 2015

#### 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 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

##### 5.4 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 to 10 years                                |
| Buildings                    | 50 years                                     |
| Infrastructure:              |                                              |
| - Waste Facility             | 10 to 15 years                               |
| - Landfill Construction      | Amortised proportionately to rate of filling |

## **SOUTHERN REGION WASTE RESOURCE AUTHORITY**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

#### **Note 1 - Significant Accounting Policies (cont)**

##### **5.5 Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. 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 outflows or value in use).

For 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 the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

#### **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.

#### **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 2014/15; 9.25% in 2013/14). 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.*

##### **7.2 Superannuation (Cont.)**

###### **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.*

## **SOUTHERN REGION WASTE RESOURCE AUTHORITY**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

#### **Note 1 - Significant Accounting Policies (cont)**

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 Leases**

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

In respect of finance leases, where the Authority substantially carries all 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 as assets under lease, and are amortised to expense over the period during which the Authority 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.

#### **10 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.

#### **11 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.

#### **12 Comparative Information**

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

Annual Leave has this year been disclosed under Provisions for the first time due to the new requirements under AASB 119. In previous year, Annual Leave has been disclosed under Trade & Other Payables. Comparative information has been amended for comparability purposes and this has resulted in no change in the comparative financial position of performance of the Authority.

#### **13 New Accounting Standards**

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 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.

## **SOUTHERN REGION WASTE RESOURCE AUTHORITY**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

#### **Note 1 - Significant Accounting Policies (cont)**

##### **14 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.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 2 - INCOME

|                                          | Notes | 2015<br>\$'000 | 2014<br>\$'000 |
|------------------------------------------|-------|----------------|----------------|
| <b>USER CHARGES</b>                      |       |                |                |
| Landfill Operations                      |       | 9,171          | 9,137          |
|                                          |       | <u>9,171</u>   | <u>9,137</u>   |
| <b>INVESTMENT INCOME</b>                 |       |                |                |
| Interest on investments                  |       |                |                |
| Local Government Finance Authority       |       | 633            | 587            |
| Banks & other                            |       | 20             | 45             |
| Investment property rental income        |       | 19             | 13             |
|                                          |       | <u>672</u>     | <u>645</u>     |
| <b>OTHER INCOME</b>                      |       |                |                |
| Movement in Landfill Capping Liabilities |       | 1,182          | 865            |
| Southern Recycling Centre                |       | 120            | 409            |
|                                          |       | <u>1,302</u>   | <u>1,274</u>   |

During the 2014/15 financial year, the Authority completed a review of all landfill rehabilitation and capping costings which resulted in a reduction of \$1.182 million to the liability. This reduction in liability is a non-cash transaction reflected in Other Income.

### Note 3 - EXPENSES

|                                                          |  |              |              |
|----------------------------------------------------------|--|--------------|--------------|
| <b>EMPLOYEE COSTS</b>                                    |  |              |              |
| Salaries and Wages                                       |  | 911          | 1,059        |
| Employee leave expense                                   |  | 6            | (116)        |
| Superannuation                                           |  | 72           | 90           |
| Workers' Compensation Insurance                          |  | 48           | 14           |
| Less: Capitalised and distributed costs                  |  | (32)         | (24)         |
| <b>Total Operating Employee Costs</b>                    |  | <u>1,005</u> | <u>1,023</u> |
| <b>Total Number of Employees</b>                         |  | 10           | 10           |
| <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           | 17           |
| - 2013/14 Audit - Internal Controls Opinion              |  | 4            | -            |
| - 2014/15 Audit - Internal Controls Opinion              |  | 2            | -            |
| Board Expenses                                           |  | 36           | 35           |
| Operating Lease Rentals - cancellable leases             |  | 28           | 27           |
| Subtotal - Prescribed Expenses                           |  | <u>88</u>    | <u>79</u>    |
| <u>Other Materials, Contracts &amp; Expenses</u>         |  |              |              |
| Contractors                                              |  | 254          | 292          |
| Fuel                                                     |  | 141          | 201          |
| Equipment Hire                                           |  | 6            | 7            |
| Maintenance                                              |  | 271          | 289          |
| Legal Expenses                                           |  | 106          | 66           |
| Levies paid- EPA Levy                                    |  | 5,152        | 4,653        |
| Professional services                                    |  | 43           | 30           |
| Southern Recycling Centre                                |  | 32           | 484          |
| Sundry                                                   |  | 251          | 269          |
| Subtotal - Other Materials, Contracts & Expenses         |  | <u>6,256</u> | <u>6,291</u> |
|                                                          |  | <u>6,344</u> | <u>6,370</u> |

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 3 - EXPENSES (cont)

|                                                    | Notes | 2015<br>\$'000 | 2014<br>\$'000 |
|----------------------------------------------------|-------|----------------|----------------|
| <b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b> |       |                |                |
| <b>Depreciation</b>                                |       |                |                |
| Landfill Construction                              |       | 641            | 1,357          |
| Buildings & Waste Facility                         |       | 29             | 20             |
| Plant & Equipment                                  |       | 364            | 408            |
| Impairment                                         | 6     | -              | 529            |
|                                                    |       | <u>1,034</u>   | <u>2,314</u>   |
| <b>OTHER EXPENSES</b>                              |       |                |                |
| Transfer to Provision for Cell 2 Capping           |       | -              | 30             |
| Transfer to Provision of Cell 3-1 & 3-2 Capping    |       | 94             | 105            |
|                                                    |       | <u>94</u>      | <u>135</u>     |

### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

#### INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

##### *Assets renewed or directly replaced*

|                                                             |          |          |
|-------------------------------------------------------------|----------|----------|
| Proceeds from disposal                                      | -        | 43       |
| Less: Carrying amount of assets sold                        | -        | 41       |
| <b>Gain (Loss) on disposal</b>                              | <u>-</u> | <u>2</u> |
| <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b> | <u>-</u> | <u>2</u> |

### Note 5 - CURRENT ASSETS

#### CASH & EQUIVALENT ASSETS

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Cash on Hand and at Bank         | 1,698         | 820           |
| Deposits at Call                 | -             | -             |
| Short Term Deposits & Bills, etc | 17,547        | 17,229        |
|                                  | <u>19,245</u> | <u>18,049</u> |

#### TRADE & OTHER RECEIVABLES

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Accrued Revenues                   | 29           | 24           |
| Debtors - general                  | 882          | 1,218        |
| Prepayments                        | 138          | 145          |
| Total                              | <u>1,049</u> | <u>1,387</u> |
| Less: Allowance for Doubtful Debts | -            | -            |
|                                    | <u>1,049</u> | <u>1,387</u> |

#### INVENTORIES

|                    |           |          |
|--------------------|-----------|----------|
| Stores & Materials | 49        | -        |
|                    | <u>49</u> | <u>-</u> |

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

|                                                                  | 2014<br>\$'000   |               |                 |                    | 2015<br>\$'000   |               |                 |                    |
|------------------------------------------------------------------|------------------|---------------|-----------------|--------------------|------------------|---------------|-----------------|--------------------|
|                                                                  | AT FAIR<br>VALUE | AT COST       | ACCUM<br>DEP'N  | CARRYING<br>AMOUNT | AT FAIR<br>VALUE | AT COST       | ACCUM<br>DEP'N  | CARRYING<br>AMOUNT |
| <b>Note 6 - INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>  |                  |               |                 |                    |                  |               |                 |                    |
| Land                                                             | 1,427            | -             | -               | 1,427              | 1,427            | 400           | -               | 1,827              |
| Buildings                                                        | 560              | -             | -               | 560                | 560              | 370           | (12)            | 918                |
| Waste Facility:                                                  |                  |               |                 |                    |                  |               |                 |                    |
| Fencing                                                          | -                | 29            | (19)            | 10                 | -                | 29            | (26)            | 3                  |
| Concrete Slab                                                    | -                | 111           | (79)            | 32                 | -                | 111           | (84)            | 27                 |
| Oil Transfer Facility                                            | -                | 68            | (48)            | 20                 | -                | 68            | (51)            | 17                 |
| Shed                                                             | -                | 25            | (8)             | 17                 | -                | 25            | (9)             | 16                 |
| Depot                                                            | -                | 67            | (23)            | 44                 | -                | 67            | (24)            | 43                 |
| Plant & Equipment                                                | -                | 4,332         | (2,285)         | 2,047              | -                | 4,361         | (2,638)         | 1,723              |
| Motor Vehicles                                                   | -                | 31            | (5)             | 26                 | -                | 31            | (8)             | 23                 |
| Office Equipment                                                 | -                | 155           | (137)           | 18                 | -                | 157           | (145)           | 12                 |
| Landfill Construction:                                           |                  |               |                 |                    |                  |               |                 |                    |
| Landfill Cell 3-1 & 3-2                                          | -                | 5,293         | (5,293)         | -                  | -                | 5,293         | (5,293)         | -                  |
| Landfill Cell's 3-1 & 3-2 Capping                                | -                | 828           | (828)           | -                  | -                | 828           | (828)           | -                  |
| Cell 3-3 & 3-4 (Lower)                                           | -                | 3,705         | (3,264)         | 441                | -                | 3,705         | (3,264)         | 441                |
| Cell 3-3 & 3-4 (Lower) Capping                                   | -                | 728           | (588)           | 140                | -                | 2,668         | (588)           | 2,080              |
| Cell 4                                                           | -                | 3,461         | (938)           | 2,523              | -                | 3,578         | (1,189)         | 2,389              |
| Cell 4 (Capping)                                                 | -                | 3,081         | (828)           | 2,253              | -                | 1,673         | (908)           | 765                |
| Site Rehabilitation                                              | -                | 5,366         | (1,088)         | 4,278              | -                | 5,733         | (1,317)         | 4,416              |
| Future Restoration Costs                                         | -                | 5,491         | (2,227)         | 3,264              | -                | 3,901         | (2,309)         | 1,592              |
| Work in Progress                                                 | -                | -             | -               | -                  | -                | 322           | -               | 322                |
| <b>TOTAL INFRASTRUCTURE,<br/>PROPERTY, PLANT &amp; EQUIPMENT</b> | <b>1,987</b>     | <b>32,771</b> | <b>(17,658)</b> | <b>17,100</b>      | <b>1,987</b>     | <b>33,320</b> | <b>(18,693)</b> | <b>16,614</b>      |
| <b>Comparatives</b>                                              | <b>4,648</b>     | <b>32,177</b> | <b>(15,923)</b> | <b>20,902</b>      | <b>1,987</b>     | <b>32,771</b> | <b>(17,658)</b> | <b>17,100</b>      |

*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 2015

|                                                      | 2014            | CARRYING AMOUNT MOVEMENTS DURING YEAR |    |           |              |            |             |                      | 2015            |
|------------------------------------------------------|-----------------|---------------------------------------|----|-----------|--------------|------------|-------------|----------------------|-----------------|
|                                                      | \$'000          | \$'000                                |    |           |              |            |             |                      | \$'000          |
|                                                      | CARRYING AMOUNT | Additions                             |    | Disposals | Depreciation | Impairment | Adjustments | Revaluation Movement | CARRYING AMOUNT |
|                                                      | Capital         | Renewals                              |    |           |              |            |             |                      |                 |
| Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT |                 |                                       |    |           |              |            |             |                      |                 |
| Land                                                 | 1,427           | 400                                   | -  | -         | -            | -          | -           | -                    | 1,827           |
| Buildings                                            | 560             | 370                                   | -  | -         | (12)         | -          | -           | -                    | 918             |
| Waste Facility:                                      |                 |                                       |    |           |              |            |             |                      |                 |
| Fencing                                              | 10              | -                                     | -  | -         | (7)          | -          | -           | -                    | 3               |
| Concrete Slab                                        | 32              | -                                     | -  | -         | (5)          | -          | -           | -                    | 27              |
| Oil Transfer Facility                                | 20              | -                                     | -  | -         | (3)          | -          | -           | -                    | 17              |
| Shed                                                 | 17              | -                                     | -  | -         | (1)          | -          | -           | -                    | 16              |
| Depot                                                | 44              | -                                     | -  | -         | (1)          | -          | -           | -                    | 43              |
| Plant & Equipment                                    | 2,047           | -                                     | 29 | -         | (353)        | -          | -           | -                    | 1,723           |
| Motor Vehicles                                       | 26              | -                                     | -  | -         | (3)          | -          | -           | -                    | 23              |
| Office Equipment                                     | 18              | -                                     | 2  | -         | (8)          | -          | -           | -                    | 12              |
| Landfill Construction:                               |                 |                                       |    |           |              |            |             |                      |                 |
| Landfill Cell 3-1 & 3-2                              | -               | -                                     | -  | -         | -            | -          | -           | -                    | -               |
| Landfill Cell's 3-1 & 3-2 Capping                    | -               | -                                     | -  | -         | -            | -          | -           | -                    | -               |
| Cell 3-3 & 3-4 (Lower)                               | 441             | -                                     | -  | -         | -            | -          | -           | -                    | 441             |
| Cell 3-3 & 3-4 (Lower) Capping                       | 140             | 1,940                                 | -  | -         | -            | -          | -           | -                    | 2,080           |
| Cell 4                                               | 2,523           | 116                                   | -  | -         | (250)        | -          | -           | -                    | 2,389           |
| Cell 4 (Capping)                                     | 2,253           | -                                     | -  | -         | (80)         | -          | (1,408)     | -                    | 765             |
| Site Rehabilitation                                  | 4,278           | 367                                   | -  | -         | (229)        | -          | -           | -                    | 4,416           |
| Future Restoration Costs                             | 3,264           | -                                     | -  | -         | (82)         | -          | (1,590)     | -                    | 1,592           |
| Work in Progress                                     | -               | 322                                   | -  | -         | -            | -          | -           | -                    | 322             |
| TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT    | 17,100          | 3,515                                 | 31 | -         | (1,034)      | -          | (2,998)     | -                    | 16,614          |
| Comparatives                                         | 20,902          | 1,512                                 | 8  | (42)      | (1,785)      | (529)      | -           | (2,966)              | 17,100          |

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 2015

### Note 7 - LIABILITIES

|                                      |       | 2015<br>\$'000 |               | 2014<br>\$'000 |
|--------------------------------------|-------|----------------|---------------|----------------|
|                                      | Notes | Current        | Non-current   |                |
| <b>TRADE &amp; OTHER PAYABLES</b>    |       |                |               |                |
| Goods & Services                     |       | 1,102          | -             | 1,466          |
| Accrued expenses - other             |       | 312            | -             | 220            |
|                                      |       | <u>1,414</u>   | <u>-</u>      | <u>1,686</u>   |
| <br><b>PROVISIONS</b>                |       |                |               |                |
| Annual Leave                         |       | 77             | -             | 87             |
| Long Service Leave                   |       | 57             | 11            | 42             |
| Cell 2 Capping                       |       | -              | -             | 768            |
| Post Closure Site Rehabilitation     |       | -              | 8,297         | 7,930          |
| Cell Capping - 3-1 & 3-2             |       | -              | 2,320         | 2,643          |
| Cell Capping - 3-3 & 3-4 (Lower)     |       | -              | 2,668         | 728            |
| Cell 4 Capping                       |       | -              | 1,673         | 3,081          |
| Future Restoration Costs Capitalised |       | -              | 3,901         | 5,491          |
|                                      |       | <u>134</u>     | <u>18,870</u> | <u>897</u>     |
|                                      |       |                |               | <u>19,882</u>  |

**Movements in Provisions - 2015 year only**  
(current & non-current)

|                                      | Opening<br>Balance | Additional Amounts<br>Recognised/<br>(Derecognised) | Payments | Closing<br>Balance |
|--------------------------------------|--------------------|-----------------------------------------------------|----------|--------------------|
| Cell 2 Capping                       | 768                | (768)                                               | -        | -                  |
| Post Closure Site Rehabilitation     | 7,930              | 367                                                 | -        | 8,297              |
| Cell Capping -3-1 & 3-2              | 2,643              | (323)                                               | -        | 2,320              |
| Cell Capping - 3-3 & 3-4 (Lower)     | 728                | 1,940                                               | -        | 2,668              |
| Cell 4 Capping                       | 3,081              | (1,408)                                             | -        | 1,673              |
| Future Restoration Costs Capitalised | 5,491              | (1,590)                                             | -        | 3,901              |
| Total                                | <u>20,641</u>      | <u>(1,782)</u>                                      | <u>-</u> | <u>18,859</u>      |

### Note 8 - RESERVES

|                             | 1/07/2014         | Transfers to<br>Reserve | Transfers<br>from<br>Reserve | 30/06/2015        |
|-----------------------------|-------------------|-------------------------|------------------------------|-------------------|
| <b>OTHER RESERVES</b>       |                   |                         |                              |                   |
| Asset Revaluation Reserve   | -                 | -                       | -                            | -                 |
| Waste Management Fund       | -                 | -                       | -                            | -                 |
| <b>TOTAL OTHER RESERVES</b> | <u>          </u> | <u>          </u>       | <u>          </u>            | <u>          </u> |
| <b>Comparatives Totals</b>  | <u>3,478</u>      | <u>-</u>                | <u>(3,478)</u>               | <u>-</u>          |

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 9 - 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 | 2015<br>\$'000 | 2014<br>\$'000 |
|----------------------------------|-------|----------------|----------------|
| Total cash & equivalent assets   | 5     | 19,245         | 18,049         |
| Less: Short-term borrowings      |       | -              | -              |
| Balances per Cash Flow Statement |       | <u>19,245</u>  | <u>18,049</u>  |

#### (b) Reconciliation of Change in Net Assets to Cash from Operating Activities

|                                                     |                     |                     |
|-----------------------------------------------------|---------------------|---------------------|
| Net Surplus (Deficit)                               | 2,792               | 1,281               |
| Non-cash items in Income Statement                  |                     |                     |
| Depreciation, amortisation & impairment             | 1,034               | 2,314               |
| Net (Gain) Loss on Disposals                        | -                   | (2)                 |
|                                                     | <u>3,826</u>        | <u>3,593</u>        |
| Add (Less): Changes in Net Current Assets           |                     |                     |
| Net (increase) decrease in receivables              | 338                 | (338)               |
| Net (increase) decrease in inventories              | (49)                | -                   |
| Net (increase) decrease in other current assets     | -                   | -                   |
| Net increase (decrease) in trade & other payables   | (272)               | 398                 |
| Net increase (decrease) in other provisions         | (1,208)             | (1,131)             |
| <b>Net Cash provided by (or used in) operations</b> | <u><b>2,635</b></u> | <u><b>2,522</b></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 2015**

**Note 10 - FINANCIAL INSTRUMENTS**

**Recognised Financial Instruments**

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bank, Deposits at Call, Short Term Deposits</b>      | <p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates of 2 - 3% (2014: 3 - 4%). Short term deposits have an average maturity of 90 days (2014: 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 2015

### Note 10 (cont) - FINANCIAL INSTRUMENTS

#### Liquidity Analysis

| 2015                                                   | Floating<br>Interest<br>Rate<br>\$'000 | ≤ 1 year<br>\$'000 | Fixed interest maturing in<br>> 1 year<br>≤ 5 years<br>\$'000 | > 5 years<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|--------------------------------------------------------|----------------------------------------|--------------------|---------------------------------------------------------------|---------------------|---------------------------------------|-----------------|
| <b>Financial Assets</b>                                |                                        |                    |                                                               |                     |                                       |                 |
| <b>Fair Value through P&amp;L</b>                      |                                        |                    |                                                               |                     |                                       |                 |
| Cash Assets                                            | 1,698                                  | 17,547             | -                                                             | -                   | -                                     | 19,245          |
| <b>Loans &amp; Receivables</b>                         |                                        |                    |                                                               |                     |                                       |                 |
| Receivables                                            | -                                      | -                  | -                                                             | -                   | 1,049                                 | 1,049           |
| <b>Total</b>                                           | <b>1,698</b>                           | <b>17,547</b>      | <b>-</b>                                                      | <b>-</b>            | <b>1,049</b>                          | <b>20,294</b>   |
| <i>Weighted Average Interest Rate</i>                  | <b>2.00%</b>                           | <b>3.00%</b>       |                                                               |                     |                                       |                 |
| <b>Financial Liabilities</b>                           |                                        |                    |                                                               |                     |                                       |                 |
| Payables                                               | -                                      | -                  | -                                                             | -                   | 1,414                                 | 1,414           |
| <b>Total</b>                                           | <b>-</b>                               | <b>-</b>           | <b>-</b>                                                      | <b>-</b>            | <b>1,414</b>                          | <b>1,414</b>    |
| <b>EXCESS OF FINANCIAL<br/>ASSETS OVER LIABILITIES</b> | <b>1,698</b>                           | <b>17,547</b>      | <b>-</b>                                                      | <b>-</b>            | <b>(365)</b>                          | <b>18,880</b>   |

| 2014                                                   | Floating<br>Interest<br>Rate<br>\$'000 | ≤ 1 year<br>\$'000 | Fixed interest maturing in<br>> 1 year<br>≤ 5 years<br>\$'000 | > 5 years<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|--------------------------------------------------------|----------------------------------------|--------------------|---------------------------------------------------------------|---------------------|---------------------------------------|-----------------|
| <b>Financial Assets</b>                                |                                        |                    |                                                               |                     |                                       |                 |
| <b>Fair Value through P&amp;L</b>                      |                                        |                    |                                                               |                     |                                       |                 |
| Cash Assets                                            | 820                                    | 17,229             | -                                                             | -                   | -                                     | 18,049          |
| <b>Loans &amp; Receivables</b>                         |                                        |                    |                                                               |                     |                                       |                 |
| Receivables                                            | -                                      | -                  | -                                                             | -                   | 1,387                                 | 1,387           |
| <b>Total</b>                                           | <b>820</b>                             | <b>17,229</b>      | <b>-</b>                                                      | <b>-</b>            | <b>1,387</b>                          | <b>19,436</b>   |
| <i>Weighted Average Interest Rate</i>                  | <b>3.00%</b>                           | <b>4.00%</b>       |                                                               |                     |                                       |                 |
| <b>Financial Liabilities</b>                           |                                        |                    |                                                               |                     |                                       |                 |
| Payables                                               | -                                      | -                  | -                                                             | -                   | 1,686                                 | 1,686           |
| <b>Total</b>                                           | <b>-</b>                               | <b>-</b>           | <b>-</b>                                                      | <b>-</b>            | <b>1,686</b>                          | <b>1,686</b>    |
| <b>EXCESS OF FINANCIAL<br/>ASSETS OVER LIABILITIES</b> | <b>820</b>                             | <b>17,229</b>      | <b>-</b>                                                      | <b>-</b>            | <b>(299)</b>                          | <b>17,750</b>   |

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 11 - COMMITMENTS FOR EXPENDITURE

|                                                                                                                                              | 2015<br>\$'000 | 2014<br>\$'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:                       |                |                |
| Resource Recovery Facility                                                                                                                   | 1,660          | 1,900          |
| Administration Office Construction                                                                                                           | 146            | 300            |
| Plant & Equipment                                                                                                                            | -              | -              |
|                                                                                                                                              | <u>1,806</u>   | <u>2,200</u>   |
| These expenditures are payable:                                                                                                              |                |                |
| Not later than one year                                                                                                                      | 1,806          | 2,200          |
| Later than one year and not later than 5 years                                                                                               | -              | -              |
| Later than 5 years                                                                                                                           | -              | -              |
|                                                                                                                                              | <u>1,806</u>   | <u>2,200</u>   |
| <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                                                                                                                               | -              | 18             |
|                                                                                                                                              | <u>-</u>       | <u>18</u>      |
| These expenditures are payable:                                                                                                              |                |                |
| Not later than one year                                                                                                                      | -              | 18             |
| Later than one year and not later than 5 years                                                                                               | -              | -              |
| Later than 5 years                                                                                                                           | -              | -              |
|                                                                                                                                              | <u>-</u>       | <u>18</u>      |

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 12 - 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.

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

|                                                                            | 2015<br>\$'000      | 2014<br>\$'000      |
|----------------------------------------------------------------------------|---------------------|---------------------|
| Income                                                                     | 11,269              | 11,121              |
| less Expenses                                                              | <u>(8,477)</u>      | <u>(9,842)</u>      |
| Operating Surplus / (Deficit)                                              | 2,792               | 1,279               |
| <b>less Net Outlays on Existing Assets</b>                                 |                     |                     |
| Capital Expenditure on renewal and replacement of Existing Assets          | 31                  | 8                   |
| Depreciation, Amortisation, Impairment and Movement in Landfill Provisions | (1,128)             | (2,449)             |
| Proceeds from Sale of Replaced Assets                                      | <u>-</u>            | <u>-</u>            |
|                                                                            | (1,097)             | (2,441)             |
| <b>less Net Outlays on New and Upgraded Assets</b>                         |                     |                     |
| Capital Expenditure on New and Upgraded Assets                             | 1,208               | 832                 |
| Amounts received specifically for New and Upgraded Assets                  | -                   | -                   |
| Proceeds from Sale of Surplus Assets                                       | <u>-</u>            | <u>(43)</u>         |
|                                                                            | 1,208               | 789                 |
| <b>Net Lending / (Borrowing) for Financial Year</b>                        | <u><b>2,681</b></u> | <u><b>2,931</b></u> |



# **SOUTHERN REGION WASTE RESOURCE AUTHORITY**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

### **Note 13 - OPERATING LEASES**

#### ***Lease payment commitments of the Authority***

The Authority has entered into non-cancellable operating lease on a monthly renewal basis for the office building premises it currently occupies.

No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Authority in relation to additional debt or further leasing.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

|                                                | <b>2015<br/>\$'000</b> | <b>2014<br/>\$'000</b> |
|------------------------------------------------|------------------------|------------------------|
| Not later than one year                        | -                      | 16                     |
| Later than one year and not later than 5 years | -                      | -                      |
| Later than 5 years                             | -                      | -                      |
|                                                | <u>-</u>               | <u>16</u>              |

### **Note 14 - EVENTS OCCURRING AFTER REPORTING DATE**

There were no events subsequent to 30 June 2015 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 2015**

### **Note 15 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL PERFORMANCE**

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.

The Authority 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 the Authority may have existed at reporting date.

#### **2. LEGAL EXPENSES**

All known costs have been recognised.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 16 - 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.

|                                                   | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------------------------------------|----------------|----------------|
| <b>The Authority's respective interests are:</b>  |                |                |
| - interest in operating result:                   | 50%            | -              |
| - ownership of equity                             | 50%            | -              |
| the proportion of voting power                    | 50%            | -              |
| <u>Movement in Investment in Joint Operation:</u> |                |                |
| Opening Balance                                   | 65             | -              |
| New Capital Contributions                         | -              | -              |
| Share in Operating Result                         | 124            | 65             |
| Distributions Received                            | -              | -              |
| <b>Share in Equity of Joint Operation</b>         | <b>189</b>     | <b>65</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.

#### Distributions

The Authority received a cash distribution from the SRC in July 2015 for the following amounts:

|                |            |
|----------------|------------|
| - 1 July 2015: | \$ 100,000 |
| - 3 July 2015  | \$ 50,000  |

Both cash distributions received will be recognised in the financial statements of the Authority in the 2015/16 financial year.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 17 - 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 2015

### Note 17 - 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<br>\$ | Level 2<br>\$ | Level 3<br>\$ | Total<br>\$  |
|--------------------------------------------------------|------|---------------|---------------|---------------|--------------|
| <b>2015</b>                                            |      |               |               |               |              |
| Recurring fair value measurements                      |      |               |               |               |              |
| <b>Infrastructure, Property, Plant &amp; Equipment</b> |      |               |               |               |              |
| - Land                                                 | 6    | -             | 1,827         | -             | 1,827        |
| - Buildings                                            | 6    | -             | 930           | -             | 930          |
| <b>Total financial assets recognised at fair value</b> |      | -             | <b>2,757</b>  | -             | <b>2,757</b> |

|                                                        |   |   |              |   |              |
|--------------------------------------------------------|---|---|--------------|---|--------------|
| <b>2014</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<br>Hierarchy Level | Valuation<br>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, Edwards Marshall, 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

20.8.15.  
.....  
Dated



## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHERN REGION WASTE RESOURCE AUTHORITY

#### Report on the Financial Report

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 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Executive Officer.

#### Board's Responsibility for the Financial Report

The Board of the Authority are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999. Financial reporting requirements of the company's constitution and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Board also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with the Australian equivalents to International Financial Reporting Standards (AIFRS).

#### Auditor's Responsibility

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report 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 of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

#### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements and the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.





## SOUTHERN REGION WASTE RESOURCE AUTHORITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SOUTHERN REGION WASTE RESOURCE AUTHORITY (CONT)

## Auditor's Opinion

In our opinion:

- (a) (i) the financial report presents fairly, in all material respects, the financial position of the Southern Region Waste Resource Authority as at 30 June 2015, and its financial performance and its cash flows for the financial year then ended; and
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999; and
- (b) the financial report also complies with Australian equivalents to International Financial Reporting Standards as disclosed in Note 1.

We have obtained all of the information and explanations required from the Authority.

Edwards Marshall  
Chartered Accountants

Noel Clifford  
PartnerAdelaide  
South Australia

Dated 16 September 2015



## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE SOUTHERN REGION WASTE RESOURCE AUTHORITY

We have audited the Internal Controls of the Southern Region Waste Resource Authority ("the Authority") under the requirements of *Section 129(1)(b)* 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 year ended 30 June 2015 have been conducted properly and in accordance with the law.

### The Authority's Responsibility for the 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 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council 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 2014 to 30 June 2015. 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 assessed risks.

### Limitation of Use

This report has been prepared for the members of the Authority in accordance with *Section 129(1)(b) 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 that which it was prepared.





## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Inherent Limitations

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The opinion expresses in this report has been formed on the above basis.

### 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 129(1)(b) 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 2015.

Edwards Marshall  
Chartered Accountants

Noel Clifford  
Partner

Adelaide  
South Australia

Dated 16 September 2015



**SOUTHERN REGION WASTE RESOURCE AUTHORITY  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015  
STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Southern Region Waste Resource Authority for the year ended 30 June 2015, 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 1999* made under that Act.

This statement is prepared in accordance with the requirements of the Regulation 16A (4) *Local Government (Financial Management) Regulations 1999*.

Noel Clifford  
Partner

Edwards Marshall  
Chartered Accountants

Adelaide  
South Australia

Dated 16 September 2015



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South Australia 5046

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E [council@marion.sa.gov.au](mailto:council@marion.sa.gov.au)

**Chief Executive Officer's Certificate of Compliance – Auditor Independence  
Southern Region Waste Resource Authority**

I, Geoff Whitbread, the person for the time being occupying the position of Acting Chief Executive Officer of the City of Marion, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby confirm that to the best of my knowledge and belief (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Edwards Marshall, 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.

A handwritten signature in black ink, appearing to read "Geoff Whitbread", written over a dotted line.

Geoff Whitbread  
Acting Chief Executive Officer  
City of Marion

14.08.15

Dated

The City of Marion acknowledges it is part of Kaurna land and recognises the Kaurna people  
as the traditional and continuing custodians of the land.



[facebook.com/CityofMarion](https://facebook.com/CityofMarion)



[twitter.com/CityofMarion](https://twitter.com/CityofMarion)



[youtube.com/CityofMarion](https://youtube.com/CityofMarion)

[marion.sa.gov.au](https://marion.sa.gov.au)



[holdfast.sa.gov.au](http://holdfast.sa.gov.au)

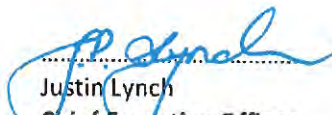
Brighton Civic Centre 24 Jetty Road, Brighton SA 5048  
PO Box 19 Brighton SA 5048

p 08 8229 9999 f 08 8298 4561

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, Edwards Marshall, 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.

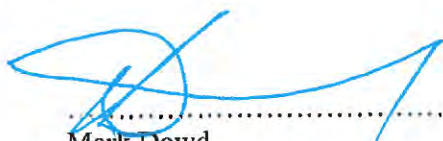
  
Justin Lynch  
Chief Executive Officer  
City of Holdfast Bay

12/8/15  
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, Edwards Marshall, 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

1/1/15  
Dated



## Audited Financial Statements

### Council Solutions Regional Authority General Purpose Financial Reports for the year ending 30 June 2015


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**Council Solutions Regional Authority**  
**Certification Of Financial Statements**  
**for the year ending 30 June 2015**

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 2015 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: 7 September 2015

**Council Solutions Regional Authority**  
**Statement Of Comprehensive Income**  
for the year ending 30 June 2015

|                                         | Notes | 2015<br>\$'000 | 2014<br>\$'000 |
|-----------------------------------------|-------|----------------|----------------|
| <b>Income</b>                           |       |                |                |
| Investment Income                       | 2     | 20             | 12             |
| Management Fee                          | 2     | 926            | 1,099          |
| Other Income                            | 2     | 31             | -              |
| <b>Total Income</b>                     | 2     | <b>977</b>     | <b>1,111</b>   |
| <b>Expenses</b>                         |       |                |                |
| Materials, contracts & other expenses   | 3     | 1,097          | 748            |
| <b>Total Expenses</b>                   | 3     | <b>1,097</b>   | <b>748</b>     |
| <b>Operating Surplus</b>                |       | <b>(120)</b>   | <b>363</b>     |
| <b>Net Surplus</b>                      |       | <b>(120)</b>   | <b>363</b>     |
| <b>Total Other Comprehensive Income</b> | 2     | -              | -              |
| <b>Total Comprehensive Income</b>       |       | <b>(120)</b>   | <b>363</b>     |

This Statement is to be read in conjunction with the attached Notes.

**Council Solutions Regional Authority**  
**Balance Sheet**  
**as at 30 June 2015**

|                                  | Notes | 2015<br>\$'000 | 2014<br>\$'000 |
|----------------------------------|-------|----------------|----------------|
| <b>Assets</b>                    |       |                |                |
| <b>Current Assets</b>            |       |                |                |
| Cash and cash equivalents        | 4     | 446            | 615            |
| Receivables                      | 4     | 203            | 408            |
| <b>Total Current Assets</b>      | 4     | <b>650</b>     | <b>1,023</b>   |
| <b>Total Assets</b>              | 4     | <b>650</b>     | <b>1,023</b>   |
| <b>Liabilities</b>               |       |                |                |
| <b>Current Liabilities</b>       |       |                |                |
| Trade & Other Payables           | 5     | 21             | 87             |
| Other Current Liabilities        | 5     | 21             | 208            |
| <b>Total Current Liabilities</b> | 5     | <b>42</b>      | <b>295</b>     |
| <b>Total Liabilities</b>         | 5     | <b>42</b>      | <b>295</b>     |
| <b>Net Assets</b>                |       | <b>608</b>     | <b>728</b>     |
| <b>Equity</b>                    |       |                |                |
| Accumulated Surplus              |       | 465            | 585            |
| Share Capital                    |       | 143            | 143            |
| <b>Total Equity</b>              |       | <b>608</b>     | <b>728</b>     |

This Statement is to be read in conjunction with the attached Notes.

**Council Solutions Regional Authority**  
**Statement of Changes in Equity**  
as at 30 June 2015

|                          | Initial<br>Contribution<br>by Owners<br>\$'000 | Accumulated<br>Surplus<br>\$'000 | Total<br>\$'000 |
|--------------------------|------------------------------------------------|----------------------------------|-----------------|
| <b>2015</b>              |                                                |                                  |                 |
| Opening Balance          | 143                                            | 585                              | 728             |
| Net Surplus for Year     | -                                              | (120)                            | (120)           |
| Balance at end of period | <b>143</b>                                     | <b>465</b>                       | <b>608</b>      |

|                          | Initial<br>Contribution<br>by Owners<br>\$'000 | Accumulated<br>Surplus<br>\$'000 | Total<br>\$'000 |
|--------------------------|------------------------------------------------|----------------------------------|-----------------|
| <b>2014</b>              |                                                |                                  |                 |
| Opening Balance          | 143                                            | 222                              | 365             |
| Net Surplus for Year     | -                                              | 363                              | 363             |
| Balance at end of period | <b>143</b>                                     | <b>585</b>                       | <b>728</b>      |

**Council Solutions Regional Authority**  
**Cash Flow Statement**  
**for the year ending 30 June 2015**

|                                                               | Notes | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------------------------------------------------|-------|----------------|----------------|
| <b>Cash Flows From Operating Activities</b>                   |       |                |                |
| Receipts                                                      |       |                |                |
| Operating receipts                                            |       | 1,162          | 1,133          |
| Investment Receipts                                           |       | 20             | 12             |
| Payments                                                      |       |                |                |
| Operating payments to suppliers & employees                   |       | (1,350)        | (532)          |
| <b>Net Cash provided by (or used in) Operating Activities</b> | 6     | <b>(169)</b>   | <b>612</b>     |
| <b>Net Increase (Decrease) in cash held</b>                   |       | <b>(169)</b>   | <b>612</b>     |
| Cash & cash equivalents at beginning of period                |       | 615            | 3              |
| <b>Cash &amp; cash equivalents at end of period</b>           | 4     | <b>446</b>     | <b>615</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 2015

#### 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:

| Constituent Council    | Equity Share |
|------------------------|--------------|
| 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 dated 1 May 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 2015**

**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 2015 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 124 | Related Party Disclosures             |

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 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.

(Standards not affecting local government have been excluded from the above list.)

The Authority is of the view that 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.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2015**

**Note 2 - Income**

|                       | 2015<br>\$'000 | 2014<br>\$'000 |
|-----------------------|----------------|----------------|
| <b>Investments</b>    |                |                |
| Interest Income       | 20             | 12             |
|                       | <b>20</b>      | <b>12</b>      |
| <b>Management Fee</b> |                |                |
| Management Fee        | 926            | 1,099          |
|                       | <b>926</b>     | <b>1,099</b>   |
| <b>Other Income</b>   |                |                |
| Reimbursements        | 31             | -              |
|                       | <b>31</b>      | <b>-</b>       |

**Note 3 - Expenses**

|                                                  | 2015<br>\$'000 | 2014<br>\$'000 |
|--------------------------------------------------|----------------|----------------|
| <b>Materials, Contracts &amp; Other Expenses</b> |                |                |
| Advertising                                      | 10             | 8              |
| Audit Fees                                       | 6              | 7              |
| Catering                                         | 4              | 2              |
| Contractors                                      | 45             | 73             |
| Consultant Fees                                  | 204            | 59             |
| Entertainment Costs                              | 1              | 3              |
| Fringe Benefits Tax                              | 10             | 3              |
| Insurance                                        | 25             | 26             |
| IT Expenses                                      | 3              | 8              |
| Legal Fees                                       | 145            | 22             |
| Membership Fees & Subscriptions                  | 5              | 6              |
| Motor Vehicle                                    | 18             | 6              |
| Recruitment                                      | 11             | 38             |
| Reimbursements - Salary & Wages                  | 533            | 455            |
| Rent                                             | 24             | -              |
| Sitting Fees                                     | 26             | 13             |
| Sundry                                           | 23             | 13             |
| Telephone                                        | 3              | 4              |
| Training and Development                         | 3              | 3              |
|                                                  | <b>1,097</b>   | <b>748</b>     |

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2015**

**Note 4 - Current Assets**

|                                       | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------------------------|----------------|----------------|
| <b>Cash &amp; Cash Equivalents</b>    |                |                |
| Cash at Bank                          | 446            | 615            |
|                                       | <b>446</b>     | <b>615</b>     |
| <b>Receivables</b>                    |                |                |
| Accounts Receivables                  | 132            | 21             |
| Accrued Income                        | 71             | 378            |
| Receivable from Adelaide City Council | -              | 9              |
|                                       | <b>203</b>     | <b>408</b>     |
| <b>Total Current Assets</b>           | <b>650</b>     | <b>1,023</b>   |

**Note 5 - Liabilities**

|                                   | 2015<br>\$'000 | 2014<br>\$'000 |
|-----------------------------------|----------------|----------------|
| <b>Trade &amp; Other Payables</b> |                |                |
| Creditors                         | 10             | 82             |
| Accruals                          | 11             | 5              |
|                                   | <b>21</b>      | <b>87</b>      |
| <b>Other Current Liabilities</b>  |                |                |
| Payable to Adelaide City Council  | 21             | 208            |
|                                   | <b>21</b>      | <b>208</b>     |
| <b>Total Liabilities</b>          | <b>42</b>      | <b>295</b>     |

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2015**

**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>2015</b>   | <b>2014</b>   |
|-----------------------------------------|---------------|---------------|
|                                         | <b>\$'000</b> | <b>\$'000</b> |
| Cash at Bank                            | 446           | 615           |
| <b>Balances per Cash Flow Statement</b> | <b>446</b>    | <b>615</b>    |

**(b) Reconciliation of Change in Net Assets to Cash  
from Operating Activities**

|                                                     |              |            |
|-----------------------------------------------------|--------------|------------|
| Net Surplus                                         | (120)        | 363        |
| Net (increase)/decrease in Receivables              | 205          | 33         |
| Net increase/(decrease) in Current Liabilities      | (253)        | 216        |
| <b>Net Cash provided by (or used in) operations</b> | <b>(169)</b> | <b>612</b> |

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2015**

**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;

| <b>2015</b>                            | <b>Weighted<br/>Average<br/>Interest<br/>Rate</b> | <b>Fair Value<br/>of Variable<br/>Interest<br/>Rate<br/>Instrument<br/>s</b> | <b>Fair Value<br/>of Fixed<br/>Interest rate<br/>instruments<br/>maturing<br/>within One<br/>Year</b> | <b>Fair Value<br/>of Fixed<br/>Interest rate<br/>instruments<br/>maturing<br/>Due &gt; 1<br/>less 5 Yrs</b> | <b>Fair Value<br/>of Fixed<br/>Interest rate<br/>instruments<br/>maturing<br/>Due &gt; 5 Yrs</b> | <b>Fair Value<br/>of Non-<br/>Interest<br/>Bearing<br/>Instruments</b> |
|----------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|                                        |                                                   | <b>\$'000</b>                                                                | <b>\$'000</b>                                                                                         | <b>\$'000</b>                                                                                               | <b>\$'000</b>                                                                                    | <b>\$'000</b>                                                          |
| <b>Financial Assets:</b>               |                                                   |                                                                              |                                                                                                       |                                                                                                             |                                                                                                  |                                                                        |
| Cash                                   | 1.9%                                              | 446                                                                          | -                                                                                                     | -                                                                                                           | -                                                                                                | -                                                                      |
| Receivables                            |                                                   | -                                                                            | -                                                                                                     | -                                                                                                           | -                                                                                                | 203                                                                    |
| <b>Total Financial<br/>Assets</b>      |                                                   | <b>446</b>                                                                   | <b>-</b>                                                                                              | <b>-</b>                                                                                                    | <b>-</b>                                                                                         | <b>203</b>                                                             |
| <b>Financial Liabilities:</b>          |                                                   |                                                                              |                                                                                                       |                                                                                                             |                                                                                                  |                                                                        |
| Creditors and<br>Provisions            |                                                   | -                                                                            | -                                                                                                     | -                                                                                                           | -                                                                                                | 21                                                                     |
| <b>Total Financial<br/>Liabilities</b> |                                                   | <b>-</b>                                                                     | <b>-</b>                                                                                              | <b>-</b>                                                                                                    | <b>-</b>                                                                                         | <b>21</b>                                                              |
| <b>2014</b>                            |                                                   |                                                                              |                                                                                                       |                                                                                                             |                                                                                                  |                                                                        |
|                                        |                                                   | <b>\$'000</b>                                                                | <b>\$'000</b>                                                                                         | <b>\$'000</b>                                                                                               | <b>\$'000</b>                                                                                    | <b>\$'000</b>                                                          |
| <b>Financial Assets:</b>               |                                                   |                                                                              |                                                                                                       |                                                                                                             |                                                                                                  |                                                                        |
| Cash                                   | 2.3%                                              | 615                                                                          | -                                                                                                     | -                                                                                                           | -                                                                                                | -                                                                      |
| Receivables                            | 0.0%                                              | -                                                                            | -                                                                                                     | -                                                                                                           | -                                                                                                | 408                                                                    |
| <b>Total Financial<br/>Assets</b>      |                                                   | <b>615</b>                                                                   | <b>-</b>                                                                                              | <b>-</b>                                                                                                    | <b>-</b>                                                                                         | <b>408</b>                                                             |
| <b>Financial Liabilities:</b>          |                                                   |                                                                              |                                                                                                       |                                                                                                             |                                                                                                  |                                                                        |
| Creditors and<br>Provisions            | 0.0%                                              | -                                                                            | -                                                                                                     | -                                                                                                           | -                                                                                                | 87                                                                     |
| <b>Total Financial<br/>Liabilities</b> |                                                   | <b>-</b>                                                                     | <b>-</b>                                                                                              | <b>-</b>                                                                                                    | <b>-</b>                                                                                         | <b>87</b>                                                              |

**(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 limited to 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.

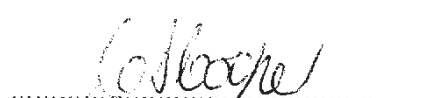
The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

Due to the nature of financial instruments held in the Authority, the cost associated with their settlement would not be material and have not been considered.


**Council Solutions Regional Authority**  
**Certification Of Auditor Independence**  
**for the year ending 30 June 2015**

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 2015, the Council's Auditor, Ian G McDonald, 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.

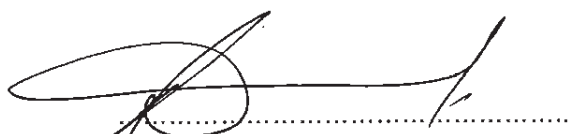
This statement is prepared in accordance with the requirements of Regulation 22(3) (b) Local Government (Financial Management) Regulations 2011.



.....  
**Catherine Cooper**  
**CHAIR**  
Date: 7/9/15



.....  
**Tanya Johnston**  
**PRESIDING MEMBER OF AUDIT COMMITTEE**  
Date: 11/9/15




.....  
**Mark Dowd**  
**CHIEF EXECUTIVE OFFICER**  
**City of Onkaparinga**

Date: 11/9/15



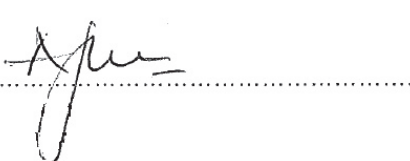
.....  
**Stephen Hains**  
**A/CHIEF EXECUTIVE OFFICER**  
**Adelaide City Council**

Date: 26/8/15



.....  
**Paul Sutton**  
**A/CHIEF EXECUTIVE OFFICER**  
**City of Charles Sturt**

Date: 28/8/15



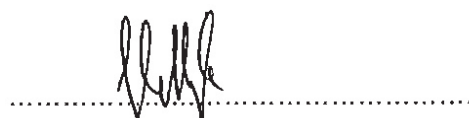
.....  
**Adrian Skull**  
**CHIEF EXECUTIVE OFFICER**  
**City of Marion**

Date: 9/9/15



.....  
**John Harry**  
**CHIEF EXECUTIVE OFFICER**  
**City of Salisbury**

Date: 31/8/15



.....  
**John Moyle**  
**CHIEF EXECUTIVE OFFICER**  
**Tea Tree Gully**

Date: 28/8/15



## **Council Solutions Regional Authority**

### **Annual Financial Statements For the year ending 30 June 2015**

#### **Statement by Auditor**

I confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the year ended 30 June 2015, 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*.



**Ian G McDonald FCA**

Dated this 14 day of August 2015



## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE COUNCIL SOLUTIONS REGIONAL AUTHORITY

We have audited the accompanying financial report of the Council Solutions Regional Authority which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2015.

### Chief Executive Officer's Responsibility 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 (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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.

### Independence

In conducting our audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

### Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Council Solutions Regional Authority as of 30 June 2015, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

**IAN G MC DONALD FCA**  
**CHARTERED ACCOUNTANT**  
**REGISTERED COMPANY AUDITOR**

Liability limited by a scheme approved under Professional Standards Legislation

Signed 15th day of September, at Adelaide, South Australia

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** John Stewart, Financial Co-ordinator  
**Corporate Manager:** Ray Barnwell, Manager Finance  
**Director:** Vincent Mifsud  
**Subject:** Investment Performance 2014/15  
**Report Reference:** GC271015R07

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**REPORT OBJECTIVE AND EXECUTIVE SUMMARY**

Section 140 of the Local Government Act requires Council to review the performance of its investments on an annual basis. The Audit Committee reviewed and noted the 'Investment Performance' report at their meeting on Tuesday 13 October 2015, and were satisfied with the performance results.

A summary of the 2014/15 Investment Performance is provided at Appendix 1 f or the Council's information, showing that Council recorded a favourable result against the benchmark indicator for the 8th consecutive year.

**RECOMMENDATIONS (1)**

**DUE DATES**

**That Council:**

- |                                                           |                        |
|-----------------------------------------------------------|------------------------|
| <b>1. Note the Investment Performance Report 2014/15.</b> | <b>27 October 2015</b> |
|-----------------------------------------------------------|------------------------|



## **BACKGROUND AND DISCUSSION**

Decision making regarding investments are carried out under the guidance and limitations set within Council's Treasury Management Policy.

### **Compliance with Treasury Management Policy (Investments)**

Council has complied with all elements of the Treasury Management Policy. Compliance has been achieved against the following major policy requirements;

**Council funds available for investment will be lodged 'at call' or having regard to differences in interest rates for fixed term investments or varying maturity dates, may be invested in fixed term.**

Investments in Fixed Term Deposits were made between a range of 30-180 days with an average maturity of 72 days and an average return of 3.32%. The average 'at call' rate returned was 2.60%. No Fixed Term Deposits were broken during the year.

**In the case of Fixed Term Investments the term should not exceed a point in time where the funds could otherwise be applied to cost effectively defer the need to raise a new borrowing or reduce the level of Council's variable interest rate borrowing facility.**

The variable interest rate borrowing facility was not required to be accessed.

**Council will select the investment type which delivers the best value, having regard to investment returns, transaction costs and other relevant and objectively quantifiable factors.**

The Council supports the Local Government Finance Authority of South Australia (LGFA) for the placement of investment funds. The LGFA is a statutory authority established for the benefit of Councils in South Australia. Using the LGFA provides an efficient means of investing surplus funds and a source of competitive interest rates. All deposits made with the LGFA are guaranteed by the Treasurer of South Australia.

To ensure Council continues to receive competitive rates for investments, quotations are obtained from authorised institutions on investments of \$1,000,000 or more where the period of investment exceeds 30 days. During 2014/15 all surplus funds were invested with the LGFA, who, on all occasions offered the most competitive interest rates.

**Investments fixed for a period greater than 12 months to be approved by Council.**

No Investments were placed for a period greater than 12 months.

**The Policy indicates where surplus funds can be invested and that if they are invested in choices outside of the Policy, Council approval is required.**

All surplus funds were invested with the LGFA which is an allowable option under the Policy.

**The Policy indicates investment activities that Council would not participate such as shares in private/public companies, listed or unlisted property trusts and derivatives.**

No investments were placed in such options.

**Performance against Benchmark**

Council earned \$888,292 of interest on its investments in 2014/15 at an average rate of return of 3.08%, a favourable outcome compared to the benchmark indicator (average Reserve Bank cash rate) of 2.36%.

The performance of Interest on Investments is also monitored and managed against the Budgeted forecast. The actual value of investment interest of \$888,292 produced a minor unfavourable variance against a final revised budget of \$903,000.

**CONCLUSION:**

The investment performance for 2014/15 was satisfactory when compared to the relevant benchmark indicator. Investments were placed exercising due care and diligence and in strict accordance with Council's Treasury Management Policy.

**Appendix 1****Investment Performance 2014/15****Interest on Investments**

Interest on investments for 2014/15 was \$888,292. Recent interest on investment history reveals the following:

|                                                  | 2010/11 | 2011/12 | 2012/13  | 2013/14 | 2014/15 |
|--------------------------------------------------|---------|---------|----------|---------|---------|
| <b>Total Interest<br/>(including LGFA Bonus)</b> | \$704k  | \$963k  | \$1,144k | \$793k  | \$888k  |
| <b>LGFA Bonus</b>                                | \$28k   | \$45k   | \$63k    | \$87k   | \$86k   |

The increase of interest on investments in 2014/15 can be mainly attributed to the increase in the average amount invested per day, increasing from \$23.9m in 2013/14 to \$28.8m in 2014/15. This would indicate that funds were able to be kept on deposit for longer in 2014/15 prior to being required to meet payment obligations for wages, creditors and progress payments for major capital projects.

The breakdown by Institution of the above total interest of \$888k for 2014/15 was as follows;

**Term Deposits**

|                    |        |                                                                                                  |
|--------------------|--------|--------------------------------------------------------------------------------------------------|
| LGFA               | \$882k | (Annual Average Rate of Return 3.21%)<br>(Best 3.40% over 120 Days – last experienced July 2014) |
| Other Institutions | \$Nil  |                                                                                                  |
| Sub-Total          | \$882k |                                                                                                  |

**Operating Account**

|              |                      |                                       |
|--------------|----------------------|---------------------------------------|
| BankSA       | \$ 6k                | (Annual Average Rate of Return 0.47%) |
| <b>Total</b> | <b><u>\$888k</u></b> |                                       |

Competitive quotes were sourced during the financial year and investments were placed with the LGFA in all instances.

### **Peak Value of Investments**

Investments peaked in September 2014 at \$34,884,224. The peak value of investments history reveals the following:

| <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> | <b>2013/14</b> | <b>2014/15</b> |
|----------------|----------------|----------------|----------------|----------------|
| \$20.6m        | \$25.7m        | \$33.4m        | \$30.9m        | \$34.9m        |
| Sep 2010       | Sep 2011       | Dec 2012       | Jun 2014       | Sep 2014       |

Traditionally investments reach their peak in the first half of the financial year due to a portion of ratepayers paying their rates in full rather than paying quarterly. Large grant revenue receipts and the timing of significant Capital Expenditure projects also have an impact on investment balances.

### **Annual Rate of Return on Investments**

Council's Investment performance is measured against a recommended benchmark and submitted for consideration by Council on an annual basis. This is in accordance with guidelines contained in the "Investment Policy & Review of Investments" document published by the South Australian Local Government Financial Management Group.

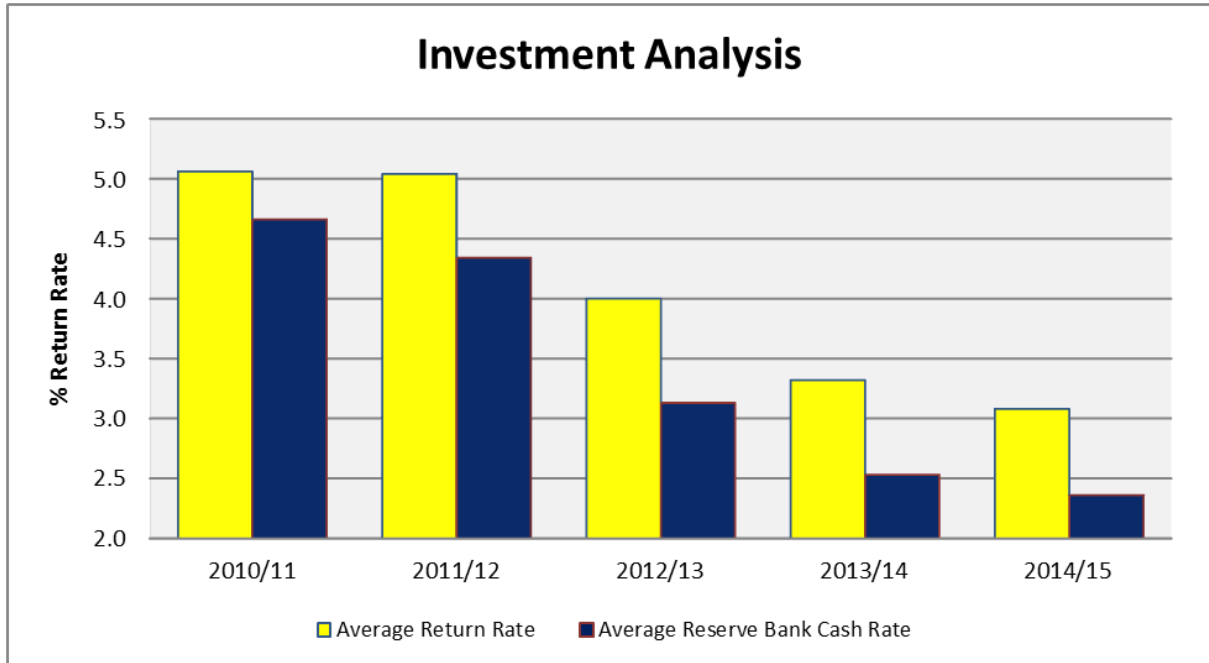
The benchmark indicator referred to above that measures our investment performance is the average annual Reserve Bank cash rate. The following change to the cash rate occurred in 2014/15;

| <b>Date</b> | <b>Fluctuation</b> | <b>Revised Rate</b> |
|-------------|--------------------|---------------------|
| 4/2/2015    | -0.25%             | 2.25%               |
| 6/5/2015    | -0.25%             | 2.00%               |

The annual rate of return on investment for the City of Marion in 2014/15 was 3.08% compared to the annual average benchmark rate of 2.36% and confirms that funds invested by City of Marion were well managed. The following table and graph summarises Council's history of annual rate of return on investments.

|                                       | <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> | <b>2013/14</b> | <b>2014/15</b> |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Annual Rate of Return</b>          | 5.06%          | 5.04%          | 4.00%          | 3.32%          | 3.08%          |
| <b>Average Reserve Bank Cash Rate</b> | 4.66%          | 4.34%          | 3.13%          | 2.53%          | 2.36%          |
| <b>Benchmark Variation</b>            | <b>+0.40%</b>  | <b>+0.70%</b>  | <b>+0.87%</b>  | <b>+0.79%</b>  | <b>+0.72%</b>  |





The Council's annual rate of return includes the annual bonus paid by Council's principal investment financial institution – LGFA. The bonus amount paid to Councils by LGFA is based on a combination of Council's investment and borrowing activity for the prior year.

The table indicates a minor variation in each financial year. A minor negative variation of up to 0.25% is considered acceptable due to daily banking requirements. Not all funds can be transferred for investment, as a certain amount of deposits are required in the General Bank Account to satisfy day-to-day cash flow requirements. The 2014/15 result however is the eighth consecutive year of a favourable outcome being reported.

Council's General Bank Account earned an average rate of 0.47% in 2014/15, which is factored into the benchmark result. The inclusion of the General Bank Account earnings in the overall investment performance does make it more challenging to achieve a positive benchmark performance. As a result, it is important that the Treasury Management function monitors and minimises any potential negative impact.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Fiona Harvey, Acting Director  
**Subject:** Annual Corporate Performance Report- 2014-15  
**Report Reference:** GC271015R08

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**REPORT OBJECTIVES:**

This report provides Council with the annual report for the Corporate Performance Measures adopted in the 2014-15 Annual Business Plan and Budget (**Appendix 1**), as well as an additional measure 'Personal Leave' which Council resolved to add to the report in April 2015.

**EXECUTIVE SUMMARY:**

The Corporate Performance reporting process provides Council with regular status updates on the key governing systems in place to support delivery of outcomes for the Community.

The report shows that five of the eight corporate performance measures (that have targets set) have met or exceeded their targets for the year. The three measures where the target was not met were:

KPI1 – Progress towards delivering Council's strategic plans

- The delay in finalising the 10 year Council Plan was the contributing factor for this KPI target not being met. This is being addressed with a Plan expected to be progressed in early 2016.

KPI3 – Progress towards delivering Council's key strategic projects

- The delay in completion of the Cove Civic Centre project was the contributing factor for this KPI target not being met. This project was completed in July 2015.

KPI8 –Lost time Injury Frequency Rate (LTIFR), an annual result of 26.8 was higher than the 5 year average target of 22.5:

- A systematic review of injury management and resulting LTIFR is being undertaken as part of ongoing continuous improvement in the Work, Health and Safety area to address this KPI.

**RECOMMENDATIONS (1)**

**DUE DATES**

**That Council:**

- |                                                                                    |             |
|------------------------------------------------------------------------------------|-------------|
| 1. Note the 2014-15 Annual Corporate Performance Report as provided in Appendix 1. | 27 Oct 2015 |
|------------------------------------------------------------------------------------|-------------|

## **BACKGROUND**

Attached is the 2014-15 annual Corporate Performance Report (**Appendix 1**). The report provides progress and performance on the suite of corporate KPIs adopted in the 2014-15 Annual Business Plan and Budget and is prepared in line with the quarterly budget review.

The report also includes an additional measure 'Personal Leave' which was resolved by Council to be included in the suite of KPIs in April 2015.

## **DISCUSSION**

### **Annual Summary:**

#### **KPI1 Progress towards delivering Council's adopted plans**

- Target of 'plan development being on track' was not met, with 96% progress achieved over the year. With the holding of 2014 Council elections, presentation and adoption of the 10 year Council Plan was held over to be presented to the incoming Council. The Plan is scheduled to be considered by Council in early 2016.
- The State Government's Department of Planning, Transport and Infrastructure announced a review process to update the 30-Year Plan for Greater Adelaide. This process incorporates the work done on the Southern Corridor structure planning, and is anticipated to run from March to December 2015. City of Marion is actively contributing to the update of the Plan.

#### **KPI2 Delivery against Council's adopted Capital Works Program**

- Target of 85% of planned capital works delivered was exceeded, with 94% of the capital works program delivered during 2014/15. This level of delivery takes into account adjustments for extraordinary items including the awarding of unexpected grant money to undertake projects not originally planned in the 2014/15 program, the retiming of a number of projects due to delays in the Ramrod Ave project which identified leaking SA Water pipe work, and the relocation of the Inclusive Playspace from Oaklands Reserve to Hendrie Reserve.

#### **KPI3 Progress towards delivering Council's key project commitments**

- Target of 'project progress being on track against plan' was not met, with the projects 87% complete against plans. The delivery of the Cove Civic Centre project was delayed by 4 months from the original completion date of March 2015 due to the technically complicated design and some building component supply issues. The construction of the Centre was completed in June 2015, and the Centre opened to the public in July 2015.

#### **KPI4 Performance against Council's adopted budget**

- Target of 'delivery of an operating surplus (adjusted for extraordinary items)' was achieved with a full year operating surplus of \$10.027m achieved. This was \$6.284m above the original 2014/15 budget adopted by Council. The key factors resulting in this higher than expected operating surplus were net savings in operating expenditure due to efficiency gains and savings through vacancy management; savings in rates rebates; early and additional receipt of grants revenue; and higher than anticipated income from other sources.

#### **KPI5 Delivering Council's resolutions**

- Target of 95% was met with an annual result of 97% of Council's resolutions being on track or completed.

#### **KPI6 Delivering quality customer services**

- Target of 95% was achieved with an annual average of 95%.

KPI7 Employee retention

- Target of 90% of employees retained was achieved with the annual result of 92% of the workforce retained.

KPI8 Think Safe Live Well

- Lost Time Injury Frequency Rate (LTIFR) - target of 'below the 5-year average (22.5)' was not achieved with an annual result of 26.8. This annual result is primarily due to the high number of new injuries and reaggravation of previous injuries reported during the year, with a spike in the second quarter. The comprehensive review of hazard management and injury management continues to be implemented to address this trend.

KPI9 Personal Leave

- Average annual personal leave per FTE was 8.7 days. No target was set for this KPI.

**CONCLUSION:**

The annual 2014-15 Corporate Performance Report provides a summary of Council's performance against key performance indicators, as committed in the 2014-15 Annual Business Plan and Budget.










## Corporate Performance Report Annual Report 2014/15



This Corporate Performance Report provides both an overall dashboard view and a progress update for each of the measures.

### Dashboard Status icons

|  |                                                                                                                                                                 |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>Target met/ exceeded</b><br><br>Includes items that are currently on track or have been completed on or ahead of schedule                                    |
|  | <b>Target not currently met but can get back on track</b><br><br>Off track performance is being reviewed and corrective action/improvement taken as appropriate |
|  | <b>Target not met or in danger of not being achieved</b><br><br>Off track performance is being reviewed and corrective action/improvement taken as appropriate  |
|  | <b>No target set</b><br><br>Collection and analysis of baseline data is underway                                                                                |

| Measure |                                                               | Target                                                                                                                                                  | Annual Results                                                                     |                                                                                     |
|---------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 1       | Progress towards delivering Council's adopted plans           | On track against plan                                                                                                                                   | 96% on track against plan                                                          |  |
| 2       | Delivery against Council's adopted Capital Works Program      | 85% delivery of planned Capital Works Program adjusted for extraordinary events, range > 83% and < 88%                                                  | 94% of planned capital works program delivered (adjusted for extraordinary events) |  |
| 3       | Progress towards delivering Council's key project commitments | On track against plan                                                                                                                                   | 87% on track against plan                                                          |  |
| 4       | Performance against Council's adopted budget                  | Delivery of an operating surplus against original budget adjusted for extraordinary items eg. Receipt of once-off untied grants not originally budgeted | Full year operating surplus of \$10.027m                                           |  |
| 5       | Delivering Council's resolutions                              | 95% on time within Council's control, range > 92% and < 99%                                                                                             | 97% of resolutions on time                                                         |  |
| 6       | Delivering quality customer services                          | > 95% achieved, range > 87% and < 95%                                                                                                                   | 95% composite score                                                                |  |
| 7       | Employee retention                                            | > 90% retention, range > 87% and < 93%                                                                                                                  | 92% of the workforce retained                                                      |  |
| 8       | Think Safe Live Well                                          | Lost time injury frequency rate below 5-year average (22.5)                                                                                             | 26.8 Lost time injury frequency rate                                               |  |
| 9       | Personal Leave                                                | New measure - No target set                                                                                                                             | 8.7 days average per FTE                                                           |  |

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**KEY PERFORMANCE INDICATOR 1:** Progress towards delivering Council's adopted plans

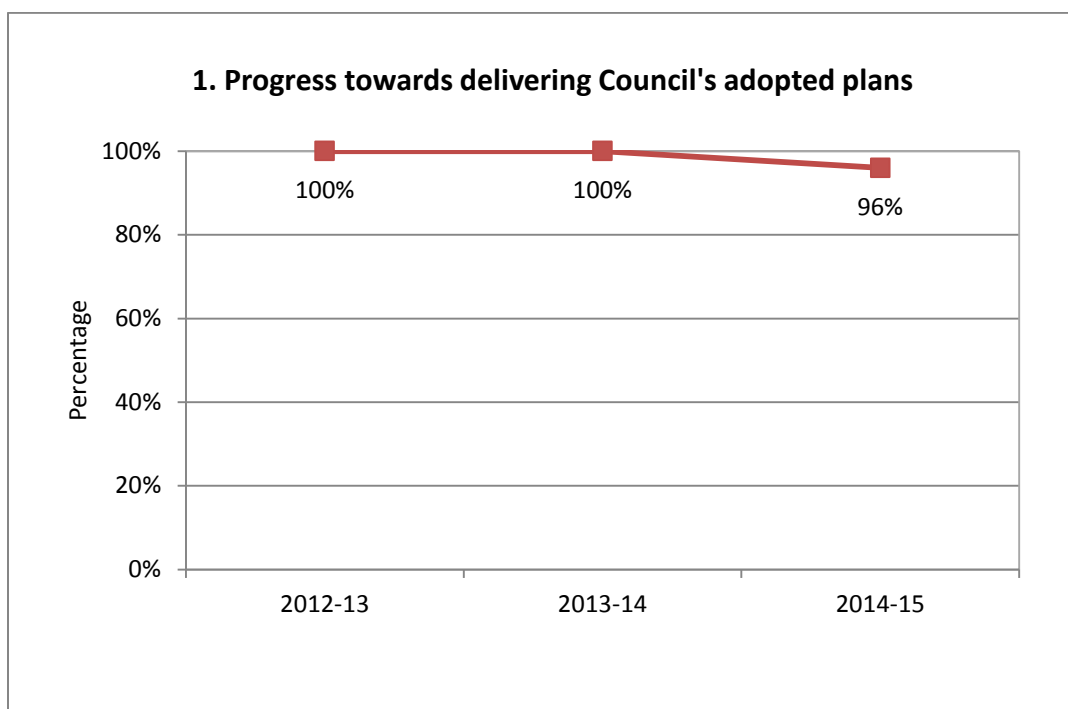
**TARGET:** On track against plan

This measure represents a composite score of the progress towards delivering strategic plans:

1. Suite of Strategic Council Plans
2. Structure Planning

All data in the composite is evenly weighted.

**PERFORMANCE:**  96% on track against plan



**1. Suite of Strategic Council Plans**

Council's Strategic Management Framework (SMF) provides the overarching framework for the alignment and integration of Council's strategic and operational plans.

The Council's suite of Strategic Plans comprises:

- the 30 year Community Plan
- the 10 year Council Plan
- Asset Management Plan
- Long Term Financial Plan
- the Development Plan
- Annual Business Plan and Budget

These are all supported by 4 year work area plans, the combined first year of which forms the Annual Business Plan and Budget.

The Community Plan- Towards 2040 was adopted by Council in December 2013 and articulates the high level aspirations of the Community.

The Council Plan is set over a 10 year horizon. It captures Council's strategic priorities to progress the aspirations in the Community Plan. Finalisation of the Council Plan was delayed due to the transition to a new Council in November 2014 and will now progress in early 2016.

The review of the Development Plan was completed in 2014, the Asset Management Plan has recently been through a public consultation process and is due for completion in late 2015 and the 2015-16 Annual Business Plan and Budget, and LTFP were adopted in June 2015. Work Area Plans for all business units across the organisation are finalised and will be improved through stronger alignment with hazard and risk management plans for each business unit in 2015/16.

## **2. Structure Planning**

The Department of Planning, Transport and Infrastructure (DPTI) has announced a review process to update the 30-Year Plan for Greater Adelaide. This update process will:

- Focus on infill and renewal and jobs growth
- Distribute revised population and dwelling targets
- Update land and housing supply assumptions
- Set locations and directions for 'next generation' of infill and medium density housing
- Set a stronger urban growth boundary
- Link to plans aimed at activating employment lands
- Pick up Council strategies/opportunities (where they align)


The update of the 30-Year Plan for Greater Adelaide will incorporate the work done on structure planning in the key regions, including the Southern Adelaide Corridor of which City of Marion is a key partner.

The update process is scheduled to run through March-December 2015, and input by City of Marion into the process has been provided through a number of forums to date.

City of Marion is also collaborating closely with State Government and other key partners on a range of other strategic urban planning initiatives including the Darlington upgrade, the Tonsley redevelopment and the broader North-South Corridor Strategy.

**KEY PERFORMANCE INDICATOR 2:** Delivery against Council's adopted Capital Works Program

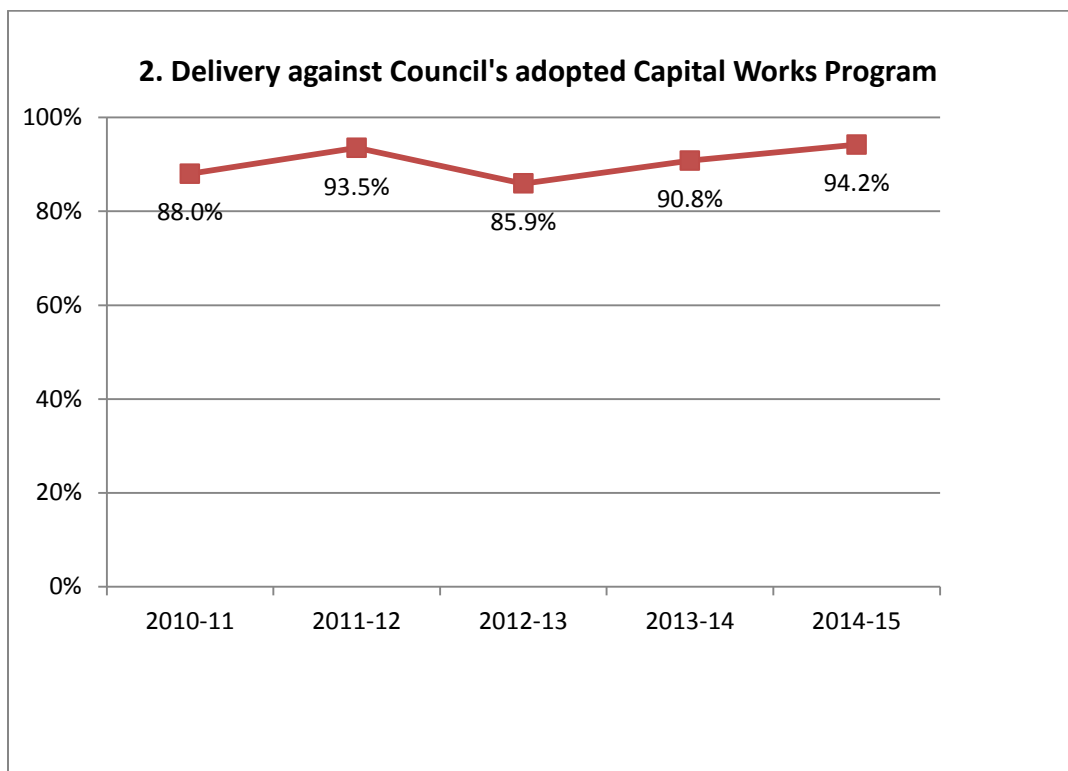
**TARGET:** 85% delivery of planned Capital Works Program adjusted for extraordinary events  
Range > 83% and < 88%

**PERFORMANCE:**  94% of planned capital works program delivered during 2014/15 (adjusted for extraordinary items)

**Background**

The Council's annual Capital Works Program consists of projects undertaken in the asset classes of planned drainage, roads, footpath construction, kerb and water table, public toilets, traffic control devices, bridges, playspaces, walking trails, sports facilities / courts, reserve redevelopments, street tree planting and street scaping, building upgrades and bores.

**Performance**



94% of the Capital Works Program was delivered in 2014-15, well above the upper target range of 88%. This result is an improvement on last year's program, where 91% of the program was completed.

This capital works programs delivered:

- Over 850 linear metres of drainage
- Over 140,000 m<sup>2</sup> of road seals

- Over 1,200 street trees planted
- 2,300 m<sup>2</sup> of footpaths constructed
- 4 walking trails
- 25 building upgrades
- 2 new playspaces

**KEY PERFORMANCE INDICATOR 3:** Progress towards delivering Council's key project commitments

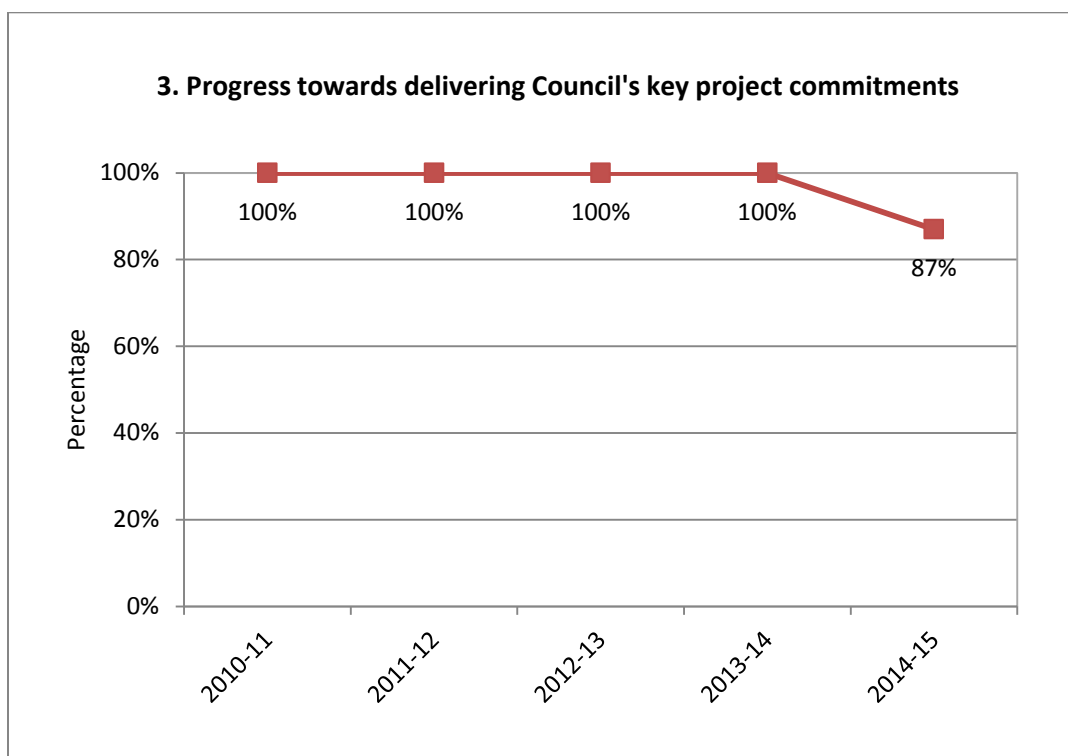
**TARGET:** On track against plan

This measure represents a combined score of the progress towards delivering two key Council projects:

1. City Services Redevelopment
2. Cove Civic Centre

All data in the composite is evenly weighted.

**PERFORMANCE:**  87% on track against plan



**Background**

The City of Marion undertakes or facilitates Major Projects which support the development of services and facilities for the community and enhance the environmental sustainability of the area. A project is formally considered a Major Project based on the level of investment, scale and / or the dependency on the partnering support and commitment from key strategic partners, from both the public and private sectors.

Specifically Major Projects have the following characteristics:

- an investment by Council of over \$4 million
- more than 12 months to deliver the project
- generally involves a project partner(s).

## **Performance**

There were two major projects reported on through 2014-15:

### **i) City Service Redevelopment**

The City Services site on Marion Road first commenced operations in 1962. The redevelopment will ensure Council has the capacity to deliver efficient services in the community over the long term.

The project deliverables include:

#### *Service Delivery*

- Improve the operating effectiveness and efficiency of City Services to support the ongoing provision of core services to the community.

#### *Statutory Compliance & Land Use*

- Rectification of current OH&S deficiencies within mechanical workshops;
- Compliance with EPA requirements for dust suppression and stormwater treatment from the site; and
- Improvement in property utilisation to minimise the operational footprint and develop options for the utilisation of any excess land.

#### *Accommodation Strategy*

- Transfer of 24 staff from the Administration Building to relieve existing pressure in office accommodation as recommended in the Accommodation Masterplan 2009-2013.

#### *Accommodation Standards*

- Replace the temporary demountable buildings with suitable office accommodation;
- Improve the environmental performance of buildings;
- Provision of new office facilities, stores and workshops with provision for future growth at City Services;

#### *Financial Framework*

- Ensure the project does not impact on Council's Key Financial Indicator Targets and is financially responsible and reasonable.

The project provides a full redevelopment of accommodation at City Services including new office building, upgraded stormwater drainage system, covered material storage bays, vehicle servicing area (with provision for hoists). The new office building is now complete and houses all staff previously located at City Services and 24 staff that have relocated from the Administration Building. It also has capacity for growth of 15 staff.

The project will improve the energy efficiency of the accommodation and management and control of stormwater and dust to EPA standards (as identified in EMS Audit).

Council approved a report in February 2014 for the allocation of a budget and approval to call the tender to deliver the project following the timelines in the table below. After the Expressions of

Interest process and subsequent select tender process Council considered and approved Badge Construction as the contractor to progress the project.

The project is on schedule with a major milestone reached on 31 August 2015 with staff transitioning into the new complex. Work has now shifted to the removal and demolition of old infrastructure on the site.

| Actions |                                               | Timeline       |
|---------|-----------------------------------------------|----------------|
| 1       | Council report                                | Feb 2014       |
| 2       | Call open Expression of Interest (EOI)        | Mar 2014       |
| 3       | Assess EOI, call Select Tenders               | May 2014       |
| 4       | Assess Select Tenders                         | Jun / Jul 2014 |
| 5       | Council consideration of recommended tenderer | Aug 2014       |
| 6       | Council approval of contractor (Badge)        | Aug / Sep 2014 |
| 7       | Construction commencement                     | Sep 2014       |
| 8       | Construction completion                       | End 2015       |

## ii) Cove Civic Centre

The \$13.4 million Cove Civic Centre (CCC) funded by Council (\$10 million) and the Federal Government (\$3.4 million) has been built on Ramrod Avenue adjacent to Hallett Cove Shopping Centre with the cooperation of the adjacent Baptist and Lutheran churches. The CCC features:

- A modern library with 35,000 books, e-books, magazines and DVDs
- A community hall for up to 280 people and meeting rooms
- A computer training suite with wi-fi and broadband
- Meeting facilities and resources for local businesses
- A children's toy library
- A public plaza.

The CCC was constructed by Mossop Construction and Interiors and construction commenced in October 2013. The original completion date for the project was March 2015 however the project was delayed due to the technically complicated design and some building component supply issues. The project delivery timeframe was extended by 4 months to June 2015 for completion of construction, and the major milestone of opening the complex to the public occurred in late July 2015. An opening ceremony for the complex was hosted on 1 August 2015.

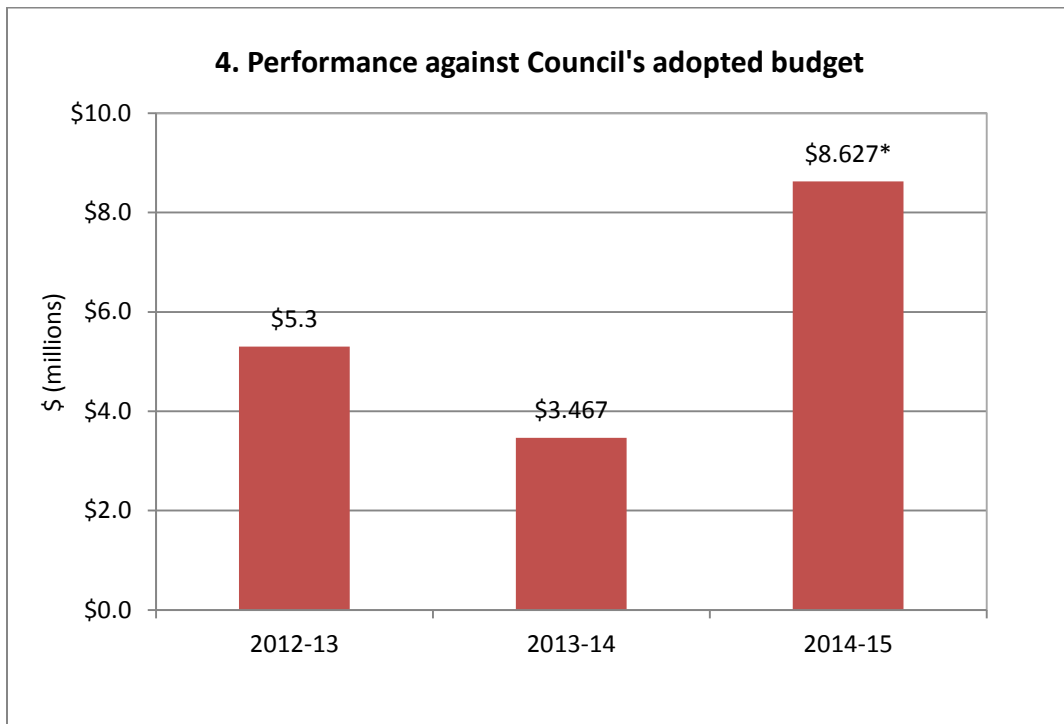
| Actions |                                                    | Timeline   |
|---------|----------------------------------------------------|------------|
| 1       | Complete church car parks                          | Mar 2014   |
| 2       | Complete underground services and floor slab       | Mar 2014   |
| 3       | Complete external structure                        | Dec 2014   |
| 4       | Complete internal fit out                          | Jun 2015   |
| 5       | Complete Ragamuffin Drive                          | Dec 2014   |
| 6       | Construction complete                              | Jun 2015   |
| 7       | Transfer operations and prepare for public opening | Jul 2015   |
| 8       | Commence public operations                         | Jul 2015   |
| 9       | Opening ceremony                                   | 1 Aug 2015 |



**KEY PERFORMANCE INDICATOR 4:** Performance against Council's adopted budget

**TARGET:** Delivery of an operating surplus adjusted for extraordinary items eg. Receipt of once-off untied grants not originally budgeted

**PERFORMANCE:**  Full year operating surplus of \$10.027m\*



\*Note: The early receipt of \$1.4m in Financial Assistance Grant revenue in 2014-15 for the 2015-16 period is considered an extraordinary item and therefore the operating surplus in the graph above has been adjusted for this item.

**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 2014-15 budget was developed within the context of a long term framework to achieve a balance between meeting the objectives of the Community Plan and attaining financial sustainability in the long term.

**Performance**

An Operating Surplus of \$10.027m was achieved in 2014-15, which was \$6.284m above the original 2014-15 budget adopted by Council. The key factors resulting in this higher than expected operating surplus are:

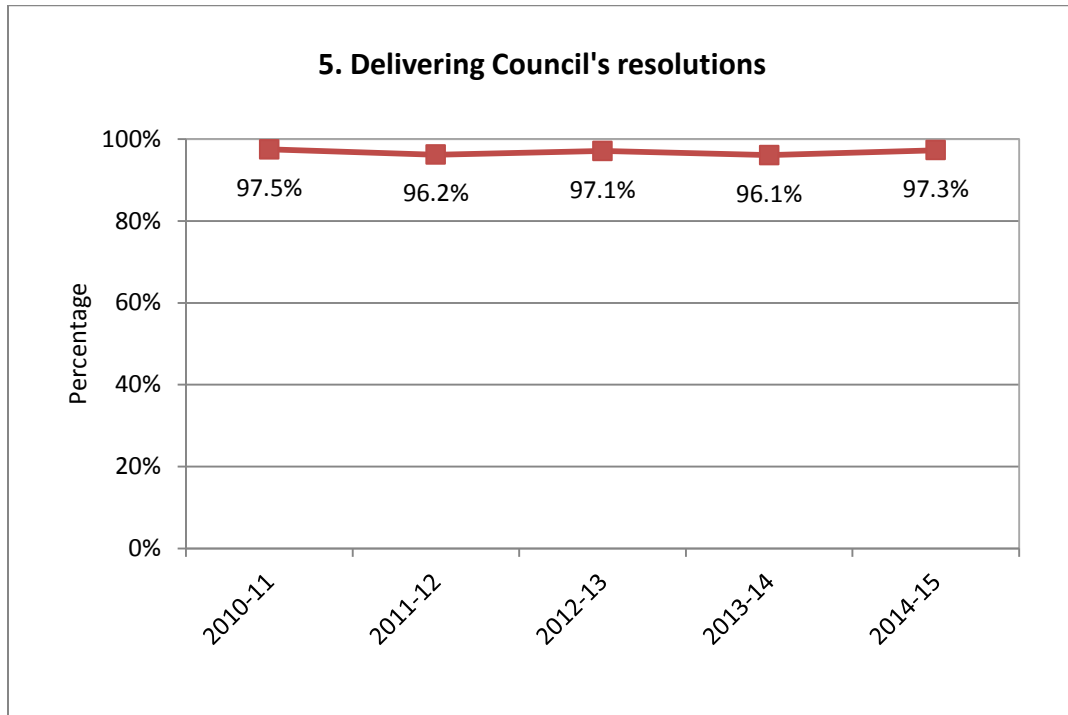
- Operating Expenditure (excluding Depreciation) – net savings of \$2.677m (4.3%) compared to adopted budget, including \$1.020m (3.1%) in Employee Costs primarily due to efficiency gains and savings achieved through vacancy management.

- Rates Rebates – savings of \$0.415m as a result of budgeted rebates anticipated for the transfer of SA Housing Trust properties in Mitchell Park to Community Housing Associations not eventuating.
- Operating Grants & Subsidies – an additional \$2.027m in grants were received, primarily as a result of an additional \$1.4m in Financial Assistance Grant revenue being received in the current year.
- Other Income - \$0.401m higher, predominantly as a result of contributions being received from lessees for renewal works relating to the Major Sporting Hubs (\$0.460m).

## KEY PERFORMANCE INDICATOR 5: Delivering Council's resolutions

**TARGET:** 95% on time within Council's control  
Range > 92% and < 99%

**PERFORMANCE:**  97%



### Performance

|                                            | 2010-11      | 2011-12      | 2012-13      | 2013-14      | 2014-15      |
|--------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Resolutions completed                      | 298          | 331          | 239          | 308          | 215          |
| On track                                   | 892          | 864          | 772          | 808          | 790          |
| Not on track                               | 28           | 18           | 12           | 7            | 5            |
| Progress not updated                       | 3            | 29           | 18           | 38           | 23           |
| <b>TOTAL</b>                               | <b>1,221</b> | <b>1,242</b> | <b>1,041</b> | <b>1,161</b> | <b>1,033</b> |
| % Council Resolutions Completed / On track | 97.5%        | 96.2%        | 97.1%        | 96.1%        | 97.3%        |

- The total number of resolutions in 2014-15 was 1033, with 97% being on track or completed on time.
- This 2014-15 annual 'completed/on track' percentage is consistent with the trend over the previous 4 years which all exceeded the target of 95%.

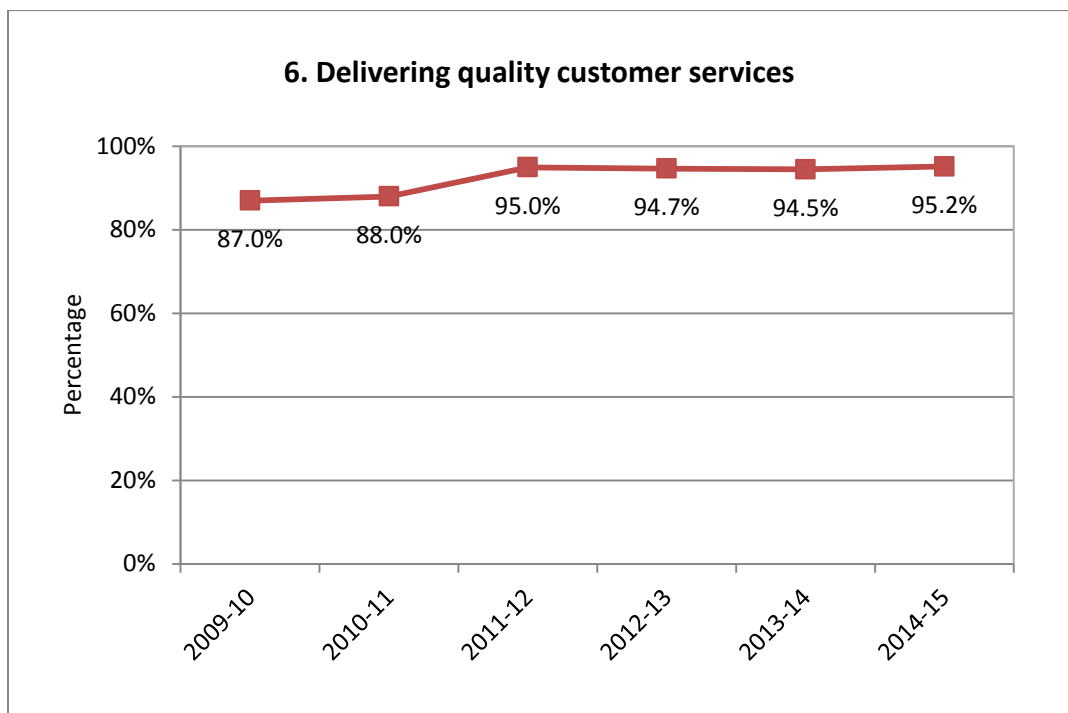
**KEY PERFORMANCE INDICATOR 6:** Delivering quality customer services

**TARGET:** > 95% achieved  
Range > 87% and < 95%

This measure represents a combined score of the following customer services:

1. Incoming direct dial telephone calls during office hours
2. Customer service requests
3. Inbound correspondence

**PERFORMANCE:**  95%



**Background**

Quality customer services are an index composite of the following service standards:

- > 95% incoming direct dial telephone calls (during office hours) answered within 5 rings or 15 seconds
- > 90% customer service requests closed within time or within rescheduled time
- > 90% inbound correspondence responded to within time or within rescheduled time.

All data in the composite is evenly weighted.

### **Annual Performance**

The 2014-15 composite result for delivering quality customer services was 95%.

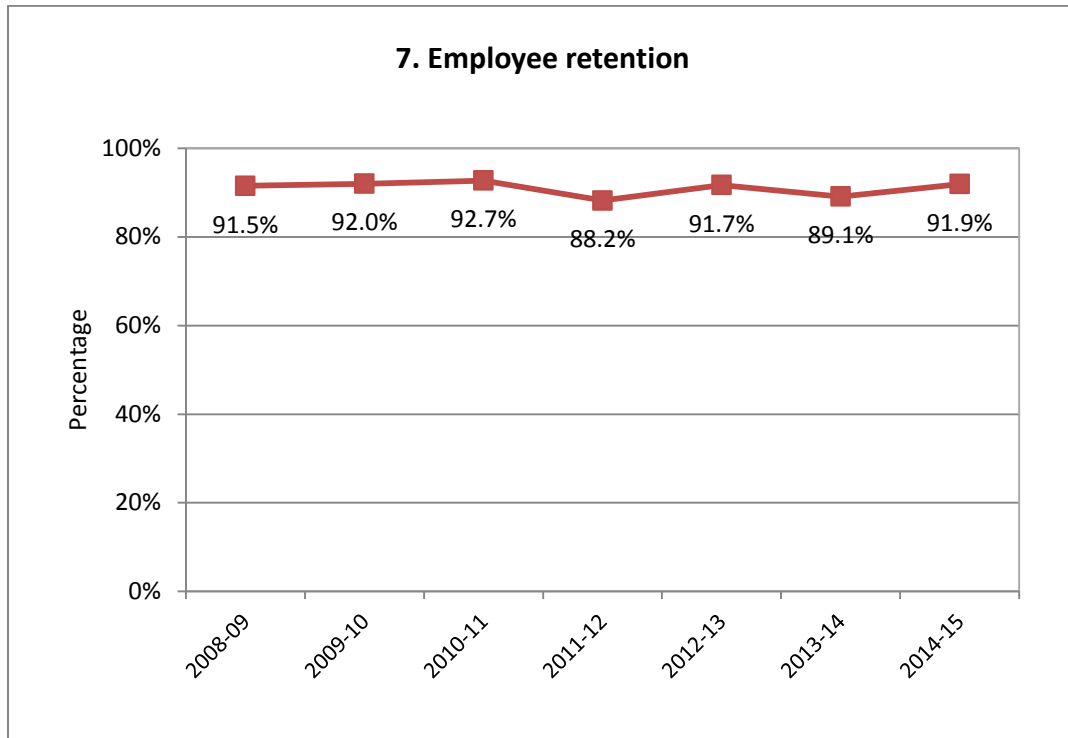
|                                                                            | Target | 2009-10      | 2010-11      | 2011-12      | 2012-13      | 2013-14      | 2014-15      |
|----------------------------------------------------------------------------|--------|--------------|--------------|--------------|--------------|--------------|--------------|
| Incoming direct dial telephone calls (during office hours)                 | ≥ 95%  | 96.0%        | 95.0%        | 95.0%        | 94.0%        | 93.8%        | 95.7%        |
| Customer service requests closed within time or within rescheduled time    | ≥ 90%  | 94.0%        | 92.4%        | 95.7%        | 95.0%        | 94.6%        | 94.3%        |
| Inbound correspondence responded to within time or within rescheduled time | ≥ 90%  | 71.0%        | 77.1%        | 94.6%        | 95.0%        | 95.2%        | 95.6%        |
| <b>AVERAGE</b>                                                             |        | <b>87.0%</b> | <b>88.0%</b> | <b>95.0%</b> | <b>94.7%</b> | <b>94.5%</b> | <b>95.2%</b> |

All individual service standards were met during 2014-15 resulting in the overall composite target being achieved. The result for 2014-15 continues the high average performance seen over the previous 3 financial years.

## KEY PERFORMANCE INDICATOR 7: Employee retention

**TARGET:** > 90% retention  
Range > 87% and < 93%

**PERFORMANCE:**  92%



### Background

The retention rate is calculated as the number of staff that left the organisation during the year divided by the total number of employees, and displayed in terms of the percentage of staff retained by the organisation.

### Annual Performance

|                | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|----------------|---------|---------|---------|---------|---------|---------|---------|
| Turnover Rate  | 8.5%    | 8.0%    | 7.3%    | 11.8%   | 8.3%    | 10.9%   | 8.1%    |
| Retention Rate | 91.5%   | 92.0%   | 92.7%   | 88.2%   | 91.7%   | 89.1%   | 91.9%   |

The composite annual retention rate for 2014-15 was 92% which was consistent with previous years' rates ranging from 88% to 93%.

**KEY PERFORMANCE INDICATOR 8:** Think Safe, Live Well

**TARGET:** Lost time injury frequency rate equivalent to 5-year average of 22.5

**PERFORMANCE:**  26.8



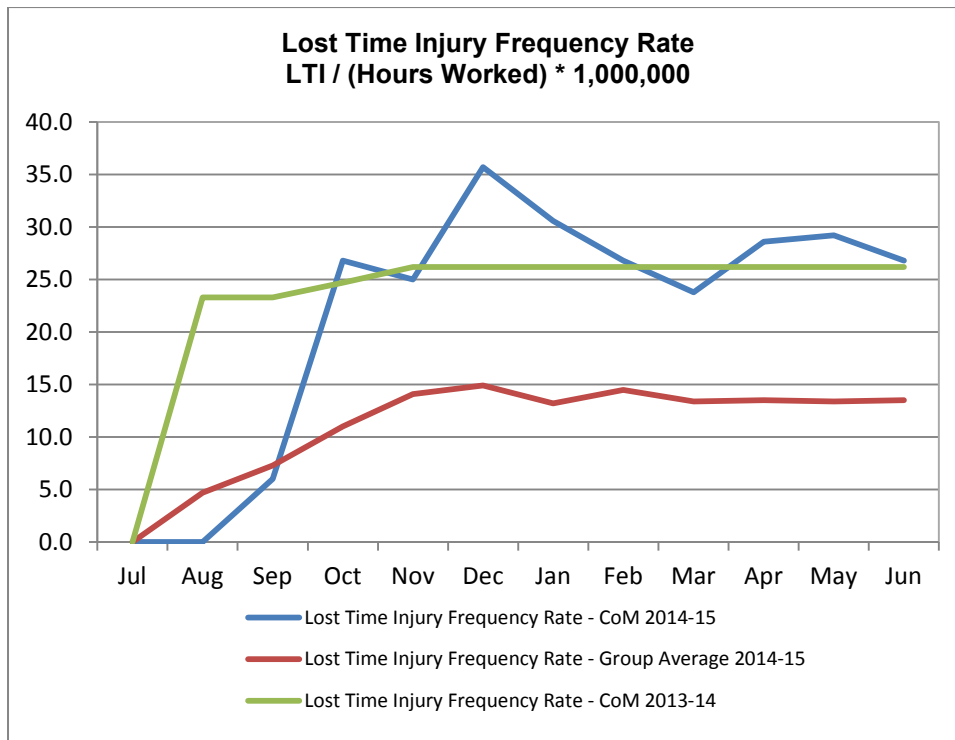
**Background**

Lost Time Injury Frequency Rates (LTIFR) is a widely used lag performance indicator that measures injury management performance and is calculated as per the Australian Standard 1885.1: 'Total number of Lost Time Injuries/Total Hours Worked)\*1,000,000'.

**Performance**

The graph above tracks Council's LTIFR performance annually for the past seven years as reported by the Local Government Association Worker's Compensation Scheme (LGAWCS). The 2014-15 results show a LTIFR of 26.8 which is higher than the target of a 5 year average of 22.5.





The graph above tracks Council's LTIFR performance by month during 2014-15 and during 2013-14. It also provides a comparison of a group average (councils that have more than 200 employees) performance by month during 2014-15 and shows that City of Marion consistently tracks above the group average.

The trend over the 2014-15 period shows LTIFR has levelled out to 26.8 after a spike at the end of the 2<sup>nd</sup> quarter. However this spike has contributed to the final annual result being above the target of 22.5.

There were a total number of 18 incidents during 2014-15 with 11 of those injuries recording more than 5 LTI days. The average duration rate for City of Marion of 12.4 LTI days is lower than the group average of 18.7. This result indicates that, although more injuries are recorded, the injuries are less severe. Focused improvement of our first response process for injury management should reduce the number of LTI's.

Analysis shows the three primary types of injuries are:

1. Manual handling (muscular stress while lifting or carrying)
2. Falls from the same level (slips, trips and falls)
3. Repetitive movement (low muscle loading)

## **Actions**

A Hazard Management Improvement Program was launched during June 2015 to be a catalyst for the reduction of risk and hazards, increase awareness of potential mechanisms of injury, improve wellbeing and reduce injury and harm to our people. A comprehensive review of the Injury Management processes in response to the implementation of the Return to Work Act 2014

is being undertaken and is aimed at reducing the number of LTIs by identifying levels and types of suitable duties that are available within our workgroups.

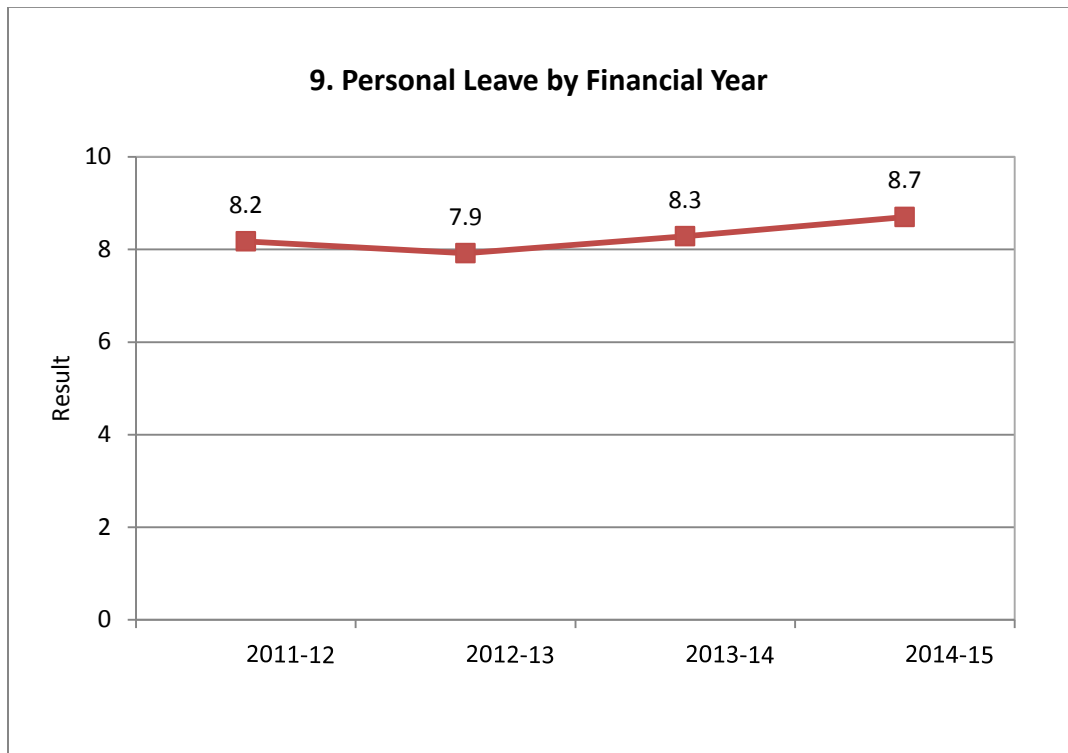
The new WHS Monitoring Report is presented monthly to the WHS Committee and to EMG. It reports progress against KPIs for Systems, Leadership and Culture in addition to reporting on incidents/hazards and lost time injury data derived from the LGAWCS data.

The Audit Committee also plays a key oversight role in Work, Health and Safety, and Risk Management. LTIFR is reported annually to the Audit Committee in conjunction with the WHS program to monitor and analyse the data and WHS systems.

**KEY PERFORMANCE INDICATOR 9:** Personal leave

**TARGET:** recently introduced measure – no target set

**PERFORMANCE:**  8.7 days per FTE



**Background**

Personal leave includes paid sick leave, sick leave without pay, personal/carers leave and bereavement leave. An average of personal leave per full time equivalent staff (FTE) member has been calculated based on the number of FTE's reported in the relevant Annual Report.

**Performance**

The average personal leave per FTE for 2014-15 was 8.7 days which was slightly higher than 2013-14. Personal leave averages at the City of Marion have been relatively consistent over the past 4 years (ranging from 7.9 days to 8.7 days). Whilst no data for the sector in South Australia is available publically, it is understood through discussions with other councils that the personal leave averages at the City of Marion compare favourably with other like metropolitan councils.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Richard Watson, Communications Advisor  
**Corporate Manager:** Kate McKenzie, Manager Governance  
**Director:** Kathy Jarrett  
**Subject:** Annual Report 2014/15  
**Report Reference:** GC271015R09

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**REPORT OBJECTIVES:**

The purpose of this report is to:

- Present the 2014/15 Annual Report, excluding the audited financial statements for the City of Marion, the Southern Region Waste Resource Authority, and Council Solutions Regional Authority which are being considered by Council under separate agenda items at this meeting.
- Outline a method that aims to provide community understanding of Council's achievements.

**EXECUTIVE SUMMARY:**

The annual report is 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-November.

It will continue the style of last year's report by explaining the development of projects and services while highlighting achievements, challenges, opportunities and future plans. A summary of the report will be produced in City Limits to assist understanding of Council's achievements among the community and stakeholders.

**RECOMMENDATIONS (4)**

**DUE DATES**

**That:**

- |                                                                                                                                                                                                  |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1. Council adopts the City of Marion Annual Report for the 2014/15 financial year as contained with Appendix 1 to this report subject to the following amendments:                               | 27 Oct 15 |
| 2. The City of Marion Financial Statements 2014/15 being considered in report GC271015R06 be included within the published version of the City of Marion Annual Report 2014/15                   | 27 Oct 15 |
| 3. The Southern Regional Waste Resources Authority Financial Statements being considered in report GC271015R06 be included within the published version of City of Marion Annual Report 2014/15. | 27 Oct 15 |
| 4. The Council Solutions Regional Authority Financial Statements being considered in report GC271015R06 be included within the published version of City of Marion Annual Report 2014/15.        | 27 Oct 15 |

- |                                                                                                                                      |                  |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>5. Administration distributes copies of the City of Marion Annual Report 2014/15 in accordance with legislative requirements.</b> | <b>31 Dec 15</b> |
| <b>6. Administration distributes copies of the City of Marion Annual Report 2014/15 to key stakeholders</b>                          | <b>31 Dec 15</b> |
| <b>7. A summary of the Annual Report 2014/15 will be distributed to households, businesses and stakeholders via City Limits.</b>     | <b>31 Dec 15</b> |

## **DISCUSSION:**

Section 131 of the *Local Government Act 1999* requires Council to prepare and adopt an Annual Report on or before November 30 each year. The report has been developed in line with legislative requirements and will be forwarded to Parliament by the due date of 31 December 2015.

The final Annual Report consists of:

- Details of Council's performance, operation and achievements for 2014/15 - specifically against targets set in the Annual Business Plan
- Council's average rate increases over the past 10 years
- The signed Annual Financial Statements for the City of Marion
- The Southern Region Waste Resource Authority Annual Financial Statements
- The Council Solutions Regional Authority Annual Financial Statements

The report maintains the style and format of previous reports by emphasising the achievements, challenges and future of projects and services to give the community a greater insight into Council's services. To improve accessibility, it is more concise than previous reports, focusing on the most important information and uses a narrative style.

## **Format**

The annual report will be presented as a plain document with a stylised front cover and be available on the Council website from mid-November 2015.

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

## **Promoting the Annual Report**

The achievements in the annual report will be highlighted in a City Limits article that will be published in December.

The achievements will be featured in a promotional campaign using Facebook and Twitter that will coincide with the distribution of City Limits.

Additionally, letters will be emailed from the Mayor to stakeholders in business, government and community sectors inviting them to read the full report on Council's website.

**Financial implications**

The cost for creating a front cover for the Annual Report, collating the full document so it can be displayed on Council's website and producing 50 bound copies for internal and external distribution will be \$1500 and is within existing budgets.

**Consultation:**

All relevant managers have been consulted in the preparation of the annual report with feedback and information provided by all departments.

**CONCLUSION:**

The City of Marion annual report provides a comprehensive review of Council highlights, activities and achievements throughout 2014/15. It complies with the legislative requirements contained in the *Local Government Act 1999*.



**2014/15 Annual Report**

DRAFT



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| Appendix C | The Council Solutions Regional Authority Financial Statements         |

## WELCOME

Welcome to the City of Marion Annual Report for 2014/15. This report charts our progress towards the *Community Plan – Towards 2040* which represents the shared values and aspirations of our community.

In addition, the report highlights our key achievements, explains some of the challenges we faced and provides a glimpse of future projects and plans.

It measures our success against the objectives set out in the *Annual Business Plan and Budget 2014/15* and includes the City of Marion's audited Financial Statements for 2014/15.

The main body of the report is divided into the six themes of the *Community Plan – Towards 2040* – Liveable, Innovative, Biophilic, Prosperous, Connected and Engaged. Each of these themes contributes to our core purpose, which is Community Wellbeing.

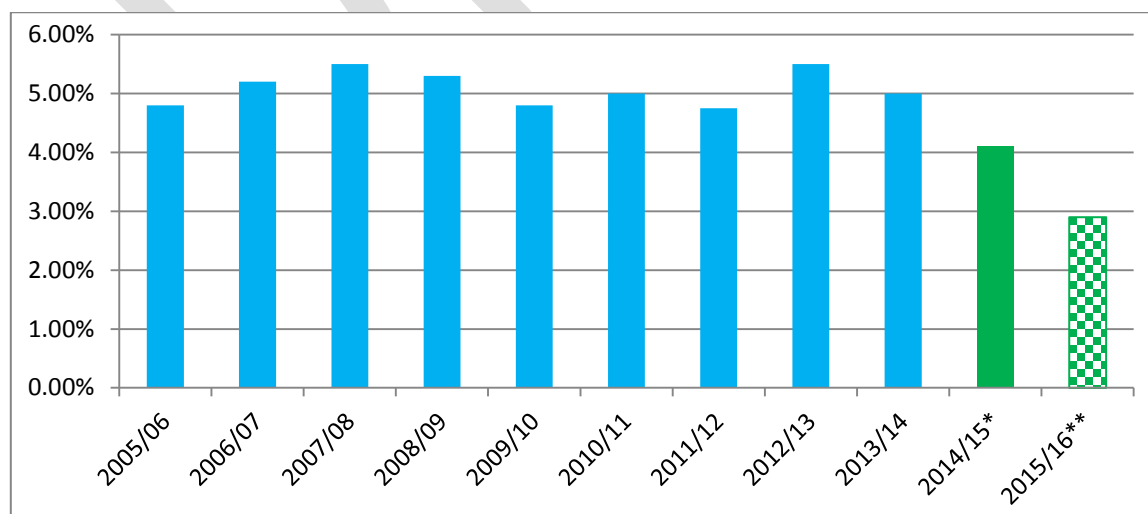
This report also shows how we are working towards excellence in governance and developing the capabilities of staff to provide better services to our community. We produce an annual report as a key accountability communication tool for our community and stakeholders.

## 10 KEY ACHIEVEMENTS

This table shows some key achievements from 2014/15 and how to find more details.

| KEY ACHIEVEMENTS                                            | Page |
|-------------------------------------------------------------|------|
| New memorial unveiled at Hallett Cove                       | 16   |
| New 70m water slide opens at Marion Outdoor Swimming Centre | 18   |
| More than \$195m of building applications granted           | 19   |
| Sporting infrastructure upgraded                            | 27   |
| \$13.4m Cove Civic Centre set to open                       | 27   |
| Oaklands wetland grows                                      | 29   |
| Community involvement in environment increases              | 29   |
| New service launched to grow small business                 | 34   |
| \$1.5m Railway Terrace revamp begins                        | 36   |
| Increasing exercise for children                            | 38   |

## AVERAGE RATE INCREASES OVER THE PAST 10 YEARS



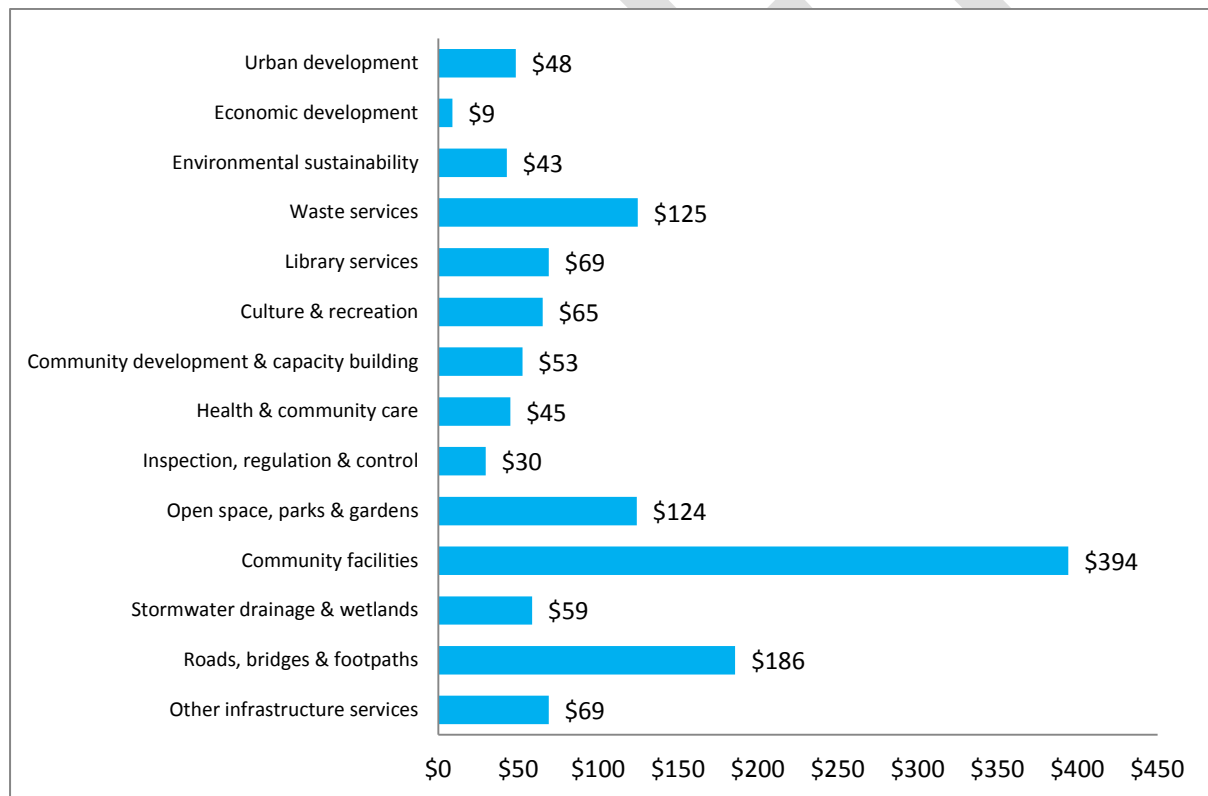
\* Represents the rate increase for the year this report relates to (4.1%)

\*\* Represents the rate increase for the next year (2.9%) which was achievable due to a strong focus throughout the year on achieving efficiency and effectiveness savings across the organisation in 2014/15 which have been carried through to the 2015/16 budget, without impacting on service delivery outcomes.

## MARION FAST FACTS

|                                            |                 |
|--------------------------------------------|-----------------|
| Estimated resident population              | 88,292          |
| Elected members including the Mayor        | 13              |
| Wards                                      | 6               |
| Electors                                   | 62,480          |
| Operating expenditure                      | \$71.9 million  |
| Rateable properties                        | 41,376          |
| Library items loaned                       | 851,830         |
| Website hits                               | 425,868         |
| Value of volunteer hours                   | \$1.2 million   |
| Street trees planted                       | 1500            |
| Number of development applications granted | 1751            |
| Value of development applications granted  | \$195.5 million |
| Distance of footpaths                      | 783 kms         |
| Distance of roads                          | 460 kms         |
| Distance of drains                         | 267 kms         |

### How your rates are spent - breakdown of the average residential rate of \$1319



## HOW WE PERFORMED

Monitoring performance is fundamental to the Strategic Management Framework which ensures Council is contributing to the achievement of the *Community Plan – Towards 2040*.

These eight Key Performance Indicators (KPIs) within the *Annual Business Plan and Budget 2014/15* demonstrate progress against our strategic directions.

The table below summarises our performance:

| Key Performance Indicator                                     | Target                                                                                                                                 | 2014/15 Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Progress towards delivering Council's adopted plans           | On track against plan                                                                                                                  | <p>96% on track against plan</p> <p>Council Plan finalisation delayed to December 2015 due to elections</p> <p>This measure represents a combined score of the progress towards delivering four strategic plans:</p> <ol style="list-style-type: none"> <li>1. Community Plan</li> <li>2. Council Plan</li> <li>3. Strategic Directions Report (Section 30 Review)</li> <li>4. Structure Planning</li> </ol>                                                                                                                                                                                                                                                                                                                                                           |
| Delivery against Council's adopted Capital Works program      | <p>85% delivery of planned Capital Works Program</p> <p>Range &gt; 83% and &lt; 88%</p>                                                | <p>94% of planned Capital Works Program delivered, exceeding full year target.</p> <p>The Council's annual Capital Works Program consists of projects undertaken in the asset classes of drainage, wetlands, roads, footpath construction, kerb and water table, public toilets, traffic control devices, bridges, playspaces, walking trails, sports facilities / courts, reserve redevelopments, street tree planting and street scaping, building upgrades, irrigation and bores.</p>                                                                                                                                                                                                                                                                               |
| Progress towards delivering Council's key project commitments | On track against plan                                                                                                                  | <p>87% of actions on track against plan</p> <p>Cove Civic Centre completion extended by 4 months due to technically complicated design and building component supply issues</p> <p>This measure represents a combined score of the progress towards delivering four key Council projects:</p> <ol style="list-style-type: none"> <li>1. Oaklands Wetland Project</li> <li>2. City Services Redevelopment</li> <li>3. Cove Civic Centre</li> <li>4. Sports and Community Facility Master Planning</li> </ol>                                                                                                                                                                                                                                                            |
| Performance against Council's adopted budget                  | <p>Delivery of an operating surplus adjusted for extraordinary items eg. Receipt of once-off untied grants not originally budgeted</p> | <p>Achieved a full year operating surplus of \$10.027m due to a strong focus throughout the year on achieving ongoing efficiency and effectiveness savings across the organisation, without impacting on service delivery outcomes. These savings have been passed on to ratepayers in the 2015/16 Annual Budget.</p> <p>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.</p> <p>The original 2014-15 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.</p> |
| Delivering Council's resolutions                              | <p>95% on time within Council's control</p> <p>Range &gt; 92% and &lt; 99%</p>                                                         | <p>93% on time within Council's control</p> <p>This indicator tracks the progress of implementing resolutions passed by Council. Each month, the total number of resolutions changes pending the number of items brought before Council for decision. The implementation of Council resolutions is tracked throughout the year.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|                                                       |                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Delivering quality customer services                  | <p>&gt; 95% achieved</p> <p>Range &gt; 87% and &lt; 95%</p>        | <p>95% composite score achieved</p> <p>This measure represents a combined score of the following customer services:</p> <ol style="list-style-type: none"> <li>1. Direct dial telephone calls during office hours</li> <li>2. Customer service requests</li> <li>3. Inbound correspondence</li> </ol>                                                                                                                                                                                                                                                                                                                        |
| Employee retention                                    | <p>&gt; 93% retention</p> <p>Range &gt; 87% and &lt; 93%</p>       | <p>98% of the workforce retained</p> <p>The retention rate is calculated as the number of staff that have left the organisation at a specific point in time, divided by the total number of employees, and displayed in terms of the percentage of staff retained by the organisation.</p>                                                                                                                                                                                                                                                                                                                                   |
| Think Safe Live Well staff health & wellbeing program | <p>Lost time injury frequency rate below 5-year average (22.5)</p> | <p>Lost time injury frequency rate of 26.8% achieved</p> <p>Comprehensive review of injury management undertaken</p> <p>The statistical figures on Lost Time Injury Frequency rates are provided by the Local Government Risk Services Worker's Compensation Scheme (LGRWCS) on a monthly basis. The data is subject to variation due to a considerable lag between processing of claims and publication of these figures.</p> <p>The City of Marion continues to respond immediately to any injury to staff or Community members. Each case is immediately assessed to ensure safety is quickly and adequately managed.</p> |

## **A MESSAGE FROM THE MAYOR**

This is the first message I have written for a City of Marion Annual Report having being elected Mayor in November 2014.

The local government elections saw me joined by seven new Councillors to bring a fresh approach and a new culture to the City of Marion.

We immediately began working on the budget to deliver better value for ratepayers and presided over millions of dollars in savings to announce an average household rate rise of 2.9 per cent for 2015/16, without cutting services.

This work, which we undertook in the second part of 2014/15, has laid the foundations for us to develop the city into the future.

The Annual Report 2014/15 tells of a wide range of achievements, including the unveiling of a new \$340,000 memorial at Hallett Cove which was the focus of ANZAC centenary commemorations, upgrades to Cove Sports and Community Club and the launch of a new service to grow small business.

It also outlines the progress of the \$13.4 million Cove Civic Centre and shows how we are working to transform an area of vacant land into a new \$940,000 park in South Plympton.

Our city has a lot to offer, as is shown by the \$195.5 million worth of building applications that were granted – an increase of more than \$27 million on the previous year. The two biggest approvals were for a \$25 million early learning and primary school building in Marion and the State Government's \$14 million drill core library at Tonsley.

I take this opportunity to welcome Adrian Skull who takes up the role of CEO in September 2015, replacing Mark Searle who left the City of Marion in March 2015.

I would also like to acknowledge the work of Dr Felicity-ann Lewis who served as the Mayor of Marion for 15 years.

**Kris Hanna**

**Mayor, City of Marion**

## MARION – OUR UNIQUE CITY

The City of Marion is in Adelaide's south-western suburbs and covers an area of about 55 km sq. The estimated population of 88,292 is expected to rise to 100,000 by 2031.

The city has a broad cultural mix with about 25 per cent of residents born overseas, 14 per cent of which are from countries where English is not the first language, while more than 13,000 people speak a language other than English at home.

Marion's unique landmarks include Oaklands Wetland, which opened in the north of the city in late 2013. The wetland delivers treated stormwater to Council reserves while providing a haven for wildlife and a place for people to enjoy the natural environment.

Adjacent to the wetland, work on the \$1 million Oaklands Recreation Plaza is nearing completion. This multi-use facility will include a skate park, mini basketball court and grassed areas.

The State Government's \$253 million redevelopment of the 61-hectare Tonsley Park is expected to attract \$1 billion of private investment, boosting jobs growth and innovation.

The site continues to evolve into a high-value employment, education and residential precinct and Flinders University's \$120 million School of Computer Science, Engineering and Maths opened there in February 2015.

In the central region, elite and community swimmers are served by the international-standard SA Aquatic and Leisure Centre. Adjacent is Westfield Marion Shopping Centre, the largest regional shopping centre in South Australia with about 300 shops.

From October to April the Marion Outdoor Swimming Centre is a popular destination with families who relax on its shady lawns and enjoy its 70m water slide.

In the south, the \$13.4 million Cove Civic Centre will open in late July 2015 as a modern library, community and enterprise facility. Built next to the revamped Hallett Cove Shopping Centre, the Cove Civic Centre completes a 12-year, \$75 million redevelopment for the southern region.

The economy, measured by gross regional product, is worth more than \$3 billion per annum. The leading employment sectors are retail (22.4 per cent), health care and community services (12.5 per cent) and manufacturing (10.2 per cent). Morphettville Racecourse, home to South Australia's thoroughbred racing industry, attracts about 91,000 visitors each year.

For a change of pace, the city's spectacular coastline can be enjoyed from the 7.2km Coastal Walking Trail. The trail passes through Hallett Cove Conservation Park, one of Australia's most outstanding geological and archaeological sites, recording an ice age of 280 million years ago.



## COUNCIL AREA AND WARD BOUNDARIES

The Council comprises an elected Mayor and 12 Councillors. The city is divided into six wards, each of which is represented by two Councillors.



## **ELECTED MEMBERS**

The local government elections in November 2014 saw a new Mayor and seven new Councillors elected to Marion Council.

### **ELECTED MEMBERS JULY 2014 – NOVEMBER 2014**

#### **Mayor Felicity-ann Lewis**

##### **Coastal Ward**

Councillor Cheryl Connor  
Councillor David Speirs

##### **Mullawirra Ward**

Councillor Jerome Appleby  
Councillor Jason Veliskou

##### **Southern Hills Ward**

Councillor Kathleen Allen  
Councillor Frank Verrall

##### **Warracowie Ward**

Councillor Carolyn Habib  
Councillor Bruce Hull

##### **Warriparinga Ward**

Councillor Carol Bouwens  
Councillor Luke Hutchinson

##### **Woodlands Ward**

Councillor Alice Campbell  
Councillor Tim Pfeiffer

### **ELECTED MEMBERS NOVEMBER 2014 – JUNE 2015**

#### **Mayor Kris Hanna**

##### **Coastal Ward**

Councillor Ian Crossland  
Councillor Tim Gard

##### **Mullawirra Ward**

Councillor Jerome Appleby  
Councillor Jason Veliskou

##### **Southern Hills Ward**

Councillor Janet Byram  
Councillor Nick Westwood

##### **Warracowie Ward**

Councillor Bruce Hull  
Councillor Nathan Prior

##### **Warriparinga Ward**

Councillor Luke Hutchinson  
Councillor Raelene Telfer

##### **Woodlands Ward**

Councillor Nick Kerry  
Councillor Tim Pfeiffer

## EXECUTIVE MANAGEMENT GROUP

**Mr Mark Searle** - Chief Executive Officer (departed March 2015)

**Mr Geoff Whitbread** – Acting Chief Executive Officer (March 2015 – June 2015)

**Ms Heather Montgomerie** – Director

**Mr Vincent Mifsud** – Director

**Ms Kathy Jarrett** – Director

## STAFF LEVELS (FULL TIME EQUIVALENT)

|                                                      |            |
|------------------------------------------------------|------------|
| <b>Total employees</b>                               | <b>348</b> |
| Permanent full-time                                  | 252        |
| Permanent part-time                                  | 39         |
| Fixed term contract – full time and part time/casual | 57         |

## OVERVIEW OF FINANCIAL PERFORMANCE

The 2014/15 Annual Financial Statements demonstrate Council's continued improvement in its financial performance, providing a sound basis for Council's long-term objectives set out in its Strategic Plan.

In adopting the 2014/15 Annual Budget in June 2014 there was a commitment given to making a concerted effort and having a strong focus throughout the year on achieving efficiency and effectiveness savings across the organisation, without impacting on service delivery outcomes. A primary objective of this was to ease the financial burden on rate payers going forward.

In 2014/15 an Operating Surplus of \$10.027m was achieved, which was \$6.284m above the original 2014/15 budget adopted by Council. The key factors resulting in this better than expected operating surplus are:-

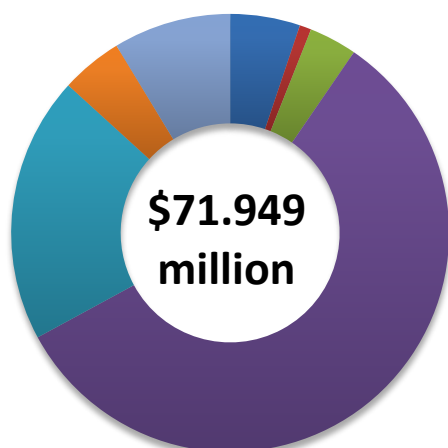
- Net savings of \$2.677m (4.3%) in Operating Expenditure (excluding Depreciation) – compared to the original adopted budget.
- This included Employee Costs Savings of \$1.020m (3.1%) achieved primarily through efficiency gains and vacancy management. This resulted in a net marginal increase in employee costs for the year of \$0.225m (0.7%) allowing for increases built into Council's wages and salaries EB agreements.
- Materials, Contracts and Other Expenses also contributed to the savings with a reduction in costs of \$0.563m in 2014/15.
- Operating Grants & Subsidies – an additional \$2.027m in grants were received, primarily as a result of an advance instalment \$1.4m of the 2015/16 Financial Assistance Grant revenue being received in the 2014/15 year.
- Other Income - \$0.401m higher, predominantly as a result of contributions being received from lessees for renewal works relating to the Major Sporting Hubs (\$0.460m).

Sustaining an operating surplus is critical to renewing and maintaining the \$1.1 billion of community assets under council's control in accordance with its Asset Management Plans and to ensure its ability to fund major projects identified in the Long Term Financial Plan.

## IN BRIEF

The following information relates to the Financial Statements contained in the Annual Financial Report:

- An operating surplus of \$10.0 million which provides funding for renewal and replacement of community assets.
- \$82.0 million revenue with 82 per cent coming from rates.
- \$71.9 million operating expenditure with 44.1 per cent attributable to labour services and 36.7 per cent to materials and services – a significant net reduction of \$2.7m in operating expenses compared to the original budget of \$74.6m.
- \$1.1 billion net assets, providing community facilities and infrastructure.

**Total Operating Expenditure – 2014/15**

- Urban Development
- Economic Development
- Environmental Sustainability
- Public Infrastructure & Places
- Culture and Recreation
- Community Capacity Building
- Health and Community Care

**Development**

|                      |          |
|----------------------|----------|
| Urban Development    | \$3.715m |
| Economic Development | \$0.619m |

**Environment**

|                              |          |
|------------------------------|----------|
| Environmental Sustainability | \$2.548m |
|------------------------------|----------|

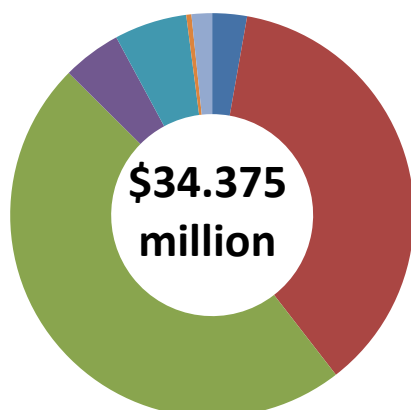
**Infrastructure**

|                                |           |
|--------------------------------|-----------|
| Public Infrastructure & Places | \$41.385m |
|--------------------------------|-----------|

**Community**

|                             |           |
|-----------------------------|-----------|
| Culture and Recreation      | \$14.160m |
| Community Capacity Building | \$3.273m  |
| Health and Community Care   | \$6.249m  |

|              |                  |
|--------------|------------------|
| <b>TOTAL</b> | <b>\$71.949m</b> |
|--------------|------------------|

**Total Asset Additions (including Contributed Assets) – 2014/15**

- Land
- Buildings & Other Structures
- Infrastructure (Roads, Drains, Footpaths, etc)
- Other Infrastructure (Traffic Devices, Signs, etc)
- Plant & Equipment
- Furniture & Fittings
- Other Assets

**Asset Additions**

|                                                    |           |
|----------------------------------------------------|-----------|
| Land                                               | \$0.955m  |
| Buildings & Other Structures                       | \$12.624m |
| Infrastructure (Roads, Drains, Footpaths, etc)     | \$16.475m |
| Other Infrastructure (Traffic Devices, Signs, etc) | \$1.615m  |
| Plant & Equipment                                  | \$2.000m  |
| Furniture & Fittings                               | \$0.142m  |
| Other Assets                                       | \$0.564m  |

|                              |                  |
|------------------------------|------------------|
| <b>TOTAL ASSET ADDITIONS</b> | <b>\$34.375m</b> |
|------------------------------|------------------|

## OUR PURPOSE IS WELLBEING

Wellbeing is our purpose, central to our community, central to the services we deliver, and at the heart of our decision making. With Council and the community working together we can achieve amazing outcomes.



Council adopted the *Community Plan – Towards 2040* in December 2013.

The plan expresses the community's vision for the future. It is an aspirational statement of outcomes important for the development of the city and the wellbeing of residents.

### **The background to the Community Plan – Towards 2040**

The plan was developed following the biggest listening campaign in Council's history, *Making Marion*.

The listening campaign found the most frequently expressed needs, aspirations and concerns of the community included achieving wellbeing through connectivity and transport, affordability, environmental protection and sustainability, open and shared spaces and places and community activities.

This feedback is reflected in the services, programs and projects Council delivered in 2014/15.

## HOW OUR STRATEGIC PLANNING WORKS

To ensure Council's activities contribute to the *Community Plan – Towards 2040* we have a Strategic Management Framework. This comprises a suite of plans that provide strategic direction and operational focus to ensure outcomes are achieved effectively and efficiently.

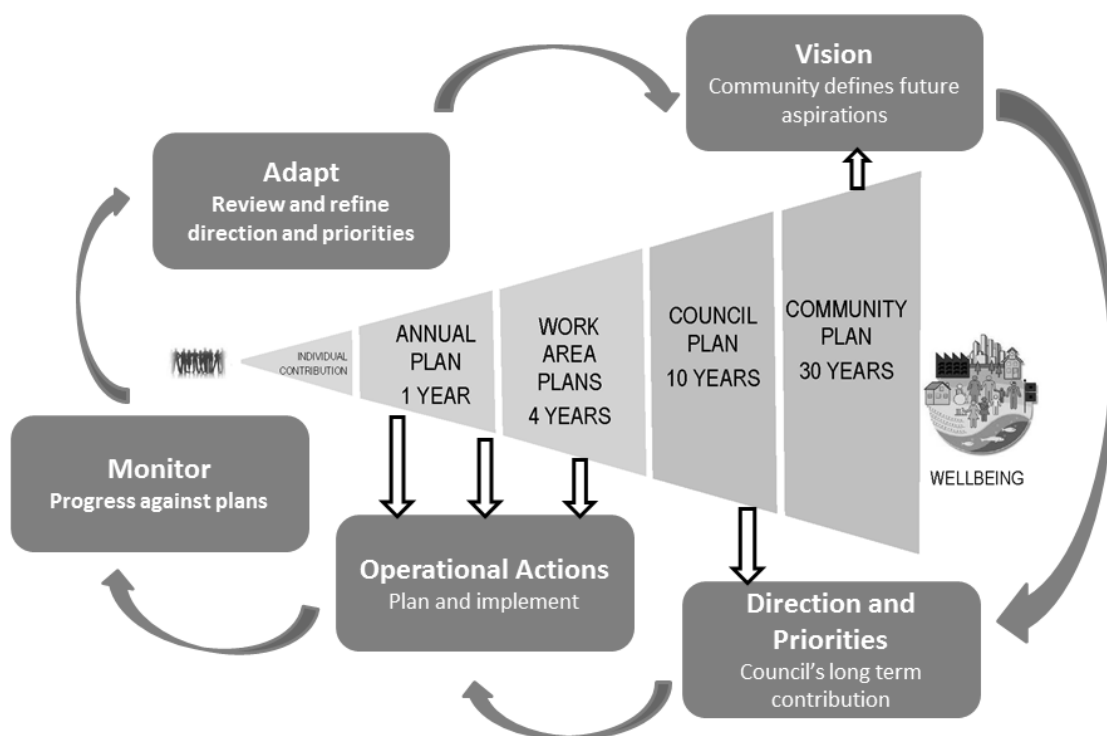
The Strategic Management Framework provides a mechanism for Council's long-term and short-term decision making. Long-term plans, including the Strategic Plan, the Long-Term Financial Plan and the Asset Management Plan, set the highest level goals. The Annual Business Plan and operational plans ensure these objectives are delivered.

The framework provides a clear line of sight between the *Community Plan – Towards 2040* and everyone involved in contributing to the vision, including Elected Members and staff. It focuses on further integration between our strategic plans to ensure we are well positioned to achieve the best outcomes for the community.

We are continuing to develop elements of the new framework, including key performance indicators and community partnerships which will provide a strong foundation for the future.

The *Community Plan – Towards 2040* is the highest level plan in our Strategic Management Framework.

### Strategic Management Process





## 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.*

### MILESTONES

- **NEW \$340,000 MEMORIAL UNVEILED AT HALLETT COVE**
  - **NEW 70M WATER SLIDE OPENS AT MARION OUTDOOR SWIMMING CENTRE**
  - **\$195.5 MILLION OF BUILDING APPLICATIONS GRANTED**
- 

## OPEN SPACE AND RECREATION

### NEW \$340,000 MEMORIAL UNVEILED AT HALLETT COVE

#### Achievements

We completed construction of a new \$340,000 memorial at Hallett Cove in April 2015 in time for an ANZAC Day dawn service to commemorate 100 years since the landing at Gallipoli.

An estimated 8000 people attended the service, which was organised by the local Lions club with support from the City of Marion, local community groups, and businesses.

The memorial includes a 13m long stone wall, 150 sq m garden, two flag poles, lighting, a barbecue and shelter. It was built by the City of Marion for \$340,000 and supported by \$23,000 of Commonwealth Government funding through the Anzac Centenary Local Grants Program.

#### Challenges/opportunities

The work is part of a masterplan for Hallett Cove foreshore which includes an amphitheatre, reserve, playspace upgrade, coastal dune protection and stormwater management.

#### What next?

Detailed designs will be developed for further stages of the masterplan plan in 2016/17.

### \$1 MILLION RECREATION PLAZA NEARS COMPLETION

#### Achievements

A new \$1 million plaza that includes a skate park, mini basketball court and parkour circuit is nearing completion in Oaklands Park after construction began in October 2014.

Oaklands Recreation Plaza will also feature seating, shelter, lights and grassed areas.

Work is being funded by \$900,000 in grants from the Department of Planning, Transport and Infrastructure's Planning and Development and Local Government Stimulus funding programs and \$100,000 from the City of Marion.

#### Challenges/opportunities

The plaza complements the adjacent Oaklands wetland and provides facilities for families and people of all ages and diverse interests. The design was shaped by community consultation and includes a new style of skate park for skateboarding, BMX and scooters.

#### What next?

The plaza is set to be officially opened in October 2015.

## **PLANS FINALISED FOR NEW \$940,000 PARK**

### **Achievements**

Concept plans to build a new \$940,000 park on vacant land at Jervois Street, South Plympton, were finalised following community consultation.

Input from local residents, school students and community groups saw the plans include a three-on-three basketball court, picnic and barbecue area and a course for trikes.

The City of Marion bought the 6000 sq m block from Housing SA in 2013 to create more open space in the city's north.

### **Challenges/opportunities**

Community consultation through workshops and an online survey resulted in 94 per cent support for the plan.

### **What next?**

The plan is set to be endorsed by Council in July 2015, after which detailed designs will be developed before construction begins in early 2016.

## **OTHER ACHIEVEMENTS:**

### **INCLUSIVE PLAY SPACE FOR OAKLANDS PRECINCT**

We partnered the Touched by Olivia Foundation and the Department of Planning, Transport and Infrastructure (DPTI) to build an inclusive playspace for children of all abilities. It is expected a site will be finalised following consultation with the community and DPTI.

DPTI has committed \$250,000 in grant funding, matching City of Marion's \$250,000. The Touched by Olivia Foundation is looking to raise up to \$400,000 towards the project.

### **PLYMPTON OVAL UPGRADE**

Work is on track to be completed on a \$140,000 playspace upgrade at Plympton Oval featuring equipment for a variety of ages, shade structure and picnic setting in August 2015.

### **NEW DOG PARK FOR TROTT PARK**

We secured \$100,000 of State Government funding which will go towards the planning and construction of a dog park at Reserve Street Reserve, Trott Park. Building work is expected to begin in early 2016.

### **ROUNDAABOUTS**

Seven roundabouts were upgraded at a cost of about \$37,000. Four roundabouts were in Hallett Cove, two in Ascot Park and one in Edwardstown.

### **MARION LEISURE AND FITNESS CENTRE**

Council appointed the YMCA to manage the Marion Leisure and Fitness Centre in February 2015. Casa Leisure Pty Ltd had leased the Morphettville centre from the City of Marion since 2004. The lease expired in September 2014 and was not renewed.

Council began a review of the facility to determine how it can be used to maximise benefit to the community. The review is expected to be completed by late 2015.

## **NEW 70M WATER SLIDE OPENS AT MARION OUTDOOR SWIMMING CENTRE**

### **What we achieved**

Attendances increased by 3286 on the previous year to 73,606, largely due to the installation of a new 70m water slide in November 2014 at a cost about \$700,000.

Two open days saw about 5000 visitors enjoy an inflatable obstacle course, rock climbing, Aboriginal arts and crafts and entertainment.

Vacswim attracted 513 participants and the pool hosted lap swimming, birthday parties, school carnivals and swimming lessons.

### **Challenges/opportunities**

We used a pool open day in February as an opportunity to begin community consultation on a masterplan to set the future direction for the site.

The centre's point of difference is as an outdoor, family-friendly facility, and we continued to explore promotional channels to raise awareness and visitor numbers.

### **What next?**

The masterplan for the centre is due for completion in early 2016. This will help define the current and future needs of pool users and identify opportunities to improve facilities over the short, medium and long terms.

## **INCREASE IN VISITORS TO MARION CULTURAL CENTRE**

### **What we achieved**

The number of visitors to the Marion Cultural Centre increased by 4000 to more than 286,000.

The centre includes a café, art gallery, library and theatre which generated more than 5450 ticket sales with shows attracting an average attendance of 128 – 63 per cent of the theatre's capacity. This was a slight increase on last year.

Shows included cabaret, plays and performances for schools.

Council events included the annual Unsung Heroes Awards, author talks, community grants presentations, and seven citizenships ceremonies. Four outdoor movie screenings were held at the plaza in summer.

### **Challenges/opportunities**

We developed more competitive and flexible packages for hirers following a review.

This is an opportunity to expand the performance and live entertainment programs for the community in an increasingly competitive market.

### **What next?**

Whole-centre program alignment, including combining the launch of art exhibitions with entertainment and café opening times, has proved popular, and we will continue to build on this to create a diverse cultural experience for the community.

Options to develop the plaza with shade, seating and landscaping will be developed.

## BUILDING OUR CITY

### **\$195.5 MILLION OF BUILDING APPLICATIONS GRANTED**

More than \$195 million of building applications were granted – an increase of \$27 million on the previous year.

The two largest approvals were for a \$25 million early learning and primary school education building in Marion and a \$14 million drill core library at Tonsley which will be used by mineral and energy exploration companies to pinpoint deposits.

The total number of applications granted was 1751. This included 667 houses, along with 1435 combined approvals for class 10 structures, including sheds, pools and verandahs.

Five offices, 38 shops, 10 public buildings and one factory were also approved, while 267 demolitions were granted.

### **Building Consents and Values 2010/11 – 2014/15**

| <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> | <b>2013/14</b> | <b>2014/15</b> |
|----------------|----------------|----------------|----------------|----------------|
| 1881           | 1781           | 1689           | 1726           | 1751           |
| \$167.4m       | \$159.2m       | \$152.2m       | \$168.3m       | \$195.5m       |

*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.*

### **Seacliff Park Residential and Centre Development Plan Amendment (DPA)**

The aim of the DPA is to encourage the redevelopment of former industrial land at the gateway to Marino. The DPA would allow a range of house types, an activity centre with shops, community and business facilities.

The DPA was endorsed by the City of Marion and the City of Holdfast Bay in May 2015. It has been forwarded to the Minister seeking approval to begin public consultation.

Following public consultation, the DPA will be further considered and amended, if required, and final approval sought from the Minister.

## LIBRARIES

There are three libraries and a home delivery service in the City of Marion. The libraries run programs and events that celebrate reading, develop literacy and support lifelong learning.

### Attendances and visitors

| Key statistics       | 2014/15 | 2013/14 | Variation            |
|----------------------|---------|---------|----------------------|
| Footfalls/visitation | 449,111 | 389,709 | 15 per cent increase |
| Items loaned         | 851,830 | 881,483 | 3 per cent reduction |
| Programs/events      | 8716    | 8292    | 5 per cent increase  |

### What we achieved

We introduced a faster self-checkout service for customers after completing Radio Frequency Identification Tagging (RFID) of about 120,000 books, DVDs, CDs and magazines.

To ensure we continue to meet the needs of members we conducted a review of library operating hours. This will see libraries open an additional 7.5 hours per week overall by opening earlier on most days and closing earlier on selected evenings.

Planning for the daily operations of Cove Civic Centre was completed in time for its opening in late July 2015.

### Challenges/opportunities

We developed processes to ensure the different facets of the Cove Civic Centre – a library, community and enterprise centre - operate seamlessly and are promoted to users.

### What next?

The Cove Civic Centre will open in late July 2015 and developing programs and promotion will be essential to ensuring venue is well used by the community.

We will continue to grow the Cultural Heritage database – a collection of photographs, books and oral histories about the Marion area.

## OTHER ACHIVEMENTS

- 1040 people attended author talks
- 789 people participated in adult programs
- 596 young people joined in school holiday activities
- 1609 babies attended baby bounce
- 1812 pre-schoolers attended story time

## NEIGHBOURHOOD CENTRES

Our four neighbourhood centres, Cooinda, Glandore, Mitchell Park and Trott Park, attracted about 47,000 visitors, a slight increase on the 45,000 of the previous year.

The centres provide programs that promote health, welfare, education and social inclusion. A total of 6548 activities were delivered, including cooking, exercise, arts and computing.

### Achievements

The number of Adult Community Education (ACE) students rose from 207 to 659 following an increase in funding from the State Government.

The Community and Cultural Connections program for over 65s expanded with new activities including exercise and guidance on using smartphones.

Commonwealth Government funding increased from \$214,528 to \$317,806, which saw the time people spent in social groups and activities rise from 9656 hours to 12,352 hours, while visitors bought 7651 meals, an increase of 3371 on the previous year.

The Passing Go project saw 80 people participate in classes to improve skills towards employment, volunteering and further study.

The South Australian Government provided \$150,000 for ACE courses and \$35,000 through the Skills for Jobs in Regions for Passing Go.

### Cooinda highlights:

- Meals served from the kitchen increased from 10 to 50 per day
- New podiatry service and exercise classes launched via aged care provider ECH
- Support groups for people from diverse cultures attracted about 50 people per week

### Glandore highlights:

- 500 people attended Carols in the Park Christmas celebration
- 150 children attended a family Halloween event
- New activities included Indian cooking, mosaics, community garden open days

### Mitchell Park highlights:

- New Flexi Fitness classes launched
- One-to-one computer tuition sessions launched
- Men's cooking and social groups increased sessions from once to twice weekly

### Trott Park highlights:

- Two men's weekly woodwork groups ran at capacity with 24 participants
- Café 34 opened to bring people together and help volunteers develop service skills
- Local families supported with a playgroup, crèche and children's activities

### Challenges/opportunities

We secured new Family and Community Development funding of \$214,561 per annum which will help us respond to people's needs for activities and classes.

Ideas for future activities were developed at a community engagement event at Trott Park.

### What next?

Community engagement sessions will be held at Cooinda, Glandore and Mitchell Park centres to ensure programs continue to meet people's needs.

## MARION HERITAGE RESEARCH CENTRE

### Achievements

We managed more than 380 enquiries, including visits from people researching local history who accessed the centre's documents, photographs and online services.

Staff and volunteers collected historical artefacts from the community for the *From Almond Groves to Poppy Fields: Marion's Unsung War Heroes* exhibition at the Marion Cultural Centre as part of our ANZAC centenary commemorations.

More than 1200 people attended the exhibition, which was launched to coincide with a Freedom of Entry parade.

Staff and volunteers delivered 15 presentations to about 360 people at the centre, aged care facilities and schools.

The centre was involved in the annual *About Time History Festival* and participated in community events, including *Marion Celebrates*.

### Challenges/opportunities

Having a presence at community events helped to promote the centre's research services.

The online catalogue has been accessed by people throughout Australia and overseas, including England and France. As the catalogue expands it increases opportunities for people to learn about Marion's history.

### What next?

Continuing to provide workshops on researching local and family history will help meet demand for what is an area of growing interest.

## LIVING KAURNA CULTURAL CENTRE

This Aboriginal education venue hosts cultural tours and can be hired for functions. It is based at Warriparinga, a Kurna cultural heritage site with buildings dating back to early European settlement which include Fairford House. The site also features wetlands.

### Achievements

Nearly 22,000 people visited the Living Kurna Cultural Centre and Warriparinga, an increase of about double on the previous year. This was largely due to the site hosting the biennial festival *Marion Celebrates* in March 2015 which drew about 5000 visitors.

Attendances at meetings and functions rose by 34 per cent to 8563. Kurna Heritage Day in July 2014 saw about 500 visitors enjoy music, tours, arts and crafts.

The Tjilbruke Gateway sculpture was repaired by removing white ants and moisture damage in time for *Marion Celebrates*.

### Challenges/opportunities

Hosting *Marion Celebrates* introduced the site to new visitors and enabled staff to promote Council services to the community at a display.

### What next?

The centre will work closely with the Kurna Nation Cultural Heritage Association as it moves into office space in Fairford House.

External funding will be sought to host youth and intergenerational programs.



## ARTS, HERITAGE AND CULTURE

### Achievements

To recognise the 100<sup>th</sup> anniversary of the ANZAC landing at Gallipoli we organised a Freedom of Entry parade and a series of arts projects. The parade saw more than 140 soldiers from the local Warradale Barracks march through our city in front of about 500 spectators on April 17, 2015.

The march ended at the Marion Cultural Centre to coincide with the launch of an exhibition - *From Almond Groves to Poppy Fields: Marion's Unsung War Heroes* - which featured historical items and a display of poppies by 400 school children and community members.

Additionally, more than 350 people attended the ANZAC Day Eve Youth Vigil at Marion RSL.

The parade and arts projects were supported by a grant of \$3535 from the Commonwealth Government and a State Government grant of \$2727.

### Challenges/opportunities

The poppy making project enabled people of all ages, including primary school students and residents in aged care facilities, to pay tribute to the ANZACs.

Despite bad weather forcing the youth vigil to be relocated from the memorial at Hallett Cove to Marion RSL, it featured a formal service, display of World War One memorabilia, all night honour guard by young people from service organisations, and was broadcast on community radio station Coast FM.

### What next?

We will use funding from the State Government grant to produce a DVD about Marion's World War Two heroes for ANZAC Day 2016.

### OTHER ACHIEVEMENTS:

#### 5000 people attend Marion Celebrates

More than 5000 people attended the biennial festival *Marion Celebrates* at Warriparinga in March 2015 which included a show of multicultural song and dance and 52 community stalls.

#### Art of Respect celebrates 10 years

Thirteen people worked with a professional artist to create artworks for a 10<sup>th</sup> anniversary display at Gallery M. The aerosol art project aims to reduce graffiti by providing opportunities for artists to improve their skills by working on canvasses and community projects. A grant from the Attorney General's Department was used to buy paint for a mural that will be painted at Trott Park Neighbourhood Centre, an area targeted by graffiti.

#### Innovative art for Cove Civic Centre

We commissioned a major audio visual art work by Stephen Whittington for the interior of the new Cove Civic Centre with a \$100,000 grant provided by Arts SA.

#### Putting art into the community

As part of the South Australia Living Arts (SALA) festival, 15 giant photographic montages were displayed on buildings across the city in August 2014.

The neighbouring City of Holdfast Bay added \$15,000 to our \$5000 to create a series of bicycle sculptures along the Mike Turtur Bikeway between Maxwell Terrace and Morphet Road.

## KEEPING OUR COMMUNITY SAFE

Work to keep the community safe included animal and parking management, administering our by-laws, health services, education and graffiti prevention projects.

### ANIMAL MANAGEMENT

We promoted responsible dog and cat ownership through our Animal Management Plan, by administering the Dog and Cat Management Act and relevant by-laws.

| DOG MANAGEMENT                                                                | 2014/2015 | VARIATION FROM 2013/14 |
|-------------------------------------------------------------------------------|-----------|------------------------|
| Number of dogs registered                                                     | 13,285    | 2% increase            |
| Number of wandering dogs collected                                            | 167       | 50% reduction          |
| Number of expiations issued for offences under the Dog and Cat Management Act | 292       | 43% reduction          |

Ongoing community education with flyers, adverts and banners promoting responsible pet ownership and attendance by staff at public events can be linked to the decrease in the number of dogs collected and expiations.

There was an increase in the number of people re-registering their dogs by the due date, resulting in fewer expiations for having an unregistered dog.

### PARKING MANAGEMENT

Parking was monitored under the Australian Road Rules and the Private Parking Areas Act to ensure the safety of pedestrians, cyclists and motorists.

We issued to 5466 expiations and continued to educate the community on safe parking by distributing information at events and monitoring schools and shopping centres.

### FIRE PREVENTION

We contacted 669 owners of vacant land to explain the importance of clearing their blocks to reduce hazards and inspected every block to ensure it was cleared for summer.

### BY-LAWS REVIEWED

We reviewed our by-laws covering dogs, cats, roads, moveable signs, permits and penalties in line with legislative requirements in July 2014.

Following community consultation, which drew 42 submissions, Council endorsed the by-laws in August 2014, after which were approved by State Parliament before coming into effect on January 1, 2015.

Changes include permission now being required to fish, use model boats or take flora, fauna or water from a wetland. Dogs must be on a leash around a wetland and within five metres of a playground.

To protect the community from offensive advertising material, people must now gain permission from Council before placing flyers on cars on public roads.

## PUBLIC AND ENVIRONMENTAL HEALTH

We administered the *South Australian Public Health Act* to protect the community.

The act assists with the response to public health risks, including by allowing our Environmental Health Officers to act quickly on hazards that present a serious and immediate threat to people's health.

We inspected premises and businesses, investigated complaints and provided education and advice about maintaining high standards of public health, including safe food handling.

Additionally, we audited and licensed two supported residential facilities which provide accommodation and care for older people and people living with disability.

To ensure the health and safety of the community, inspections were undertaken at:

- 301 food business
- 33 cooling towers which were registered, audited and inspected
- 21 public swimming pools and spas
- 47 hairdressers
- 40 beauty parlours
- 6 skin penetration businesses

## IMMUNISATION

Our community immunisation service included:

- Immunisation for 2922 students
- Babies and children up to the age of seven
- New arrivals and refugees through clinics at Mitchell Park Neighbourhood Centre

## GRAFFITI MANAGEMENT

The *Art of Respect* program involved 13 young people learning about the importance of using aerosol paint to develop legitimate and constructive art at creative workshops.

Our 65 volunteers removed graffiti from privately owned properties where residents were not able to do so themselves, including where they were elderly, frail or living with disability.

Free graffiti removal products were provided to residents and local business.

The table below shows the amount of graffiti removed by residents and volunteers

| <b>GRAFFITI REMOVED</b> | <b>2014/15</b>   | <b>2013/14</b>     | <b>Variation from 2013/14</b> |
|-------------------------|------------------|--------------------|-------------------------------|
| Removed by residents    | 4275 sq m        | 6340 sq m          | 33% reduction                 |
| Removed by volunteers   | 1534 sq m        | 5279 sq m          | 70% reduction                 |
| <b>Total</b>            | <b>5809 sq m</b> | <b>11,619 sq m</b> | <b>50% reduction</b>          |

This reduction can be linked to continued rapid removal of graffiti by volunteers, staff and businesses which discourages repeated vandalism.

## CARING FOR OUR COMMUNITY

Community Care services help frail older residents, people living with a disability aged under 65 and their carers live independently in their homes. Funding includes \$1.4 million from the Commonwealth Government, while the State Government contributed \$144,000 and the City of Marion \$136,000.

The table below shows the services provided.

| SERVICE                                                            | Number of clients | Hours and trips      |
|--------------------------------------------------------------------|-------------------|----------------------|
| Community Bus – door to door                                       | 269 clients       | 14,420 trips         |
| Domestic assistance – house cleaning                               | 760 clients       | 14,273 hours         |
| Social support – helping clients to medical appointments and shops | 791 clients       | 4153 volunteer hours |
| Home maintenance - minor repairs and gardening                     | 1290 clients      | 3638 volunteer hours |
| Home assessment and client coordination                            | 1554 clients      | 2096 hours           |

Service hours and client numbers fluctuate slightly from year to year based on people's needs. The most notable changes on the previous year was an increase in the number of social support clients from 566 to 791 and volunteer hours from 2911 to 4153.

### What we achieved

A client satisfaction survey showed that 87 per cent of 913 respondents rated our service from good to very good.

We led the development of a business plan for the Community Passenger Network Southern Region, which includes Marion, Mitcham and Holdfast Bay Councils.

The plan aims to improve access to transport for disadvantaged people in the region and was funded by Department of Communities and Social Inclusion.

Along with six other Councils we partnered the South Australian Health and Medical Research Unit on an Ageing and Wellbeing Research Project. This saw staff and volunteers undergo training in improving wellbeing and resilience among older residents.

### Challenges/opportunities

Working with the Commonwealth Government helped us prepare for the introduction of major health reforms on July 1, 2015.

Community Care Services will continue, with in-home assessments now undertaken by the Commonwealth Government's Regional Assessment Service.

### What next?

Local residents surveyed at the start of the Ageing and Wellbeing Research Project will again be surveyed in November 2015 to see how they have benefited from training provided to staff.

We will continue to develop a partnership with the Office for the Ageing (OFTA) to create an age friendly environment and community. This will involve developing an action plan to increase awareness of ageing to the broader community.

## 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.*

### MILESTONES

- **\$13.4 MILLION COVE CIVIC CENTRE SET TO OPEN**
  - **SPORTING INFRASTRUCTURE UPGRADED**
- 

### **\$13.4 MILLION COVE CIVIC CENTRE SET TO OPEN**

#### **Achievements**

The new \$13.4 million Cove Civic Centre will be open to the public from July 27, 2015.

Construction of the modern library, community and enterprise facility began in October 2013.

The centre will provide access to about 35,000 books, e-books, magazines and DVDs as well as training facilities, meeting rooms, high speed broadband and a community hall for up to 200 people.

Work to transform the neighbouring Ragamuffin Drive into a road that can be shared by pedestrians, cyclists and vehicles was completed in October 2014.

#### **Challenges/opportunities**

Construction was delayed by about six months after a major supplier went into liquidation and due to the complexities of building on a small site.

The facility will be capable of serving 130,000 visitors per year and its training suite and meeting rooms will support the more than 6300 businesses in the region.

#### **What next?**

The Cove Civic Centre will be officially opened on August 1 and promoted to the local community as a place for learning, business support and community activities.

### **SPORTING INFRASTRUCTURE UPGRADED**

#### **Achievements**

Building work began in December 2014 on more than \$1 million of upgrades to Cove Sports and Community Club, including new lighting for soccer and BMX and new change rooms and umpire rooms.

Funding comprised a \$453,215 grant from the Office for Recreation and Sport, \$50,000 from Cove Sports and Community Club and \$551,219 from the City of Marion.

New lights were installed at Mitchell Park Sports and Community Club oval and further upgrades, including a new path, fitness stations and a track for the model car club will be made in 2015/16.

The upgrades will cost \$402,000, with \$200,000 of funding provided by the Office for Recreation and Sport and \$202,000 from the City of Marion.

Following the local government elections in November 2014, the new Council has further focused on developing sporting infrastructure.

To support this, Council analysed population, demographic and supply and demand data in early 2015 to plan for future developments.

Based on this analysis, Council has prioritised creating options to develop:

- BMX and soccer facilities in the south
- An indoor multipurpose stadium
- Upgrades to Mitchell Park Sports and Community Club
- Upgrades to Edwardstown Soldiers' Memorial Recreation Ground

### **Challenges/opportunities**

Partnerships are essential to improving sporting infrastructure in a financially responsible manner so we will continue to liaise with peak sporting bodies, MPs, the Department of Recreation and Sport and sports clubs while pursuing funding from other tiers of government.

### **What next?**

Plans will be developed for \$650,000 of upgrades to Edwardstown Soldiers' Memorial Recreation Ground, including improvements to lighting and the velodrome. This includes \$340,000 for a new play space and multi-purpose sports courts, which are scheduled to be completed in October 2015.

The Department of Planning Transport and Infrastructure provided \$250,000 of funding through the Planning and Development Fund for the play space and open space and \$110,000 was provided through the Office for Recreation and Sport for the courts, velodrome and lighting upgrades. Council provided \$290,000 of funding.

We will work to improve sporting infrastructure by developing details of facilities required by the community, as well as management and operational arrangements, and create concepts to support funding bids.

## **BIOPHILIC**

*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.*

### **MILESTONES**

- **DEVELOPING OAKLANDS WETLAND**
  - **INCREASING COMMUNITY INVOLVEMENT IN THE ENVIRONMENT**
  - **GROWING A GREENER CITY**
- 

### **DEVELOPING OAKLANDS WETLAND**

#### **Achievements**

We continued to develop Oaklands wetland – which opened in December 2013 - into a site that is used to irrigate Council reserves and where people can walk, picnic, cycle and watch birds and other wildlife.

Work involved successfully testing the wetland's operations by pumping polluted stormwater from Sturt River through the wetland for filtering by reeds and rushes.

A total of 14.6 megalitres of treated water was stored in the aquifer and will be used to irrigate Council's parks and reserves in summer.

About 30,000 terrestrial plants were planted by staff and community groups, including the Friends of Sturt River.

We conducted about 20 guided tours for local schools, while Adelaide and Flinders universities used the site for field strips.

#### **Challenges/opportunities**

As the plants that filter the water were still being established, we only stored a small portion of treated stormwater in the aquifer and returned the rest to the Sturt River.

Testing has confirmed that the water quality is good enough for it to be stored in the aquifer and used to irrigate parks and reserves.

#### **What next?**

Next season we expect to inject a significant volume of water into the aquifer and connect an additional five sites to the two that are already being irrigated.

### **INCREASING COMMUNITY INVOLVEMENT IN THE ENVIRONMENT**

#### **Achievements**

More than 450 people participated in a BioBlitz survey at Oaklands wetland in August 2014.

Community members and scientists worked together to record more than 130 different species of animals, birds and plants over two days. The information was used to build a profile of natural life at the wetland and was placed on a national online database.

We launched Cat Tracker in February 2015 to help cat owners understand the behaviour of their pets by recording their movements using a GPS.



### **Challenges/opportunities**

BioBlitz and Cat Tracker were partnerships with the University of South Australia's (UniSA) Discovery Circle citizen science program and involved people in practical projects while improving their understanding of the natural environment.

### **What next?**

To highlight changes to the city we will install Fluker Posts at Oaklands wetland and Hallett Cove in late 2015. The posts are markers from which people can take photographs and then upload them to a website where they will show how the environment changes over time.

## **GROWING A GREENER CITY**

### **Achievements**

We planted more than 7000 native shrubs at Oaklands Estate Reserve at a Planet Ark Tree day in July 2014 with support from the Friends of Sturt River and the local community.

About 1500 street trees were planted across the city. Kenton Reserve, Oaklands Park, saw 1200 plantings and we set up a 'no mow zone' at the site to rejuvenate native grasslands.

We completed an audit which found there are about 32,000 street trees in the City of Marion, and this information will be used to help future planting programs.

### **Challenges/opportunities**

Council made a decision to close the nursery to save costs, creating the opportunity to source plants from local nurseries and reallocate resources to maintaining our green assets.

### **What next?**

We aim to plant about 1800 street trees and more than 25,000 native shrubs and grasses over the coming year.

Vegetation mapping, which helps us understand local biodiversity and plan for the future, is scheduled to be completed at 10 reserves.

## **GREEN EDUCATION**

### **Achievements**

In November 2014 we began hosting an education officer funded by the Adelaide and Mt Lofty Ranges Natural Resources Management Board to involve schools and pre-schools in sustainability projects.

Work has included running information stalls at community events, a composting workshop and macroinvertebrate testing to determine water quality at Oaklands wetland.

### **Challenges/opportunities**

Hosting an education officer is a cost-effective way of educating young people in sustainable lifestyles.

### **What next?**

Nature sites will be established at Oaklands and Warriparinga wetlands to involve local schools and communities in monitoring environmental conditions.

We will work to increase the involvement of schools with environmental friends groups and the indigenous education venue, the Living Kaurna Cultural Centre.

## **OTHER ACHIEVEMENTS:**

### **CREATING A WATER SENSITIVE CITY**

We worked towards becoming a *Water Sensitive City* by minimizing flooding, harnessing the potential of stormwater and improving the health of water ways and landscaped areas.

Work included:

- Irrigating two reserves with water treated at Oaklands wetland
- Installing eight erosion control structures and three retention basins and starting planting 20,000 plants and trees over three years to restore the character of Waterfall Creek, Hallett Cove as part of an \$8.3 million stormwater management plan
- Reducing the cost of water at Marino Golf Course with a new stormwater recycling scheme that draws water from the adjacent quarry
- Implementing a joint \$23 million Stormwater Management Plan with the neighbouring City of Holdfast Bay by upgrading our stormwater systems in response to low level flood risks. Worked included installing a new drain in Radcock St, Morphettville
- Producing a Water Sensitive Design Masterplan with the City of Holdfast Bay to identify opportunities for green infrastructure

### **ADAPTING TO A CHANGING CLIMATE**

Along with the neighbouring cities of Mitcham, Holdfast Bay and Onkaparinga we adopted the Resilient South Climate Change Adaptation Plan which is seeing us collaborate to protect the region from natural hazards.

The Resilient South project won the Local Government Champions Award at the 2014 National Climate Change Adaptation conference.

### **GROWING COMMUNITY GARDENS**

We worked with eight community gardens that are in various stages of development, ranging from concepts to being fully operational.

Four gardens are being used to grow food and help people learn at workshops while making new social connections.

The garden at Glandore Community Centre is well established and volunteers ran 12 workshops, one of which drew 96 participants.

Trott Park Community Garden opened February 2014 since when local residents have established 16 garden beds.

MarionLIFE is using produce from its garden at its café and donating food to local residents.

We are exploring options for developing a new garden at Cooina Neighbourhood Centre.

## **WASTE MANAGEMENT**

### **EDUCATING OUR COMMUNITY**

#### **What we achieved**

Our waste education campaign included 63 presentations and workshops for residents, community groups, primary schools and kindergartens covering the three-bin system, disposing of tricky waste, organics recycling and composting.

Of the 1349 attendees, 91 per cent reported increased confidence about recycling correctly.

We ran two tours of recycling facilities for 31 residents to improve understanding of waste disposal.

As part of our *Recycle Right* bin tagging program we visited more than 970 households to assess residents' use of kerbside bins. Educational information was provided on tags, which resulted in a 28 per cent reduction of recycling bin contamination, and a 30 per cent increase in the number of households correctly disposing of food waste in the organics bin.

#### **Challenges/opportunities**

Employing a variety of tactics helped explain sometimes complex information to people of all ages and is improving the way people recycle and dispose of waste.

#### **What next?**

The *Recycle Right* campaign will continue with visits to a further 1500 households.

Other community education activities will include information stalls at community events, tours of waste facilities, and promotion through the the City of Marion's communication channels.

### **REDUCING ILLEGAL DUMPING**

#### **What we achieved**

Reports of illegal dumping fell by 13 per cent from 1291 to 1125, largely due to our ongoing *Don't Dump Your Junk* initiative.

Illegally dumped waste was highlighted with tape marked "Illegally Dumped Rubbish Under Investigation", households surrounding the site were letterbox dropped with educational flyers, and staff discussed the issue with local residents.

In 42 per cent of cases where illegally dumped rubbish was taped off for investigation it was retrieved and disposed of correctly.

#### **Challenges/opportunities**

The growth in electronic waste, including televisions and computers, is being addressed by the National Television and Computer Recycling Scheme which provides sites for residents and small businesses to dispose of televisions, computers and peripherals free of charge.

Mobile phones can be disposed of at the City of Marion Administration Centre and libraries.

#### **What next?**

Community education programs will continue with increased communications activities about recycling and waste disposal.

## WASTE COLLECTION SERVICES

Services included scheduled collections of residential hard waste, servicing public bins along roadways, bus stops and reserves, and investigating and removing illegally dumped rubbish.

An estimated 25 per cent of recovered dumped rubbish and hard waste collections were recycled, and we recycled more than 2500 mattresses.

| Type of waste collected  | Service delivery for 2014/15 | Tonnes | Comparison to 2013/14      |
|--------------------------|------------------------------|--------|----------------------------|
| Scheduled hard rubbish   | 11,235 requests              | 539    | 1% increase in collections |
| Illegally dumped rubbish | 1125 incidents               | 62     | 13% reduction              |
| Public place litter      | 22,000 collections           | 134    | 12% reduction in tonnage   |

## KERBSIDE WASTE COLLECTION AND RECYCLING

We continued to provide the three-bin kerbside collection and recycling service in partnership with our delivery agent Solo Resource Recovery.

| Waste collected      | Tonnes collected 2014/15 | Variation from 2013/14 |
|----------------------|--------------------------|------------------------|
| Total residual waste | 18,729                   | No change              |
| Recycled             | 6351                     | 3.6% reduction         |
| Green organics       | 10,323                   | 10% reduction          |

Residual waste includes (and recycled excludes) estimated recycled contamination of 1284 tonnes.

Solo Resource Recovery offset 855 tonnes of carbon associated with its operations within the City of Marion in 2014/15.

## OTHER ACHIEVEMENTS:

### HAZARDOUS WASTE DISPOSAL DAY

A hazardous waste disposal day in April 2015 saw 17,798kg of products brought in by the community for free disposal. Items included herbicides, motor oil and paint.

Held in conjunction with Zero Waste SA and the neighbouring cities of Holdfast Bay and West Torrens, the event drew 670 vehicles, with 38 per cent from the City of Marion.

### RECYCLING FOR REUSE SAVES \$196,000

Processing and reuse of operational waste, including civil, demolition and green waste saved \$196,166 in alternative disposal costs and diverted 4951 tonnes of operational waste from landfill.

### AFTER HOURS EMERGENCY RESPONSE

The after Hours Emergency Team responded to 179 calls to remove hazards resulting from storm damage, flooding, trees, dumping, offensive graffiti and vandalism.

## 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.*

### MILESTONES

- **NEW SERVICE LAUNCHED TO GROW SMALL BUSINESS**
  - **BOOSTING BUSINESS IN THE SOUTH**
  - **DEVELOPING TONSLEY**
- 

### NEW SERVICE LAUNCHED TO GROW SMALL BUSINESS

#### Achievements

We partnered the Department of State Development (DSD) to launch a new service to spark growth among the 18,000 small businesses in southern Adelaide.

The Tonsley Small Business Advisory Service opened in June 2015 to coach small companies and start-ups in business planning, importing, exporting, marketing and staffing. The DSD is providing \$120,000 of funding over two years and the City of Marion \$80,000.

This built on the success of the Marion Small Business Advisory Service which we delivered in partnership with the DSD and provided 323 advisory sessions over the past year. The service concluded in May 2015.

We continued to provide funding for ERBA (Edwardstown Region Business Association) and marketing assistance of its events. ERBA's membership grew by more than 20 to 110 and we continued to partner them and Edwardstown Rotary Club for breakfast events.

#### Challenges/opportunities

Operators of small businesses have told us that their availability to attend training or industry events is limited.

To address this, we worked with businesses to help them grow by providing carefully targeted and relevant support, particularly through advisory sessions and networks.

#### What next?

We will work with other business development agencies to offer easier access to support programs, particularly around digital enterprise and workforce development.

### BOOSTING BUSINESS IN THE SOUTH

#### Achievements

We worked with a group of local companies to help form the Hallett Cove Business Association which aims to boost the economic profile of the southern region.

To prepare for the opening of the Cove Civic Centre in August 2015, we appointed an enterprise coordinator who liaised with local businesses to develop workshops and activities that will be held at the centre.

### **Challenges/opportunities**

The Hallett Cove Business Association has the potential to bring companies together to share resources, knowledge, ideas and network – creating the opportunity to promote the association as a focal point for businesses in the region.

The association and about 6300 local businesses will have access to facilities at Cove Civic Centre, including meeting rooms and a fully-equipped training suite, which have been designed to support skills development, information sharing and jobs growth.

### **What next?**

The Hallett Cove Business Association will be officially launched at the Cove Civic Centre in August 2015.

Our enterprise coordinator will be dedicated to working closely with local businesses to ensure services and programs held at the centre meet their needs.

We will continue to forge links between Tonsley Small Business Advisory Service and the Cove Civic Centre to expand the number of companies that benefit from support.

## **DEVELOPING TONSLEY**

### **Achievements**

We continued to work with key stakeholders, notably the State Government, to help develop the integrated employment, education and residential precinct at Tonsley, which is expected to attract \$1 billion of private investment.

We are now represented on the project steering committee which is working on a strategy to further develop the precinct.

Progress over the past year included the opening of Flinders University's \$120 million School of Computer Science, Engineering and Maths and completion of a Siemens facility to maintain equipment for its Asia Pacific energy technology business.

The co-working space, Co-HAB, opened to provide business facilities and the first three tenants moved into Tonsley Town Square, offering food and a convenience store.

### **Challenges/opportunities**

As more businesses move into the site we will continue to promote opportunities for collaboration between the private sector, university, government and the community.

### **What next?**

Construction of the State Government's \$32 million drill core library is expected to be completed in early 2016. The facility will be used by mineral and energy exploration companies to pinpoint searches for mineral deposits.

The master plan for an 11-hectare residential development in the north-west corner of the site is due to be completed in 2016.

Tonsley Small Business Advisory Service will help position the site as a centre for business start-ups and innovation.

## 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.*

### MILESTONES

- **\$1.5M RAILWAY TERRACE REVAMP BEGINS**
  - **UPGRADING STURT LINEAR PARK**
  - **\$5 MILLION INVESTED IN ROADS AND FOOTPATHS**
- 

### **\$1.5M RAILWAY TERRACE REVAMP BEGINS**

#### **Achievements**

Work began in May 2015 to revitalise Railway Terrace in Ascot Park by installing a shared walking and cycling path next to the rail corridor.

Upgrades will include energy-efficient lighting, stormwater drains, landscaping, and paving at Ascot Park railway station.

The \$1.5 million project is being funded by the City of Marion with \$700,000 provided by the State Government through an Open Spaces grant.

#### **Challenges/opportunities**

The upgrade will improve the streetscape and encourage walking, cycling and the use of public transport.

We partnered with the training organisation Civil Train to improve the skills of local people seeking employment by involving them in constructing part of the footpath.

The revamp aims to complement the State Government's 30 Year Plan for Greater Adelaide to develop the suburbs along the rail line as a major transit corridor and Greenway.

#### **What's next?**

Work is scheduled to be completed by December 2015, after which we will monitor how the upgrade impacts on traffic conditions and driver behavior.

### **UPGRADING STURT LINEAR PARK**

#### **Achievements**

Upgrades to this shared walking and cycling route, which runs alongside the Sturt River, included renewing the pathway between the train line and Finnis St, Marion and installing an entrance treatment of concrete and timber bollards at Crozier Terrace, Oaklands Park.

A swale was built to manage stormwater runoff from adjacent properties.

#### **Challenges/opportunities**

Upgrades to other sections of the path, including areas between Maxwell Terrace and Morphet Road, Oaklands Road and Morphet Road, Marion Road and Sturt Road and South Road and Sturt Road (through Warriparinga) will be dependent on available funding.

#### **What's next?**

Landscaping along Finnis Street, including planting low-lying vegetation, is expected to be completed by the end of 2015.



## **OTHER ACHIVEMENTS:**

### **\$5 MILLION INVESTED IN ROADS AND FOOTPATHS**

More than \$5 million was invested in renewing footpaths and resealing roads.

We resealed 138,000 sq m of roads at a cost of \$4.8 million. This included replacing speed cushions in Heysen Drive, Sheidow Park.

Additionally, we installed more than 2300 sq m of new footpaths worth \$245,000. Our proactive footpath renewal program will continue with work in Glengowrie and Marion.

Following consultation with local residents, speed cushions that had been removed for resurfacing in Cungen Avenue, Park Holme were not replaced.

### **CITY SERVICES REDEVELOPMENT BEGINS**

South Australian company, Badge Constructions, began redeveloping the City Services site on Marion Rd to include a new \$14.3 million City Services building in September 2014.

The facility will be a modern operational hub to provide services to the community, including building and maintaining parks, playgrounds, footpaths, roads and stormwater drainage for the next 40 years.

Staff will move into the facility in September 2015 and work to complete the fleet vehicle area will be completed by the end of the year.

Council will then consider opportunities for about 7000 sq m of surplus land where the old building stood.

## ENGAGED

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

### MILESTONES

- **INCREASING EXERCISE FOR CHILDREN**
  - **BUILDING STRONGER NEIGHBOURHOODS**
  - **MORE TRAINING FOR VOLUNTEERS**
- 

### INCREASING EXERCISE FOR CHILDREN

#### Achievements

More than 1000 children have benefited from sports coaching and participated in school holiday activities at Rajah Street Reserve in Oaklands Park since its \$300,000 makeover.

Activities are coordinated by a group of local volunteers, the Rajah Rec Squad, and included professional coaching in tennis, basketball and netball as well as soccer clinics.

The reserve was revamped in April 2014 through our partnership with the Roger Rasheed Sports Foundation. We have since worked with the foundation and local residents to promote health and fitness by involving young people in sport.

#### Challenges/opportunities

Building partnerships with sports organisations and clubs has been essential in removing barriers to participation in physical activity and creating opportunities for young people.

#### What next?

Coaching clinics and recreational activities will continue with a renewed focus on connecting children with sports groups so they have the opportunity to pursue their interests at a club.

### BUILDING STRONGER NEIGHBOURHOODS

#### Achievements

Attendances at community capacity building activities at Park Holme and Plympton Park increased from about 2000 in the previous year to 2500.

Projects are community-led, and empower residents to build strong neighbourhoods by learning skills and making social connections.

Activities run by residents included four Music in the Park events, eight Community Cabaret nights, weekly Migrant Women's Groups, a Christmas celebration and six art exhibitions.

#### Challenges/opportunities

We are supporting residents by helping them expand their skills and implement their own programs to make projects sustainable.

#### What next?

We will continue to work with existing and new groups to help them run activities that build community connections.

## **MORE TRAINING FOR VOLUNTEERS**

### **Achievements**

We provided training for volunteers in child safe environments and cultural awareness with support from a grant from the Office for Volunteers.

The number of registered volunteers rose from 412 to 424 and the financial value of their contribution was more than \$1.2 million, a slight increase on last year.

Volunteers contributed 44,810 hours, including for the community bus, libraries, social support and home maintenance, graffiti removal and Justice of the Peace.

### **Challenges/opportunities**

The ageing population is creating an older pool of volunteers. We are encouraging new volunteers by providing free training and an Introduction to Volunteering course.

### **What next?**

We will deliver cultural awareness training and more child safe sessions with funding from the Office for Volunteers.

National volunteer standards were updated in May 2015 and we will review our programs to ensure we meet best practice.

Volunteer positions will be reviewed to ensure work health and safety requirements are met.

## **\$65,000 OF COMMUNITY GRANTS AWARDED**

### **Achievements**

We helped 28 clubs and organisations develop projects for community benefit by providing \$65,000 of Community Grants.

The grants generated community projects to the value of \$203,416 when taking into account the 1931 of volunteer hours generated, donations and in-kind support.

Grants were provided to support work in arts and culture, recreation, the environment and community development.

### **Challenges/opportunities**

To increase awareness of the grants and to continue building relationships with local groups, we promoted the program via local media and our online communication platforms.

### **What next?**

Timelines will be reviewed with the aim of speeding up the application process.

## **MARION LEARNING FESTIVAL**

### **Achievements**

The *Marion Learning Festival* promotes lifelong learning to the community with workshops and come and try sessions covering science, arts, business, health and careers.

The festival ran from August 23 to September 1, 2014 and involved about 1700 people in 80 activities.

For the first time, the new Tonsley TAFE was the focus of activities, including a science show, robotics demonstration and an arts workshops. Two citizenship ceremonies for 190 new Australians were held at the TAFE.

City of Marion's neighbourhood centres, libraries and cultural centres also hosted activities.

### **Challenges/opportunities**

To ensure sufficient staffing for the festival, we successfully involved event management students from TAFE and local universities in running the event.

While numbers were slightly down from the previous year's event which drew 2500 people, this can be attributed to moving to a different venue that was still developing.

### **What next?**

We aim to review the format of the *Marion Learning Festival* to ensure it remains relevant to encouraging lifelong learning in the local community.

## **OTHER ACHIEVEMENTS:**

### **Migrant Women's Group recognised**

Our Migrant Women's Group was presented with a 'high commendation' in the Governor's Multicultural Awards for promoting community harmony, understanding between Muslims and non-Muslims, and helping newly arrived women connect with their community.

The group was formed in 2013 and brings migrant women together to share experiences with support from the City of Marion.

Participants come from countries as diverse as Saudi Arabia, Pakistan, Iraq, Iran, West Africa and Indonesia.

### **New support group for men**

Local men visiting Trott Park Neighbourhood Centre for an International Men's Day event on November 19, 2014 banded together to form a new group to share skills, make friends and help their community.

Dubbed the 'Escape Committee', the support group has 25 members, has held barbecues using the centre's wood oven and is planning day trips, a program of guest speakers and to promote itself further to the community.

### **Awarding youth**

Twenty-four young people were presented with a Youth Recognition Award in April 2015 as part of National Youth Week celebrations.

The awards acknowledged young people who have displayed outstanding personal character by contributing to their community, overcoming barriers and inspiring others.

## GOVERNANCE

### MILESTONES

- **INDUCTION OF A NEWLY ELECTED COUNCIL**
  - **AN INCREASE OF A 'REVIEW OF COUNCIL DECISIONS' FROM THE OMBUDSMANS OFFICE OF SOUTH AUSTRALIA**
  - **COUNCIL RESOLUTIONS ON TRACK**
- 

### WHAT IS GOVERNANCE?

Governance can be defined as the framework of rules, relationships, systems and processes within and by which decisions are made and controlled within council. It is the mechanism by which council is accountable to achieving goals and providing services to its community.

Excellence in Governance occurs when everything council does is underpinned by accountability, integrity, openness and transparency.

Council and staff are committed to acting responsibly, ethically and with the highest standards of integrity to ensure that services are continually structured and delivered in a manner that meets the needs of the community.

To achieve Excellence in Governance, council has structured its decision making to ensure that 'on the ground' governance is practical, value adding and transparent.

### THE ROLE OF COUNCIL

The City of Marion is established to provide for the government and management of the council area at the local level, and in particular:

- To act as a representative, informed and responsible decision-maker in the interests of its community.
- To provide and co-ordinate various public services and facilities and to develop its community and resources in a socially just and ecologically sustainable manner.
- To encourage and develop initiatives within its community for improving the quality of life of the community.
- To represent the interests of its community to the wider community; and to exercise, perform and discharge the powers, functions and duties of local government in accordance with legislative responsibilities.

### REPRESENTATION

The City of Marion is represented by 13 Elected Members, comprising of a Mayor and 12 Councillors representing six wards. The Mayor is elected from the whole community, while Councillors are elected by voters in their wards.

Council Elections are held every four years with the last election convened in November 2014 with Mayor Hanna appointed unopposed. Seven new councillors were elected and five sitting members were re-elected for the 2014-2018 term.

Council appoints a Deputy Mayor for a period of 12 months from November to November each year. Councillor Luke Hutchinson was elected Deputy Mayor in November 2014.

The 13 Elected Members represent a total of 61,097 electors across the City of Marion. The quota for the City of Marion is one member to 4,699 electors. Councils of a similar size have the following quotas:

### Representation Quotas

| Council               | No. of Elected Members including the Mayor | Electors | Quota |
|-----------------------|--------------------------------------------|----------|-------|
| Adelaide              | 12                                         | 24183    | 2015  |
| Port Adelaide Enfield | 18                                         | 76671    | 4259  |
| Charles Sturt         | 17                                         | 78195    | 4599  |
| Marion                | 13                                         | 61097    | 4699  |
| Salisbury             | 17                                         | 87720    | 5160  |
| Onkaparinga           | 21                                         | 115399   | 5495  |
| Tea Tree Gully        | 13                                         | 71274    | 5482  |

Ward boundaries are determined by comparing the average ratio of elector numbers for the area with the actual ratio in any one ward. Regulation 4A of the *Local Government (General) Regulations 2012* provides that the Minister for State/Local Government Relations will determine the relevant period under which a council is required to undertake a Representation Review to determine whether the community would benefit from an alteration to its composition or ward structure. The City of Marion undertook a Representation Review in 2013 and is not required to undertake another review until 2021.

### DECISION MAKING STRUCTURES OF COUNCIL

Decisions of the council are made through various council meetings, committee meetings or by staff through delegated authority. Informed decision making is critical to ensure that decisions are made in the best interest of the wider community. Council's formal decision making structure comprised:

- **General Council** which meets on the second and fourth Tuesday of each month
- **Strategic Directions Committee** (section 41 Committee) which meets on the first Tuesday of the month, bi-monthly.
- **Audit Committee** which meets five times per year.
- **Development Assessment Panel** which meets on the first and third Wednesdays of each month.
- **CEO Review Committee** which meets on an as needs basis.

These 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 MEETINGS

Council held 19 General Council Meetings and 8 Special Council Meeting, totaling 27 meetings for 2014/15. Attendances at meetings were:

**Former Council****July 14 – Oct 14**

8 General Council meetings and 4 Special General Council meetings

| <b>Member</b>              | <b>Meetings held</b> | <b>Attended</b> |
|----------------------------|----------------------|-----------------|
| Mayor Lewis                | 12                   | 12              |
| Councillor Cheryl Connor   | 12                   | 11              |
| Councillor Frank Verrall   | 12                   | 10              |
| Councillor Kathleen Allen  | 12                   | 5               |
| Councillor Carol Bouwens   | 12                   | 11              |
| Councillor Luke Hutchinson | 12                   | 9               |
| Councillor Jerome Appleby  | 12                   | 12              |
| Councillor Jason Veliskou  | 12                   | 10              |
| Councillor Carolyn Habib   | 12                   | 6               |
| Councillor Bruce Hull      | 12                   | 12              |
| Councillor Tim Pfeiffer    | 12                   | 11              |
| Councillor Alice Campbell  | 12                   | 7               |

**Council Elect****Nov 14 – June 2015**

11 General Council Meetings and 4 Special General Council meetings between November 2014 and June 2015

| <b>Member</b>              | <b>Meetings held</b> | <b>Attended</b> |
|----------------------------|----------------------|-----------------|
| Mayor Kris Hanna           | 15                   | 12              |
| Councillor Ian Crossland   | 15                   | 15              |
| Councillor Tim Gard        | 15                   | 12              |
| Councillor Janet Byram     | 15                   | 14              |
| Councillor Nick Westwood   | 15                   | 15              |
| Councillor Luke Hutchinson | 15                   | 15              |
| Councillor Raelene Telfer  | 15                   | 15              |
| Councillor Jerome Appleby  | 15                   | 14              |
| Councillor Jason Veliskou  | 15                   | 14              |
| Councillor Bruce Hull      | 15                   | 15              |
| Councillor Nathan Prior    | 15                   | 14              |
| Councillor Nick Kerry      | 15                   | 13              |
| Councillor Tim Pfeiffer    | 15                   | 15              |

**STRATEGIC DIRECTIONS COMMITTEE****Achievements**

The Strategic Directions Committee was established in late 2011 to plan for the future of the City of Marion in partnership with the community. The Committee comprises full council and four independent members with expertise in economic development, technology, strategy, environment and urban planning and design. Cr Jason Veliskou was elected in November 2014 as the presiding member.

The Strategic Directions Committee meet bi-monthly, convening six meetings during 2014/15. The attendances to meetings are as follows:



**Former Council  
July 14 – Oct 14**

| <b>Member</b>              | <b>Meetings held</b> | <b>Attended</b> |
|----------------------------|----------------------|-----------------|
| Mayor Lewis                | 2                    | 2               |
| Councillor Cheryl Connor   | 2                    | 2               |
| Councillor Frank Verrall   | 2                    | 2               |
| Councillor Kathleen Allen  | 2                    | 1               |
| Councillor Carol Bouwens   | 2                    | 2               |
| Councillor Luke Hutchinson | 2                    | 2               |
| Councillor Jerome Appleby  | 2                    | 1               |
| Councillor Jason Veliskou  | 2                    | 2               |
| Councillor Carolyn Habib   | 2                    | 2               |
| Councillor Bruce Hull      | 2                    | 1               |
| Councillor Tim Pfeiffer    | 2                    | 2               |
| Councillor Alice Campbell  | 2                    | 0               |
| Marty Gauvin               | 2                    | 2               |
| Chris Daniels              | 2                    | 2               |
| Darren Bilsborough         | 2                    | 2               |
| John Bastian               | 2                    | 2               |

**Council Elect  
Nov 14 – June 2015**

| <b>Member</b>              | <b>Meetings held</b> | <b>Attended</b> |
|----------------------------|----------------------|-----------------|
| Mayor Kris Hanna           | 4                    | 3               |
| Councillor Ian Crossland   | 4                    | 4               |
| Councillor Tim Gard        | 4                    | 4               |
| Councillor Janet Byram     | 4                    | 4               |
| Councillor Nick Westwood   | 4                    | 4               |
| Councillor Luke Hutchinson | 4                    | 3               |
| Councillor Raelene Telfer  | 4                    | 3               |
| Councillor Jerome Appleby  | 4                    | 2               |
| Councillor Jason Veliskou  | 4                    | 4               |
| Councillor Bruce Hull      | 4                    | 4               |
| Councillor Nathan Prior    | 4                    | 4               |
| Councillor Nick Kerry      | 4                    | 3               |
| Councillor Tim Pfeiffer    | 4                    | 4               |
| Marty Gauvin               | 4                    | 4               |
| Chris Daniels              | 4                    | 4               |
| Darren Bilsborough         | 4                    | 4               |

The meetings of the committee focused on the following:

- Residential General Development Plan Amendment
- South Australian Governments 10 Economic Priorities
- Submission for the Senate Select Committee on Health
- Tonsley Redevelopment
- Workshops to determine the future of the Strategic Directions Committee and how it could be most effective in 2015 and beyond

**Challenges/opportunities**

The challenge for the committee is to provide sound advice in order for the Council to

achieve its strategic goals that address community need. The committee identified a number challenges to focus upon in the future including;

- Innovation districts
- High amenity environment for living,
- Improving the quality of life for residents
- Innovation districts
- Business in the digital domain
- Community Energy

### **AUDIT COMMITTEE**

The City of Marion's Audit Committee has been in operation since 2006. It assists 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. The Committee meets five times per year and at least once per year with full council.

The Committee comprises three independent members and one elected member. The elected member representative is appointed for 12 months. During the 2014/15 year, Council thanked Ms Cathy Cooper for her 8 years of service on the Audit Committee and welcomed Ms Kathryn Presser as Independent Member to the Audit Committee.

The Audit Committee has reviewed and provided advice on:

- Council's Long Term Financial Plan
- Annual Financial Statements
- Asset Management
- Strategic Risks
- Claims and Insurance activities
- Various reviews completed by BDO
- Prudential Management Policy
- Reserve Fund Policy Review
- Business Continuity Management Review
- Ombudsman Annual Report

The Audit Committee met five times. Attendances at meetings were:

#### **Former Council July 14 – Oct 14**

| <b>Member</b>             | <b>Meetings held</b> | <b>Attended</b> |
|---------------------------|----------------------|-----------------|
| Greg Connor (Chair)       | 2                    | 2               |
| Cathy Cooper              | 2                    | 2               |
| Lew Owens                 | 2                    | 2               |
| Councillor Alice Campbell | 2                    | 2               |

#### **Council Elect Nov 14 – June 2015**

| <b>Member</b>                     | <b>Meetings held</b> | <b>Attended</b> |
|-----------------------------------|----------------------|-----------------|
| Greg Connor (Chair)               | 3                    | 3               |
| Lew Owens                         | 3                    | 2               |
| Kathryn Presser – From<br>June 15 | 1                    | 1               |
| Councillor Tim Pfeiffer           | 3                    | 3               |

## DEVELOPMENT ASSESSMENT PANEL

Council's Development Assessment Panel is constituted in accordance with the Development Act 1993. 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.

In doing so, the panel assesses the 'pros and cons' of an application. This involves judgment based on whether a development satisfied, or is at variance with the policies set out in the Development Plan. Council's Development Assessment Panel comprises of seven members appointed by council. Three are members of the council while the others are independent members with experience in development related disciplines.

The Development Assessment Panel met 15 times. Attendances at meetings were:

### Former Council July 14 – Oct 14

| Member                            | Meetings held | Attended |
|-----------------------------------|---------------|----------|
| Councillor Cheryl Connor          | 6             | 4        |
| Councillor Frank Verrall          | 6             | 5        |
| Councillor Luke Hutchinson        | 6             | 5        |
| Rebecca Thomas – presiding member | 6             | 6        |
| Jenny Newman                      | 6             | 6        |
| Phil Smith                        | 6             | 6        |
| Wendy Bell                        | 6             | 6        |

### Council Elect Nov 14 – June 2015

| Member                                            | Meetings held | Attended |
|---------------------------------------------------|---------------|----------|
| Councillor Nick Westwood                          | 9             | 9        |
| Councillor Jerome Appleby                         | 9             | 8        |
| Councillor Nick Kerry                             | 9             | 8        |
| Rebecca Thomas – presiding member up to 27/5/15   | 8             | 6        |
| Jenny Newman up to 27/5/15                        | 8             | 7        |
| Phil Smith                                        | 9             | 9        |
| Wendy Bell                                        | 9             | 8        |
| Gavin Lloyd-Jones – presiding member from 28/5/15 | 1             | 1        |
| Graham Goss from 28/5/15                          | 1             | 1        |

## DELIVERING COUNCIL RESOLUTIONS

At meetings of Council, its decisions are called 'resolutions' and these decisions are then actioned by the Council staff. In 2014/15, the City of Marion had made 225 resolutions, of which 22 were confidential with a chart provided below to show comparative decisions made for previous financial years.

## ELECTED MEMBERS' ALLOWANCES

The *Local Government Act 1999* and the Local Government (Members Allowances and Benefits) Regulations 2010, provides for the payment of elected members' allowances.

An elected member is entitled to an annual allowance which is determined every four years by the Remuneration Tribunal of South Australia. The tribunal's determination in 2010 provides for a CPI increase each financial year and hence, throughout 2014/15, elected

members received the following allowance:

|                 |          |
|-----------------|----------|
| Mayor           | \$76,000 |
| Deputy Mayor    | \$23,750 |
| Elected members | \$19,000 |

Fees for the Audit Committee members were set by council resolution:

|                               |                     |
|-------------------------------|---------------------|
| Audit Committee chairperson   | \$1,200 per meeting |
| Audit Committee members       | \$1,000 per meeting |
| Elected Member representative | nil                 |

Fees for the Strategic Direction Committee members were set by council resolution:

|                                |                     |
|--------------------------------|---------------------|
| Independent members            | \$1,000 per meeting |
| Elected member representatives | nil                 |

Fees for the Development Assessment Panel members were set by council resolution:

|                               |                   |
|-------------------------------|-------------------|
| Presiding member              | \$500 per meeting |
| Independent members           | \$400 per meeting |
| Elected member representative | \$200 per meeting |

### **ELECTED MEMBER TRAINING AND DEVELOPMENT**

Throughout 2014/15 Elected Members have attended on-going training and development based on current council business and their own professional development requirements. With the Council Election held in November 2014, an induction program was held for all Elected Members which covered the topics required by *Local Government (General) Regulations 2013* and the LGA Training Standards. The induction program included training on the follow:

- Council Structure and Composition
- Roles, Responsibilities, Duties and Functions
- Council Meetings
- Elected Member Expense and Facilities
- Oversight of Strategy, Planning and Performance
- Financial Management and Performance
- CEO Performance Review
- Due Diligence – Code of Conduct, Independent Commission Against Corruption Act and Office of Public Integrity
- Aboriginal Cultural Awareness Training
- Media Training

In February 2015, Council Members also participated in a bus tour around the City of Marion to key sporting infrastructure sights to gain a better understanding of the issues and priorities across the City.

A number of Elected Members attended various conferences on topical issues which included:

- Energy Efficiency in Local Government
- The Local Government Association Annual Conference
- Dynamic Cities – Vibrant, livable and innovative. 14 International Cities Town Centre & Community Conference
- New Council Members Residential Seminar

### SENIOR EXECUTIVE SALARY PACKAGES

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 \$197,500 to \$272,610.

### CONFIDENTIAL ITEMS

The City of Marion is committed to the principle of open and accountable government. Council also recognises that on occasions it may be necessary in the broader community interests to restrict public access to discussions and/or documents. During 2014/15, council either directly or via one of its committees considered 19 items in confidence in accordance with section 90 of the Local Government Act 1999 and ordered that documents be kept confidential in relation to matters in accordance with section 91(7) of the Local Government Act 1999.

The grounds on which the council or council committee considered the matters and determined to exclude the public from the discussion and related documentation is outlined in the preceding table:

| Section items considered under                                                                                                                                                                                                                                                                                              | No of items |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 3(a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).                                                                                                                                                           | 10          |
| 3 (b) information the disclosure of which—<br>(i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and (ii) would, on balance, be contrary to the public interest; | 8           |
| 3 (e) matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person;                                                                                                                                                                                 | 0           |
| 3 (f) information the disclosure of which 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;                                                               | 0           |
| 3 (g) 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;                                                                                   | 1           |
| 3 (h) legal advice                                                                                                                                                                                                                                                                                                          | 0           |
| 3 (k) tenders for the supply of goods, the provision of services or the carrying out of works                                                                                                                                                                                                                               | 5           |
| 3 (m) information relating to a proposed amendment to a Development Plan under the <i>Development Act 1993</i> before a Development Plan Amendment proposal relating to the amendment is released for public consultation under that Act;                                                                                   | 0           |
| 37 (b) a contract may be entered into by an officer, employee or agent authorised by the council to enter into the contract on its behalf.                                                                                                                                                                                  | 1           |

Four confidential reports were identified for release this financial year including;

- Review of Confidential items 2003 (item 1)
- Acquisition of land for Drainage Reserve - 40a Jervis Terrace Marino (item 2)
- Internal Audit, Enterprise bargaining Calculations (item 3)
- External Audit Tender (item 4)

A further 39 confidential orders were reviewed and remain in force, with a further 26 reports identified for further investigation in order to release this financial year.

## **PUBLIC PARTICIPATION**

Members of the public have a number of opportunities to present their views on issues to council.

### **Council meetings:**

#### **Presentations/Deputations**

With the prior notification and permission of the Mayor or a committee chairperson, a member of the public can address the council or a committee of council personally or on behalf of a group of residents for five minutes on any relevant issue.

#### **Petitions**

Written petitions can be addressed to Council on an issue within the council's jurisdiction and are presented to the next meeting of the council following their receipt.

#### **Community Consultation**

Council's Community Consultation Policy was adopted in 2010 and seeks to continue moving council further from a 'we rule' approach to 'we build'. 'We rule' is where council makes decisions with little or no community input. 'We build' promotes collaboration with local communities to work together to achieve shared goals. The City of Marion values effective consultation in developing positive relationships with its community and recognises that their input is valuable in its decision making process.

## **DELEGATION TO THE CEO (AND STAFF)**

Council has provided the Chief Executive Officer and other officers with the delegated authority to make decisions on a number of specified administrative and policy matters. The council reviews these delegations annually, with the last review occurring in September 2015.

In keeping with legislative requirements, council:

- Determines the policies to be applied by the council in exercising its discretionary powers.
- Determines the type, range and scope of projects to be undertaken by the council.
- Determines the resources which are to be made available to undertake such works and services.

## **ETHICAL STANDARDS AND PERFORMANCE**

The Code of Conduct for elected members continues to ensure that all activities of Council are conducted legally, ethically and with the strict observance of the highest standards of integrity and propriety.

The Code of Conduct is Council's public declaration of the expected standards of behaviour and the manner in which individual elected members will conduct themselves in carrying out their duties.

The City of Marion also has a Staff Code of Conduct that sets out the expected standards of conduct for all employees.

## **POLICIES**

One of the most important roles of Council is to participate in making policy and decisions on behalf of the community. An essential part of policy making is identifying community needs, setting objectives to meet those needs, establishing priorities between competing demands and allocating resources.

Policies adopted by council are identified in the Freedom of Information Statement found later in this report.

## **REGISTERS**

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

## **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

## **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.

## **SECTION 270 REVIEW**

Council's internal review of a council decision policy and procedure is available from the City of Marion website.

Council commenced five reviews of a council decision, completing all five of these reviews within the financial year, Council also completed a review received in the previous financial year. The complaints related to traffic management issues, dog complaints, noise controls and unsightly property.

The original decisions were maintained; however opportunities for improvement to council processes and customer service were identified and implemented.

## **ACCESS TO COUNCIL DOCUMENTS**

The following documents are available for public inspection and/or purchase at the council office at 245 Sturt Road, Sturt between 8.30am and 5pm, Monday to Friday. Some of the documents listed are also available on our website at [www.marion.sa.gov.au](http://www.marion.sa.gov.au).

The cost for copies is determined by council's Fees and Charges Schedule, which is adopted by council on an annual basis.

- Acquisition and Disposal of Land Assets Policy
- Annual Business Plan and Budget
- Annual Report
- Assessment Record
- Asset Accounting Policy
- Asset Management Policy
- Audit Committee Meeting Procedures
- Audit Committee Policy and Terms of Reference
- Audit Committee Terms of Reference
- Audit Committee Meeting Agenda, Reports and Minutes
- Audited Financial Statements
- Borrowings Policy
- Building and Swimming Pool Inspection Policy
- Caretaker Policy
- City Limits Publications Policy
- Charters of Council Subsidiaries
- Code of Conduct
- Code of Practice – Access to Meetings and Documents
- Code of Practice – Procedures at Meetings
- Community Awards and Recognition
- Community Awards and Recognition Policy
- Community Consultation and Engagement Policy
- Community Garden Policy
- Complaints and Review of Decision Policy and Procedure
- Control Of Election Signs Policy
- Council By-Laws
- Council Grants Policy
- Customer Service Policy
- Development Assessment Panel Agenda, Reports and Minutes
- Disposal of Assets other than Land Policy
- Disposal of Assets Policy
- Donations and Sponsorship Policy
- Economic Development Policy
- Elected Member Code of Conduct
- Elected Member Code of Conduct – Procedure for investigating complaints
- Elected Members Expenses, Benefits, Support and Facilities Policy
- Elected Members Publications Policy
- Election Campaign Donation Returns
- Elections Caretaker Policy
- Equal Opportunity Discrimination Harassment and Workplace Bullying Policy
- Fees and Charges Policy
- General Council Meeting Agenda, Reports and Minutes
- General Environmental Policy
- How We Work Together Policy



- Information Technology – Provision and Use of Equipment (Elected Members)
- Internet and Email Access and Usage Policy
- Investment Policy
- Kerbside Waste and Recycling Policy
- Leasing/Licensing of Council Owned Facilities Policy
- Liquor Licence Applications Policy
- Long Term Financial Plan
- Marion Library Service Conditions for Customers
- Memorial Policy
- Order Making Authority
- Petition Form
- Petitions Policy
- Planning Application Register
- Planning applications by consent
- Privately funded development plan amendments policy
- Procurement Policy
- Professional Development - Elected Members Policy
- Prudential Management Policy
- Public Consultation Policy
- Rating Policy
- Records and Document Management Policy
- Register of Community Land
- Register of Elected Members Allowances and Benefits
- Register of Employees' salaries, wages and benefits
- Register of Fees and Charges levied by Council
- Register of Interests of Elected Members
- Register of Public Streets and Roads
- Remuneration Packaging – Motor Vehicles
- Replacement of trees and shrubs policy
- Reserve Funds Policy
- Risk Management Policy
- Roads Opening And Closing Policy
- Schedule Of Delegations And Sub-Delegations
- Sister Cities Policy
- Social Media Policy
- Staff Code of Conduct
- Strategic Management Plans
- Supplementary Development previously on exhibition
- Strategic Directions Committee Agenda, Reports and Minutes
- Temporary Signs and Banners Application Policy
- Treasury Management Policy
- Tree Management Framework
- Tree Management Policy
- Vacancy Management Policy
- Voters' Roll
- Whistleblower Policy

## **FREEDOM OF INFORMATION APPLICATIONS AND STATEMENT**

The Freedom of Information Statement is published annually by the City of Marion in accordance with the requirements of the Freedom of Information Act 1991. The City of Marion received 27 Freedom of Information applications for the 2014/15 financial year.

**In summary:**

|                               |           |
|-------------------------------|-----------|
| <b>Number of applications</b> | <b>27</b> |
| Determined                    | 24        |
| Transferred in Full           | 0         |
| Withdrawn                     | 0         |
| Full release                  | 7         |
| Unfinished                    | 4         |
| Partial release               | 10        |
| Refused access                | 7         |

Inquiries or requests for information under the Act, should be forwarded to:  
 Freedom of Information Officer  
 City of Marion  
 PO Box 21  
 Oaklands Park SA 5046

*Freedom of Information Statement*

This information statement is published annually by the City of Marion in accordance with the requirements of the Freedom of Information Act 1991.

**ACCOUNTABILITY****Competitive tendering**

In procuring goods, services and construction works, the City of Marion will seek to maximise value for money at an acceptable level of risk to support the delivery of infrastructure, facilities and services which maximise the benefit to the community.

Public tendering is generally required for contracts valued more than \$50,000 to ensure costs incurred in promoting competition are commensurate with the benefits received.

The City of Marion is also part of a co-operative purchasing group, Council Solutions, comprising six large metropolitan councils. Council Solutions procures commonly used goods, services and works where a benefit can be obtained by aggregating the requirements of the participants. Council Solutions contracts are subject to public tender.

**National Competition Policy – Clause 7 Statement Reporting**

In accordance with the reporting requirements of the Clause 7 Statement on the application of Competition Principles to Local Government under the Competition Principles Agreement, the City of Marion has no significant business activities to report. Subject to the Competition Principles Agreement the City of Marion wherever possible will incorporate the following preferences into Council's decision making in regard to purchasing processes:

- Competitive goods, services and construction works that are environmentally sustainable
- In any procurement process, where all other factors are equal, the City of Marion may favour the engagement of local suppliers that is those operating within the Marion Council area boundaries, to the extent permitted by law for goods, service and construction works.

**OTHER INFORMATION REQUESTS**

Initial inquiries regarding access to or copies of information not covered above should be directed to the freedom of information officer at the Administration Centre, 245 Sturt Rd Sturt. Formal applications will be responded to within the statutory requirements.

### **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 the freedom of information officer.

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

The Southern Region Waste Resource Authority (SRWRA) is a section 43 Authority of the Cities of Marion, Holdfast Bay and Onkaparinga.

Under its Charter, 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.

Section 43 of the Local Government Act allows two or more councils to establish a Regional Subsidiary to carry out any projects on behalf of the councils or to perform any function or duty of the councils under the act or any other act.

SRWRA is managed by a board of 10. 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. The chairperson has a deliberate vote only.

The equitable interest of the constituent councils in the authority is agreed as follows:

These proportions are:

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

### **COUNCIL SOLUTIONS**

Council Solutions is a section 43 Authority 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.

Under its Charter, 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 and 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. Each council provides one representative, its chief executive officer, with the seventh being an independent person with has expertise relevant to the activities of the authority. The board is chaired by the independent member. The chairperson has a deliberate vote only.

### **COMMUNITY LAND MANAGEMENT PLANS**

A review of Community Land Management Plans has begun and is expected to be completed in the 2015/16 financial year.

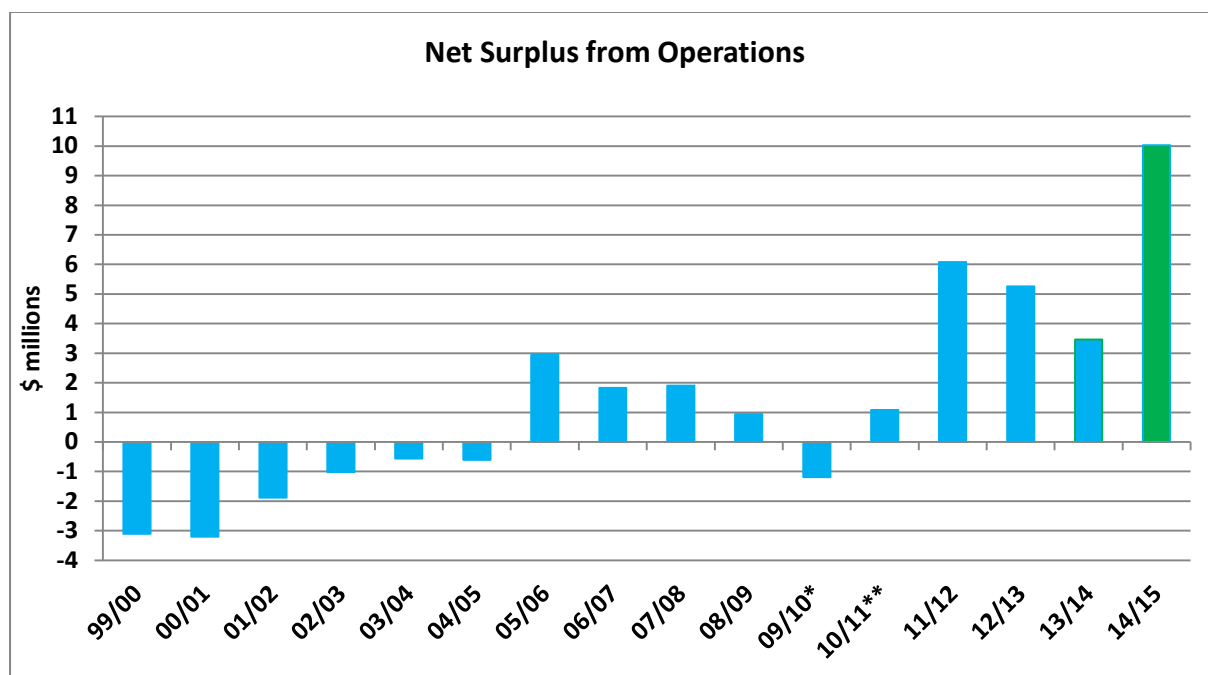
Under section 96 of the Local Government Act 1999, council is required to prepare and adopt a Community Land Management Plan for its community land if the land has been or is to be specifically modified or adapted for the benefit or enjoyment of the community.

## FINANCIAL MANAGEMENT

### Statement of Comprehensive Income

The Statement of Comprehensive Income details Council's revenues and expenses for the reporting period and reveals an operating surplus (before capital revenues and contributed assets) of \$10.027m for 2014/15 compared to an operating surplus of \$3.467m for 2013/14.

The increase in Operating Surplus is primarily due to an increase in operating income of \$7.082m whilst maintaining operating expenses to a minimal increase of \$0.522m for the 2014/15 year.



\* The underlying operating surplus for 2009/10 after adjusting for the once-off Domain Land transfer for the SA Aquatic and Leisure Centre is \$4.787m.

\*\* The underlying operating surplus for 2010/11 after adjusting for the once-off cash contribution for the SA Aquatic and Leisure Centre is \$6.078m

### Operating Income

Total Operating income for 2014/15 was \$81.976m compared to \$74.894m in 2013/14. The increase of \$7.082m (9.4%) is mainly attributed to the adopted increase in Rates of \$3.7m (4.1% + growth of 1.0%) and a substantial increase in Grants, Subsidies and Contributions of \$2.3m (42.7%).

This substantial increase in Grants, Subsidies and Contributions of \$2.3m predominantly relates to timing of the payment of the Grants Commission's Financial Assistance Grants (FAG) which is normally paid in quarterly instalments. On 30 June 2015 the Grants Commission paid in advance the first two instalments of the 2015/16 FAG, resulting in a total of six quarterly instalments being paid in 2014/15 compared to only two in 2013/14.

### Operating Expenses

Total Operating expenses for 2014/15 were \$71.949m compared to \$71.427m in 2013/14. The minimal increase of \$0.522m (0.73%) is mainly attributed to a concerted effort and strong focus on achieving efficiency and effectiveness savings across the organisation.

Employee costs increased marginally \$0.225m (0.7%) in 2014/15 from 2013/14. This is primarily due to efficiency gains and savings achieved through vacancy management (\$1.020m) which have to a large degree offset increased costs incurred through Councils wages and salaries EB agreements.

Finance costs rose by \$0.442m in 2014/15 as a result of borrowings (\$9m) taken out in June 2014 for one of Councils major projects, the construction of the recently opened Cove Civic Centre.

Achieving a reduction in Materials, Contracts and Other expenses of \$0.563m in 2014/15 helped to offset the increases outlined above.

### Capital Revenues and Contributed Assets

Other key variances reported on the Statement of Comprehensive Income are *Amounts Received Specifically for New or Upgraded Assets* (up \$1.4m) relating to an increased number of projects attracting external funding, and *Contributed Assets* (up \$6.8m) with the majority of this relating to infrastructure in a new residential development at Hallett Cove, including a retaining wall with a value of \$4.45m.

### **Key Operating Ratios**

| <b>OPERATING SURPLUS RATIO</b>                     | <b>2015</b> | 2014 | 2013 | 2012 | 2011 |
|----------------------------------------------------|-------------|------|------|------|------|
| <u>Operating Surplus (before capital revenues)</u> | <b>15%</b>  | 6%   | 9%   | 11%  | 2%   |
| Rates - general and other less NRM levy            |             |      |      |      |      |

This ratio expresses the operating surplus/ (deficit) as a percentage of general and other rates, net of rebates. The target for this ratio is between 0 and 5% on a 5 year rolling average.

#### *Comment:*

- The target set in Council's Long Term Financial Plan is to "maintain a financial position at an average of between 0 and 5% over any five financial years" however this was exceeded in the 5 years to 2014/15, with an average ratio of 8.6%. As per the 2015/16 Annual Business Plan and Budget, the target for next year is between 0 and 6% (adjusted for extraordinary items). This year's ratio has been impacted by significant savings achieved as a result of an organisation wide focus on efficiency and effectiveness savings together with the receipt of operating revenues over and above original budget. As a result the total operational costs have only marginally increased \$0.522m (0.7%). In addition, the impact on this ratio caused by the receipt of two of the 2015/16 FAG payments of \$1.4m being received in advance in the 2014/15 year as discussed earlier is 2%.

| <b>RATE REVENUE RATIO</b> | <b>2015</b> | 2014 | 2013 |
|---------------------------|-------------|------|------|
| <u>Rate Revenue</u>       | <b>82%</b>  | 85%  | 81%  |
| Operating Revenue         |             |      |      |

This ratio expresses rate revenue as a percentage of operating revenue.

Although this ratio is not a prescribed ratio 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.

*Comment:*

To address the dependency of Council on rate revenue the following programs have been implemented:

- Grants Co-Design Group focused on internal training and development of Council officers to maximise grant opportunities.
- Annual review of Fees and Charges Schedule.

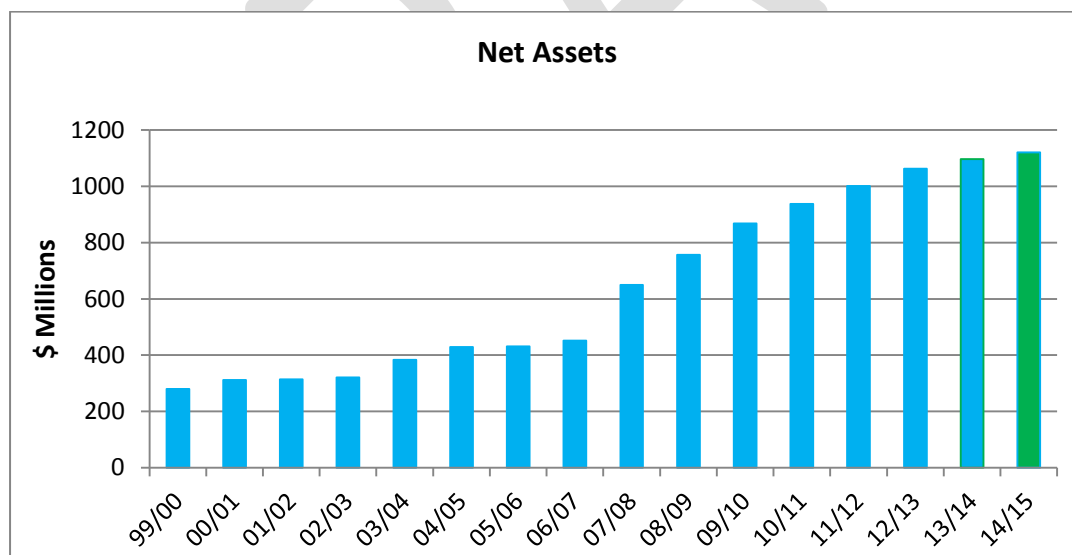
### Statement of Financial Position

The Statement of Financial Position provides details of Council's assets, liabilities and equity as at 30 June 2015.

It should be noted that there has been a reclassification to the 2013/14 year of \$8.9m from Cash to "Other Financial Assets" as the maturity dates of some fixed term deposits were greater than 90 days from the end of the Financial Year. This compares with a figure of \$2.7m for 2014/15, with the reduction being predominantly due to funding for the construction of the Cove Civic Centre which utilised loan funding taken out in June 2014.

The majority of Council's assets relate to community property and infrastructure assets (roads, paths, drainage, etc).

The following graph illustrates the increase in Council's total equity from \$279.8m in 1999/00 to \$1,120.5m in 2014/15.



This identifies the continued increase in Council's net assets which can mainly be attributed to revaluations of its Infrastructure assets as noted in the following table.

|                | 2014<br>\$'000 | 2015<br>\$'000 | Increase<br>\$'000 |
|----------------|----------------|----------------|--------------------|
| Infrastructure | 633,645        | 651,612        | 17,967             |
| Buildings      | 85,096         | 92,075         | 6,979              |

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

Council's IPP&E increased by \$24.032m (2.2%) compared to 2013/14. The majority of the increase relates to a revaluation of \$6.8m in infrastructure assets, the construction of the Cove Civic Centre (\$10.4m to date) and the contribution of \$8.2m in assets, predominantly encompassing infrastructure from Developers.

**Key Financial Position Ratios**

|                              |             |      |
|------------------------------|-------------|------|
| <b>WORKING CAPITAL RATIO</b> | <b>2015</b> | 2014 |
|                              | <b>1.0</b>  | 0.8  |

Current Assets – Restricted Assets

Current Liabilities – Liabilities Associated with Restricted Assets

This ratio focuses on the liquidity position of Council, adjusting for restricted assets (e.g. 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).

Council's target for this ratio is between 1.0 and 1.1.

*Comment:*

Council's cash flow is in a good position to undertake day to day operations.

|                                   |             |      |      |
|-----------------------------------|-------------|------|------|
| <b>ASSET SUSTAINABILITY RATIO</b> | <b>2015</b> | 2014 | 2013 |
| <u>Net Asset Renewals</u>         | <b>76%</b>  | 57%  | 80%  |
| Depreciation Expense              |             |      |      |

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.

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.

*Comment:*

Council's Long Term Financial Plan (LTFP) achieves a target of 95-100% in future years by providing increased funding for renewal of assets, including the upgrade and renewal of Council's City Services Depot. Going forward this ratio will be calculated using the average required renewal as per Council's Asset Management Plans.

|                                             |             |      |      |
|---------------------------------------------|-------------|------|------|
| <b>ASSET CONSUMPTION RATIO</b>              | <b>2015</b> | 2014 | 2013 |
| <u>Carrying value of depreciable assets</u> | <b>80%</b>  | 81%  | 81%  |
| Gross value of depreciable assets           |             |      |      |

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. The ratios reflected above indicate on average a relatively high remaining useful life for assets. Council's target for this ratio is between 80-100%.

*Comment:*

A ratio higher than 80% indicates that Council's overall asset base has on average a relatively high remaining useful life.

## 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 as at the 30 June 2015 were \$11.9m a net decrease of \$1.6m over the level of borrowings in June 2014.

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

## Key Debt Ratios

| <b>NET FINANCIAL LIABILITIES</b> | <b>2015</b>    | 2014    | 2013     |
|----------------------------------|----------------|---------|----------|
|                                  | <b>\$'000</b>  | \$'000  | \$'000   |
|                                  | <b>(1,284)</b> | (6,271) | (12,815) |

Net Financial Liabilities for the purpose of this financial indicator is defined as total liabilities less non-equity financial assets. This indicator is a measure of Council's total indebtedness. The level of net financial liabilities increases when a net borrowing occurs.

### *Comment:*

The negative result as shown above indicates that Council's non-equity financial assets are greater than its total liabilities. This result is due to a substantial holding of cash and other financial assets totalling \$22.4m, of which \$15.2m is allocated for unexpended grants and uncompleted capital projects carried over to 2015/16 which, when taken into account would give Council a Net Financial Liability position of \$13.9m.

| <b>NET FINANCIAL LIABILITIES RATIO</b> | <b>2015</b> | 2014 | 2013  |
|----------------------------------------|-------------|------|-------|
| <u>Net Financial Liabilities</u>       | <b>(2%)</b> | (9%) | (18%) |
| Total Operating Revenue                |             |      |       |

This ratio indicates the extent to which net financial liabilities of the council can be met by the council's total operating revenue and is based on the Net Financial Liabilities above.

### *Comment:*

Without the additional cash holding and other financial assets mentioned above this ratio would actually be 17%, which sits at the lower end of Council's target range of 0 - 50%. Council's capacity to meet its financial obligations from operating revenues is strong and it has capacity to meet future requirements identified in its Long Term Financial Plan.

| <b>INTEREST COVER RATIO</b> | <b>2015</b>   | 2014   | 2013   |
|-----------------------------|---------------|--------|--------|
| <u>Net Interest Expense</u> | <b>(0.1%)</b> | (0.5%) | (1.0%) |
| Total Operating Revenue     |               |        |        |

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.

### *Comment:*

Negative ratios have been recorded for the past 3 years reflecting interest revenues being greater than interest expenses.

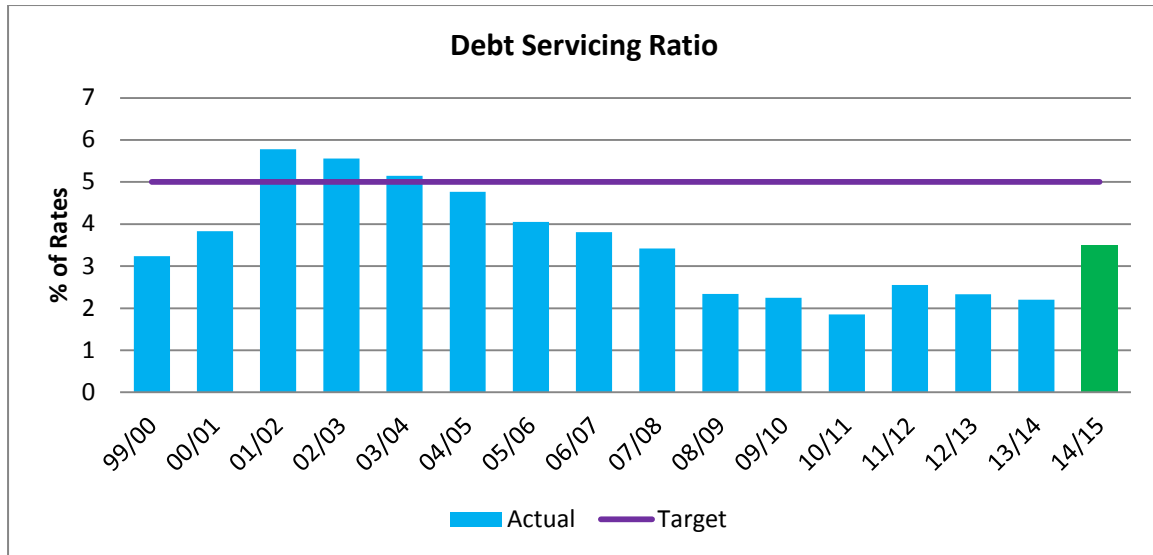
| <b>DEBT SERVICING RATIO</b> | <b>2015</b> | 2014 | 2013 |
|-----------------------------|-------------|------|------|
| <u>Principal + Interest</u> | <b>3.5%</b> | 2.2% | 2.3% |
| Total Rate Revenue          |             |      |      |



This ratio identifies Council's ability to services its debt obligations from rate revenues, with a maximum target set at 5%.

*Comment:*

The ratio confirms that Council has a low debt holding and is well positioned for the borrowing program as outlined in its Long Term Financial Plan. The 3.5% result is below the maximum target of 5% as illustrated in the graph below.



### 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 \$1,120.5m as reflected in the Statement of Financial Position.

### Cash Flow Statement

The Cash Flow Statement details the cash movements for the year ended and reconciles with Note 11 of the Annual Financial Statements. In line with the Statement of Financial Position, the Cash Flow Statement has seen a restatement of the 2013/14 year with \$8.9m now being classified as "Other Financial Assets" and therefore is no longer included in the Cash Flow Statement.

The Statement indicates a cash surplus of \$19.7m compared with \$19.2m in 2013/14. As previously mentioned a significant portion of the cash position is committed to carryovers, unexpended grants and retimed works (\$15.2m).

## Key Cash Ratios

### OPERATING CASH FLOW COVERAGE

| 2015   | 2014   |
|--------|--------|
| 133.8% | 100.8% |

#### Cash Flows from Operations – (Loan Principal Repayments)

Average Annual Optimal Level of Expenditure per Council's Asset Management Plans

This ratio identifies Council's abilities to fund its operating and capital expenditure requirements without the need for significant sudden rate increases or service reductions, and whilst continuing to maintain intergenerational equity and the sustainable and responsible use of borrowings.

Council's target for this ratio is between 100% and 105%.

#### *Comment:*

Whilst the 2014/15 result is above the targeted range, this is predominantly due to the strong focus this year on achieving efficiency and effectiveness savings across the organisation (\$2.677m against original budget), together with higher than budgeted operating revenue (\$3.052m against original budget). If these were excluded (net \$5.729m) then this ratio would be 98.5%.

## RESERVE FUNDS

A review of the balances of these reserves indicates that they are at a level sufficient to meet their purpose and intent which are listed in *Note 9 Reserves* in Appendix 1. Council's current Reserve funds are made up of the following:

#### **Grants and Carryovers Reserve:**

**\$15.211m**

This is predominantly made up of capital works totalling \$6.943m and grant funded carryover projects totalling \$6.385m including Grants Commission Financial Assistance grant funding received in advance for the 2015/16 year (\$1.437m).

#### **Open Space Reserve:**

**\$0.857m**

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

#### **Asset Sustainability Reserve**

**\$3.136m**

It is considered by management that the balance of this fund at 30 June 2015 is adequate to meet its intended purpose which now includes the Community Facility Partnership Program (CFPP) funding. The balance of \$3.135m at 30 June 2015 represents funding set aside for the sustainable maintenance and renewal of existing assets, including sufficient funds (minimum of \$2m) to enable Council to respond to a major infrastructure failure.

Note: As at the 30 June 2015, taking into consideration all carried over and retimed works, current payables and receivables these reserve funds are 100% cash-backed.

## LONG TERM FINANCIAL PLAN

Council has a Long Term Financial Plan framework that includes parameters such as:

- Support the achievement of the City of Marion's Strategic Directions
- Address issues arising from internal audit reviews and business excellence assessments

- Maintain a financial position at an average of category 3 over any five consecutive years, with a primary focus being on Cash Flow and Funding
- 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 considers new Major Projects where it has the identified funding capacity to do so
- Maintain council's position for an average residential rate which remains among the lower rating metropolitan councils
- Implement responses for progressing liveable cities strategies and funding opportunities within Marion.

DRAFT

## DEVELOPING AN ORGANISATION OF EXCELLENCE

### ELECTRONIC LEARNING LAUNCHED

#### Achievements

To streamline staff inductions we launched *E-learning* (electronic learning) in April 2015.

This online training package has made it easier and quicker for new staff to learn about health and safety in our workplace and simpler for other staff to undergo refresher training.

Areas covered include Work Health and Safety Fundamentals, Bullying and Harassment, Alcohol, Drugs in the Workplace and Risk Management.

#### Challenges/opportunities

Online training has been well received, including by staff who rarely use computers, and is enabling us to deliver training more efficiently.

#### What next?

*E-learning* will be expanded in 2016 to include a corporate induction and other modules.

### NEW LEARNING PROGRAM SET FOR ROLL OUT

#### Achievements

We developed a new learning and development program called THREE E's which recognises learning as:

- Experiential (learning through daily tasks and challenges)
- Exposure to others (informal coaching, mentoring, discussion)
- Education (formal activities, including attending courses)

#### Challenges/opportunities

THREE E's will provide an opportunity for staff to develop skills in a cost-efficient, new and engaging manner.

#### What next?

THREE E's will be rolled out from July 1, 2015.

### GROWING LEADERSHIP

#### Achievements

We built leadership capability through quarterly People Management Group forums and training.

#### Challenges/opportunities

To ensure People Management Group sessions had maximum benefit we provided content that would develop leaders based on an analysis of the organisation's needs.

#### What's next?

Future sessions will focus on corporate content to ensure our leaders have the skills to deliver the *Community Plan*, which is the community's vision for the future of the city.

## **OTHER ACHIEVEMENTS:**

### **STAFF RETENTION INCREASES**

Our staff retention rate was 91.9 per cent. This continues a positive trend from the previous two years, which was 89.1 per cent in 2013/14 and 91.7 per cent in 2012/13.

Minimising staff turnover benefits organisations due to the cost and time of replacing staff, while creating a good working environment encourages people to stay. This helps attract and retain the best people in the employment marketplace.

### **LGMA MANAGEMENT CHALLENGE**

In March 2015 we entered a team in the Local Government Managers' Association challenge for the eleventh consecutive year. The team built skills in leadership, project management and communications before taking part in a day long challenge with other local government teams.

### **SUPPORTING STAFF WELLBEING**

Partnering with Mates in Construction – a charity that promotes wellbeing – we made mental health awareness sessions available to all staff to help create a positive workplace.

### **CREATING A SAFE ENVIRONMENT**

As part of our commitment to promoting the safety and wellbeing of children and vulnerable people we adopted a best practice approach following a review of policies and procedures. We identified 121 positions across the organisation which will be subject to employment suitability screening, including the National Police Certificate.

### **EMPLOYEE VALUE PROPOSITION**

We aligned the Employment Lifecycle Framework so that feedback provided at three different stages of employment can be used to measure the Employee Value Proposition (a balance of the rewards and benefits received by employees in return for performance).

This will help us understand how employees are experiencing working at the City of Marion and help plan for the future.

### **PUTTING STAFF IN THE DRIVER'S SEAT**

We continued In the Driver's Seat sessions for staff aged over 45 to provide them with practical information and advice for preparing a retirement plan.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Jaimie Thwaites – Project Officer

**Corporate Manager:** Carol Hampton – Manager, Land and Property

**Director:** Abby Dickson

**Subject:** Landlords Approval to replace the Flooring, Active Elders Hall, 27a Charles Street, Ascot Park, Certificate of Title Volume 5884 Folio 998,

**Report Reference:** GC271015R10

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**REPORT OBJECTIVES:**

The purpose of this report is to obtain Councils approval, as landlord, to replace the flooring in the Active Elders Hall, 27a Charles Street, Ascot Park.

**EXECUTIVE SUMMARY:**

The Active Elders Hall, is licensed to the Active Elders Association Inc. ("Association").

In accordance with the terms of the licence, the Association is seeking Council's approval, as landlord, to replace the flooring. The proposed flooring replacement will improve the look of the area and be easier to maintain. The total cost of the supply and installation of the flooring will be fully funded by the Association.

As the works are greater than \$20,000, landlord consent cannot be signed under delegation.

**RECOMMENDATIONS (3)**

**DUE DATES**

**That Council:**

- |                                                                                                                                                                                                             |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>1. Grant landlord's consent to replace the Flooring, Active Elders Hall, 27a Charles Street, Ascot Park, Certificate of Title Volume 5884 Folio 998.</b>                                                 | <b>Oct 2015</b> |
| <b>2. Council delegate to the Team Leader Land and Property approval to authorise any works required to facilitate the flooring upgrade works.</b>                                                          | <b>Oct 2015</b> |
| <b>3. Council require the Active Elders Association Inc to be responsible for all costs associated with the works, future maintenance, improvements and fit out in accordance with the lease agreement.</b> | <b>Oct 2015</b> |

**BACKGROUND:**

The Association has applied for landlord consent to replace the existing carpet flooring in the Active Elders Hall with non-slip floating floor boards. The existing carpet is stained and expensive for the Association to maintain.

The Association will fully fund the upgrade works by means of a \$20,000 grant they obtained from Community Benefits SA and an additional \$5,000 of their own funds. The Association will be responsible for the on-going maintenance and repairs of the flooring in accordance with their existing licence agreement.

Prior to any alteration to any Council property that is leased or licensed to a third party approval is required to be granted by Council as landlord. This approval is required for the following activities:

- Variation to terms and conditions of existing lease or licence.
- Addition or alteration to the built structure of the leased or licensed premises.
- Sub licensing of premises to a third party either outright or on a shared basis.

The requirement for this approval does not prevent a lessee / licensee from applying for or receiving a development approval for an activity on the premises. It does act, however, to prevent the lessee or licensee from physically undertaking any works approved under the Development Act.

**Landlord's Approval Process****ANALYSIS:****Consultation**

Development Services have confirmed that development approval is not required to replace the flooring.

**Legal / Legislative and Risk Management**

The licence ensures that the Association remains insured in relation to Public Liability Insurance and to indemnify the City of Marion against all damages costs and expenses.

**Financial Implications**

The total cost of the project will be fully funded by the Association. All costs associated with the maintenance and repair of the floor will be borne by the Association in accordance with the licence agreement

**CONCLUSION:**

The installation of the new floor at the Active Elders Hall will help develop the facility to support more than 700 elderly people from the Marion region to participate in weekly activities, and support other community groups for meetings, recreational and social activities.



**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Heather Michell, Land Asset Officer  
**Corporate Manager:** Carol Hampton, Manager Land and Property  
**Acting Director:** Abby Dickson  
**Subject:** SA Water Acquisition  
**Report Reference:** GC271015R11

---

**REPORT OBJECTIVES:**

The purpose of this report is to bring to Council's attention, a proposal (subject to Public Works approval) from SA Water to acquire two portions of land at Hallett Cove necessary for the upgrade of SA Water's wastewater network. To enable the upgrade of this infrastructure as soon as possible, SA Water is also proposing that a right of entry be agreed, whilst the acquisition process is being finalised.

The upgrade is necessary to ensure the community have a reliable and effective wastewater system.

**EXECUTIVE SUMMARY:**

SA Water have identified the need to upgrade part of their wastewater (sewer) network at Reliance Road and Capella Drive, Hallett Cove as their existing infrastructure is operating above its capacity. The upgrade to the SA Water wastewater network is also anticipated to allow for 30 years of population growth within the Hallett Cove area, in accordance with Statistical Local Area predictions and it is anticipated that the risk of potential environmental impact from these pumping stations will be reduced. The project has received strong support from the Environmental Protection Authority (EPA).

The two pump stations to be upgraded are adjacent Council owned Community Land at Reliance Road (Shamrock Road Reserve) and Capella Drive (Glade Crescent Reserve), Hallett Cove. In consultation with Council staff and in accordance with the options outlined below in "Disposal Methods", SA Water is proposing (subject to Public Works approval) to facilitate the acquisition by way of an agreed and unopposed compulsory acquisition of the portions of the adjacent Council owned Community Land as substantially in accordance with the attached plans (Appendix 1).

The method of acquisition is being proposed to assist SA Water to meet tight project time frames and achieve the community benefits as outlined in this report.

SA Water intend to commence works in December 2015 with the majority of the works to be underway by the end of June 2016. To enable the works to commence prior to completion of the disposal process, a right of entry or similar agreement will be required to enable SA Water to meet their timeframes.

SA Water's project is subject to Public Works approval.

To assist in the ongoing operation of the wastewater network, reduce the risk of any environmental harm and ensure the anticipated future population growth in the Hallett Cove area, it is recommended that Council supports SA Water in the delivery of this project by the way of agreed and unopposed compulsory acquisition of the land at Reliance Road and Capella Drive with a right of access agreed prior to the completion of the acquisition.

## **RECOMMENDATIONS (4)**

## **DUE DATES**

### **That Council:**

- |    |                                                                                                                                                                                                                                                                                                                                  |                      |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1. | <b>Note that subject to SA Water's project approval, agreement shall be given for an agreed and unopposed compulsory acquisition of Community Land at Reliance Road and Capella Drive Hallett Cove being portions of the land in Certificates of Title Volume 4165 Folio 544 Volume 5159 Folio 689 and Volume 5982 Folio 906</b> | <b>October 2015</b>  |
| 2. | <b>Note that Council retains its right to object to the acquisition or a component of the acquisition pursuant to the provisions of the Land Acquisition Act 1969 in the event that Council's requirements and objectives will not be met as a result of the acquisition.</b>                                                    | <b>July 2016</b>     |
| 3. | <b>Authorises the Chief Executive Officer to negotiate the terms and conditions of a Right of Entry or similar agreement to enable SA Water to commence works on the sites prior to completion of the compulsory acquisition process</b>                                                                                         | <b>December 2015</b> |
| 4. | <b>Council pursuant to Section 37(b) of the Local Government Act 1999 authorises the Chief Executive Officer to enter into and sign all documentation necessary to facilitate the acquisition and the right of entry or similar agreement with SA Water</b>                                                                      | <b>July 2016</b>     |

## **BACKGROUND**

SA Water have identified the need to upgrade part of their wastewater (sewer) network in Hallett Cove as their existing infrastructure is operating above its capacity.

The two pump stations to be upgraded are adjacent Council owned Community Land at Reliance Road and Capella Drive, Hallett Cove.

To facilitate the proposed upgrades, SA Water have requested to acquire portions of the adjacent Council owned Community Land. Plans showing the land currently owned by SA Water and the approximate areas of land that they propose to acquire from Council are attached (Appendix 1). SA Water's requirements are to acquire approximately 587m<sup>2</sup> of reserve at Capella Drive and approximately 600m<sup>2</sup> at Reliance Road.

To facilitate the proposed upgrades, SA Water have requested to acquire portions of the adjacent Community Land.

Following consultation with Council staff, SA Water has sought to optimise its design and minimise its impact on sensitive environmental issues, minimise the construction/final footprint and maintain as much open space as possible.

In doing so, SA Water has found a way to minimise its impact on a regulated tree at Capella Drive, decrease the overall footprint at both sites, remove potential impact on the nearby tennis courts at Reliance Road and maintain as much open space at Reliance Road, thereby enabling a thoroughfare between the tennis courts and the train station car park, for local residents.

Given the short timeframes, alternative options have been investigated such as granting a lease, licence or right of entry to SA Water. SA Water have expressed a preference to enter into a right of entry to bridge the gap between the commencement of works and the completion of the acquisition process.

### **Current Land Use**

The Capella Drive location is a vegetated area and is not leased or licenced to any community organisations.

The Reliance Road location is adjacent an area licenced to the Hallett Cove Beach Tennis Club. SA Water's stakeholder engagement will include communications with the Club.

Both portions of land are vacant and do not contain any structures such as a playgrounds or picnic areas. There are no future playspace plans for the portions of land in question.

Street view images are attached (Appendix 2) and the area licenced to the Hallett Cove Beach Tennis Club is also attached (Appendix 3).

### **Community Land**

Both portions of land are contained in Community Land Management Plan 10 – General Reserves.

Under the majority of circumstances Community Land cannot be disposed of unless the Community Land classification has been revoked which requires Ministerial approval being a 15 to 18 month process. However, Community Land can be acquired by certain State Government agencies pursuant to the Land Acquisition Act 1969 in which case the Community Land classification is automatically removed on the completion of the acquisition process.

The process for the revocation of the Community Land classification is outlined in (Appendix 4).

### **Values**

The values of the land are in the order of:

|               |                     |
|---------------|---------------------|
| Capella Drive | \$32,000 - \$50,000 |
| Reliance Road | \$59,000 - \$78,000 |

This information is based on the 2015/16 valuations provided by both the Valuer General and Maloneys, Council's valuers.

SA Water will undertake an independent evaluation of the properties as a basis for the negotiation of fair compensation. The evaluation will be undertaken by a member of the SA Water / Government property evaluation panel.

### **Environmental**

It is anticipated that SA Water's proposed project will reduce the risk of environmental incidents and thereby positively impact the local environment, including water courses and beaches, with the project receiving strong support from the EPA.

SA Water has also undertaken an Environmental Impact Assessment of the proposed sites as part of its project development and identified all environmentally sensitive areas including regulated and significant trees. SA Water has optimised its design to account for this and maintain the environment.

Notwithstanding SA Water's site remediation requirements, SA Water has also consulted with Council staff in the development of this project and will support (subject to Public Works approval) the Council's biodiversity program in the delivery of this project and any resulting construction impact on the environment.

### **Community Benefit**

The critical infrastructure at these two locations has also been identified for immediate upgrade due to community complaints, potential environmental impacts, operational issues and Environmental Protection Authority obligations.

The upgrade of SA Water's pump stations will provide a more reliable and effective service to the community.

### **Community Consultation**

SA Water has developed a stakeholder consultation process and undertaken community consultation to gather feedback on the proposed project with the outcomes of this consultation outlined in the SA Water's engagement strategy (Appendix 5).

SA Water (subject to Public Works approval) will also undertake further consultation, implement monitoring for construction and potential post construction impacts (ie noise and vibration).

### **Disposal Methods**

The disposal of land by Council can be either by way of:

1. Sale by Agreement – this is not SA Water's preferred method of acquisition as it does not meet the required timeframes (Not Recommended).
2. Compulsory Acquisition by SA Water – no agreement – this is not SA Water's preferred method of acquisition as SA Water wish to work collaboratively with Council (Not Recommended).
3. Compulsory Acquisition by SA Water – agreed and unopposed – SA Water's preferred method of acquisition (**Recommended**).

The Land Acquisition Act 1969 (the Act) provides the process for the compulsory acquisition of land by an Authority such as SA Water.

In the event that SA Water undertake the compulsory acquisition process, the Act provides Council with the right to object:

- for the acquisition not to proceed at all
- for an alteration of the boundary or
- on various grounds including a prejudice of public interest

SA Water would undertake a community consultation process through a stakeholder engagement strategy.

The Community Land classification is automatically removed on the completion of the compulsory acquisition process.

The time from serving of notice of intention to acquire to publication of notice of acquisition in the Government Gazette is a minimum of three months.

### **Works at Capella Drive within the Road Reserve**

SA Water propose to install underground infrastructure in the road reserve and have the right to do so without being granted an easement. SA Water will seek to minimise the impact on the environment, remove safety issues and mitigate any clashes with the footpath.

### **ANALYSIS:**

#### **Consultation/Communication**

SA Water will undertake the stakeholder engagement in accordance with their stakeholder engagement strategy which will be provided to Council. An outline of their strategy is contained in the attached memo (Appendix 5).

#### **Financial Implications**

The compensation to be paid to Council will be paid to the Open Space Reserve Fund, and are estimated to be in the order of \$91,000 to \$128,000.

All costs in relation to the land divisions and disposals will be borne solely by SA Water. SA Water, subject to Public Works approval and agreement with Council, will also contribute the necessary funds to Council for any resulting construction and environmental impact caused by the proposed project.

#### **Policy Implications**

##### Compulsory Acquisition

The Land Acquisition Act 1969 provides that "The Authority must negotiate in good faith with interested persons about the compensation payable for the acquisition of land under this Act."

#### **Social / Cultural Impact**

The upgrade of SA Water's pump stations will provide a more reliable and effective service to the community and will provide for population growth within the Hallett Cove area.

#### **Environmental (Green) Implications**

SA Water have provided an Environment and Heritage Assessment Report and Project Environmental Management Plan. It is anticipated that SA Water's proposed project will reduce the risk of environmental impact from SA Water and is strongly supported by the EPA.

#### **Resources**

A compulsory acquisition, agreed and unopposed, is less costly from a financial and a human resources perspective. The additional work required for this process is achievable within existing resources.

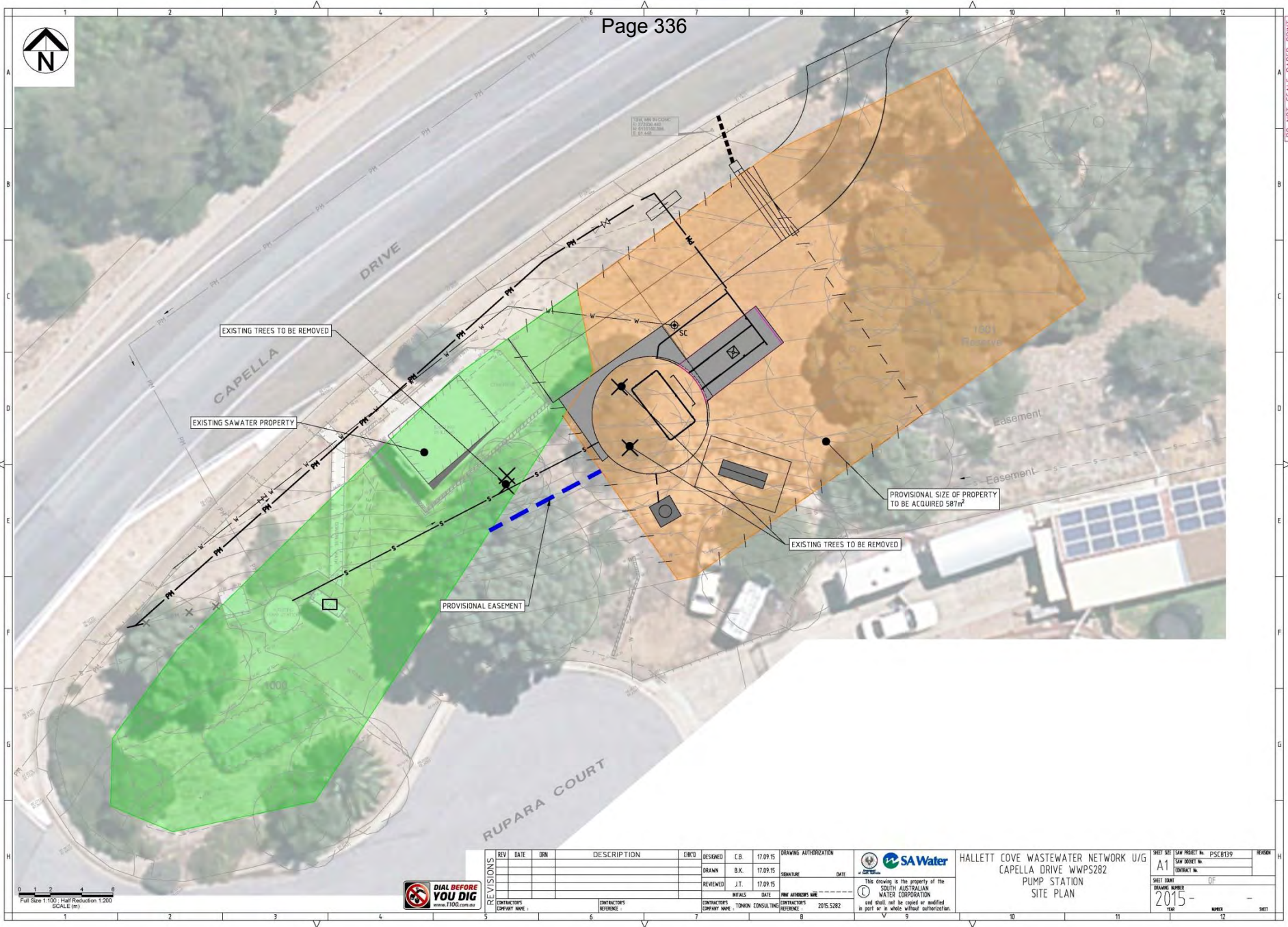
**CONCLUSION:**

The proposed upgrade of SA Water's waste water infrastructure is clearly in the community's interest, however, given SA Water's timeframes for commencement of the works and their desire to take ownership of the land prior to commencement of works, the revocation of the Community Land classification and a sale by agreement within SA Water's timeframes is unachievable by Council given our legislative obligations.

To assist in the ongoing operation of the wastewater network, reduce the risk of any environmental harm and ensure the anticipated future population growth in the Hallett Cove Area, it is recommended that Council supports SA Water in the delivery of this project by the way of agreed and unopposed compulsory acquisition of the land at Reliance Road and Capella Drive with a right of access agreed prior to the completion of the acquisition.

# Appendix 1

## Plans



| REV                         | DATE | DRN | DESCRIPTION | CHK'D                  | DESIGNED | C.B.                   | 17.09.15 | DRAWING AUTHORIZATION |
|-----------------------------|------|-----|-------------|------------------------|----------|------------------------|----------|-----------------------|
|                             |      |     |             |                        | DRAWN    | B.K.                   | 17.09.15 | SIGNATURE             |
|                             |      |     |             |                        | REVIEWED | J.T.                   | 17.09.15 | DATE                  |
| REVISIONS                   |      |     |             | INITIALS               | DATE     | PRINT APPROVER'S NAME  |          |                       |
| CONTRACTOR'S COMPANY NAME : |      |     |             | CONTRACTOR'S REFERENCE | DATE     | CONTRACTOR'S REFERENCE |          |                       |
|                             |      |     |             |                        |          | 2015.5282              |          |                       |

**SA Water**

This drawing is the property of the SOUTH AUSTRALIAN WATER CORPORATION and shall not be copied or modified in part or in whole without authorization.

**HALLETT COVE WASTEWATER NETWORK U/G CAPELLA DRIVE WWPS282 PUMP STATION SITE PLAN**

SHEET NO. 1 OF 1  
 DRAWING NUMBER 2015-  
 YEAR 2015

SAW PROJECT No. PSC8139  
 SAW DROBT No. 1  
 CONTRACT No. 1

REVISION H

DO NOT SCALE PAPER PRINT



RELIANCE ROAD

SERVICE ROAD

EXISTING SAWATER PROPERTY

EXISTING TREE TO BE REMOVED

PROVISIONAL SIZE OF PROPERTY  
TO BE ACQUIRED 600m<sup>2</sup>

0 1 2 4 6  
Full Size 1:100 - Half Reduction 1:200  
SCALE (m)



| REV      | DATE | DRN      | DESCRIPTION | CHKD |
|----------|------|----------|-------------|------|
| DESIGNED | C.B. | 17.09.15 |             |      |
| DRAWN    | B.K. | 17.09.15 |             |      |
| REVIEWED | J.T. | 17.09.15 |             |      |
| INITIALS | DATE |          |             |      |

| CONTRACTOR'S COMPANY NAME | CONTRACTOR'S REFERENCE | CONTRACTOR'S COMPANY NAME | CONTRACTOR'S REFERENCE |
|---------------------------|------------------------|---------------------------|------------------------|
| TOMKEN CONSULTING         | 20155282               |                           |                        |

| DRAWING AUTHORIZATION | DATE |
|-----------------------|------|
| SIGNATURE             |      |
| DATE                  |      |

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|                                                                                           |  |                              |                                 |      |      |
|-------------------------------------------------------------------------------------------|--|------------------------------|---------------------------------|------|------|
| HALLETT COVE WASTEWATER NETWORK U/G<br>RELIANCE ROAD WWPS184<br>PUMP STATION<br>SITE PLAN |  | SHEET NO. 1<br>SHEET TOTAL 1 | CONTRACT NO. 2015-<br>YEAR 2015 | NAME | DATE |
|-------------------------------------------------------------------------------------------|--|------------------------------|---------------------------------|------|------|



STREET VIEW IMAGES

Capella Drive





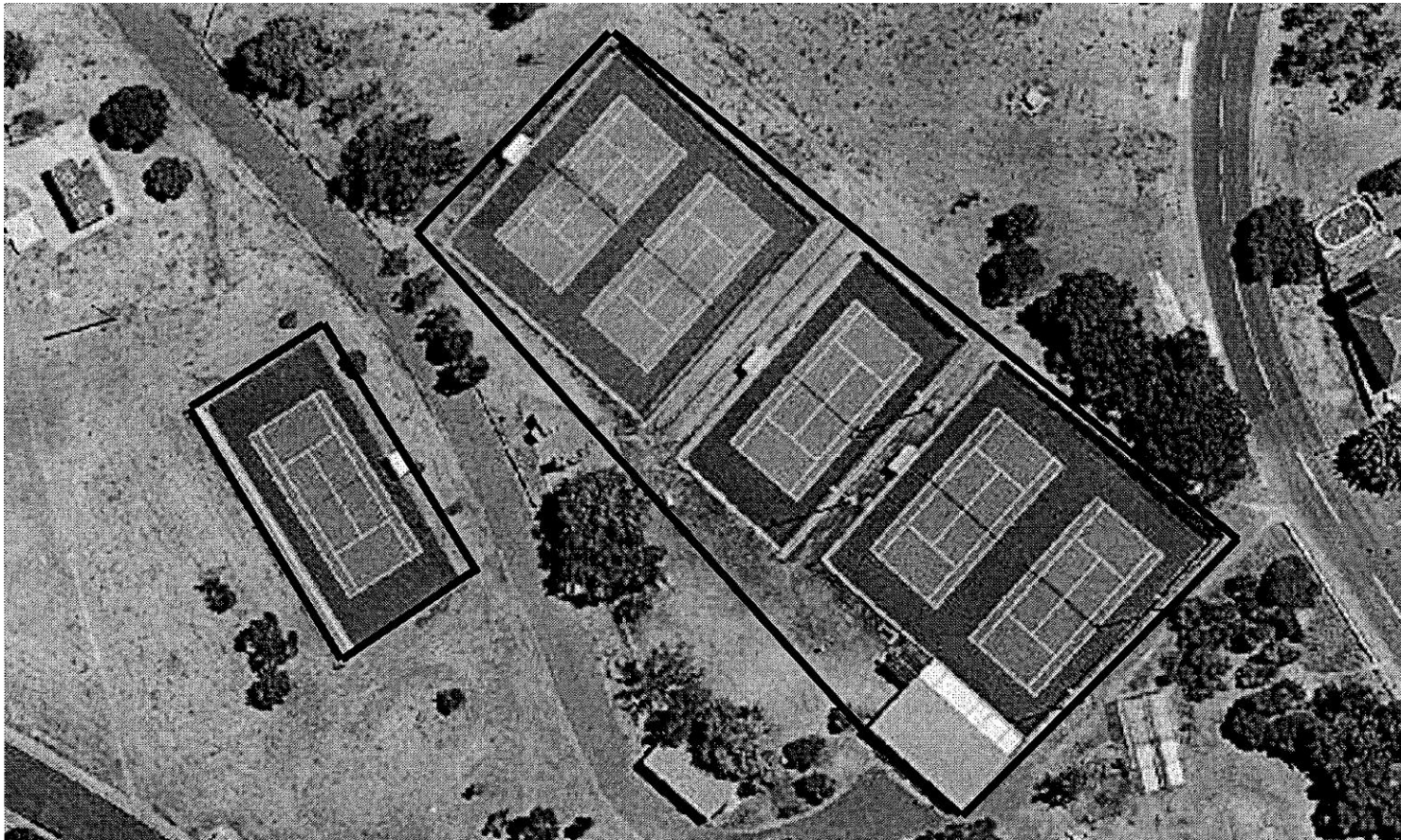
Reliance Road



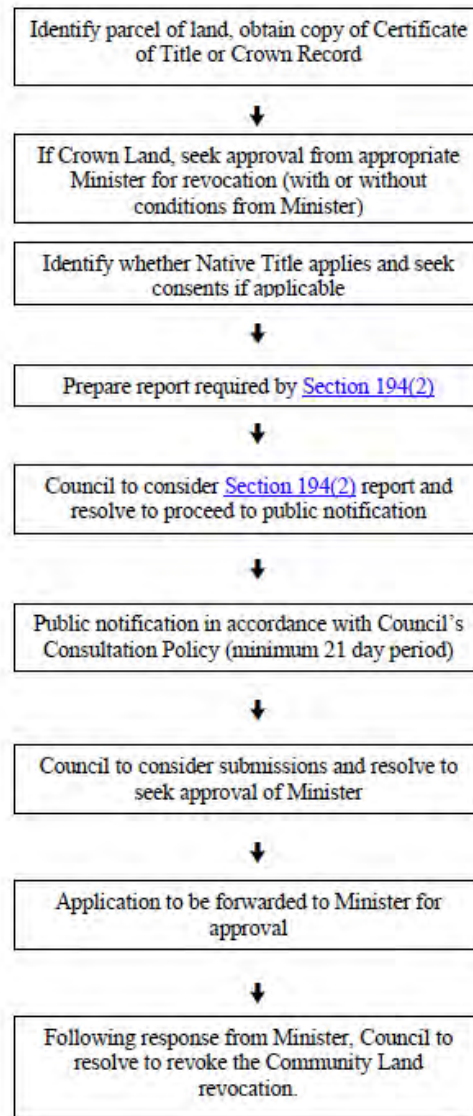
APPENDIX 3

HALLETT COVE BEACH TENNIS CLUB PLAN

Outlined in black



APPENDIX 4  
COMMUNITY LAND CLASSIFICATION REVOCATION PROCESS





## Community Consultation for the Proposed Hallett Cove Wastewater Pump Station Upgrades

### Introduction

This report outlines the results of the SA Water public consultation about the proposed design for upgrading the existing Reliance Road and Capella Drive wastewater pump stations in Hallett Cove, which resulted in support for the project and the required land acquisition.

### Consultation

Public consultation commenced on 17 September 2015, including:

- Letters sent to approximately 150 properties on Reliance Road, Shamrock Road, Genesta Street, Aurora Street, Ariel Street, Gretel Crescent, Ingomar Court, Madeline Court, Intrepid Court, Ranger Street, Livonia Street, and Taeping Street, neighbouring the existing Reliance Road wastewater pump station.
- Letters sent to approximately 30 properties on Capella Drive, Rupara Court, Weerab Drive, Minnipa Drive and Warawee Place, neighbouring the Capella Drive wastewater pump station.

The letter advised that SA Water is currently undertaking an assessment of the overall performance of the Hallett Cove wastewater network, including investigations about the performance and future capacity of the existing Capella Drive and Reliance Road wastewater pump stations. The letter invited stakeholders to call or email the stakeholder engagement team if they had any concerns about the proposal or would like additional information.

Further consultation commenced on 29 September 2015, including:

- Letters sent to approximately 14 properties in close proximity to the Reliance Road pump station.
- Letters sent to approximately 9 properties in close proximity to the Capella Drive pump station.

The letter advised that members of the SA Water stakeholder engagement team planned to door knock residents in the vicinity of the Capella Drive and Reliance Road Wastewater Pump Stations to explain the proposed design and provide an opportunity for questions and feedback.

Further consultation commenced on 07 and 08 October 2015, including:

- Members of the SA Water stakeholder engagement team door knocked residents located near the Reliance Road Wastewater Pump Station and Capella Drive Wastewater Pump Station.
- Seven properties at both locations participated in discussions about the wastewater pump station upgrades. (SA Water will endeavour to contact residents who were not available, over the coming week.)

- Residents were shown the proposed design and had the opportunity to ask questions and provide feedback. The stakeholder engagement officers explained that the upgrade to both wastewater pump stations is required to allow for future growth in the area and to reduce the risk of sewer overflows. It was also explained that the upgrade necessitates SA Water land acquisition from Council.

The following table summarises the feedback from neighbouring residents:

| Topic                              | Notes                                                                                                                                                                                                                                                                                                        |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overflows and Odour issues         | Residents acknowledged sewer overflow and odour issues and expressed their hope that the upgrade would address these issues.                                                                                                                                                                                 |
| Pump Station appearance/aesthetics | Nearly all residents advised that they do not want their view obstructed and were concerned about the location and size of the new above ground infrastructure.<br>Residents advised that they were concerned that the upgrade could devalue their property if the pump station should obstruct their views. |
| Security issues                    | Concerns about of the pump station sites and vandalism                                                                                                                                                                                                                                                       |
| Vegetation                         | Concern about vegetation surrounding the pump stations and replacing with native plants.<br>Capella Drive – Resident concerns about the current state of overgrown shrubs which is obstructing views for commuters turning out of Rupara Court. Safety issues about overgrown grass.                         |
| Power outages                      | Concerns about power outages as a result of the generator. A resident advised that every time maintenance works occur at the pump station it trips the power.                                                                                                                                                |
| Consultation process               | A resident advised they were concerned about the consultation process and that SA Water would do as they please and not take any feedback into consideration (this was linked to resident belief that the consultation process for the train station upgrade was very poor).                                 |

### Consultation Summary

Overall, residents acknowledged wastewater overflows at both pump stations and recognised the need to upgrade both the Capella Drive and Reliance Road Wastewater pump stations. The main issues raised by stakeholders for attention were odour, wastewater overflows, the aesthetics of the new infrastructure, and landscaping. Residents did not object to SA Water acquiring additional land.



## Appendix 5

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### Next Steps

Resident feedback has been provided to the project team for consideration in finalising the design for the pump station upgrades.

Once the design has been finalised, residents will be invited to a street corner meeting, to view the design and have an opportunity to talk to the project manager. The SA Water stakeholder engagement team will continue to keep the community and key stakeholders involved throughout the planning and construction phases of the project.



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**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Amy Liddicoat, Open Space & Recreation Planner

**Corporate Manager:** Mathew Allen, Manager Infrastructure

**Director:** Kathy Jarrett

**Subject:** Reserve Street Reserve Dog Park (Fenced)

**Report Reference:** GC271015R12

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**REPORT OBJECTIVES:**

This report is provided to present Council with options for consideration of the final Concept Plan for the Reserve Street Reserve Dog Park (fenced), Trott Park.

**EXECUTIVE SUMMARY:**

In December 2014, Council resolved to enter into an agreement with the State Government to receive \$100,000 grant funding for the development of a dog park (fenced) in Trott Park.

At the commencement of the design development, an internal review of large open space sites within Trott Park/Sheidow Park was undertaken, this included:

- Hessing Crescent, Trott Park
- Reserve Street Reserve, Trott Park
- Nari Reserve, Sheidow Park

The site assessment resolved that Reserve Street Reserve was the most appropriate location for the Dog Park (fenced) in Trott Park.

A draft Concept Plan was prepared for the site using the Dog and Cat Management Board Guideline 'Unleashed: A Guide to Successful Dog Parks'. The Concept Plan was limited to meeting only the essential items of the dog park (fenced) guidelines due to the budget constraint of \$100,000.

The Draft Concept Plan was presented to the community for feedback in May 2015.

Analysis of feedback received and further engagement with Southern Hills and Coastal Ward Councillors presented further issues for consideration and as such a site assessment of Reserve Street Reserve was undertaken on 29 June 2015 by Ward Councillors, council staff and Fiona De Rosa, a dog park expert who developed the dog park guidelines.

The outcome of the site assessment was to develop a revised Concept that;

- maximises the use of the park for dog exercise
- provides a larger off leash area
- provides increased landscaping and amenity
- includes a variety of topography, surfaces and shapes to provide varying levels of dog activity
- improves pedestrian access to the dog park
- retains areas for informal dog exercise outside of the fenced dog park

However, the revised Concept Plan requires additional funding.

Therefore the following options are presented to Council for consideration.

Option 1 – \$100,000 development of a dog park

Option 2 – \$255,394 development of a larger dog park in two stages. Stage one \$100,000 to commence immediately. Stage two (\$155,394) to be referred to the strategic prioritisation process for further consideration.

Option 3 – \$226,419 development of a larger dog park to be delivered in full at one time with the additional funding of \$126,419 required to be sourced from identified savings, resulting from the 2014/15 financial year.

It is noted that a higher utilisation of the open space may result in increased capital costs being required in the future to formalise the car park and install turf. Costs are estimated below;

- Formalising Carpark      \$175,000 – \$200,000
- Irrigation & Turf          \$25,000 – \$35,000

## **RECOMMENDATIONS (4)**

## **DUE DATES**

**That Council:**

- |                                                                                                                                                                             |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>1. Endorse (Option 1, 2 or 3) Reserve Street Reserve Dog Park Concept Plan.</b>                                                                                          | <b>27 Oct 2015</b> |
| <b>2. Declare the area within the Concept Plan (Option 1,2 or 3) as a designated dog exercise area – dog park (fenced) under By Law No. 4 – Dogs</b>                        | <b>27 Oct 2015</b> |
| <b>3. Allocate funding as a recurrent operating budget in the LTFP to cover the annual operating costs for the ongoing maintenance of the Dog Park as per Attachment 4.</b> | <b>27 Oct 2015</b> |
| <b>4. Endorse the development of (Option 1,2 or 3) Reserve Street Reserve Dog Park for Detailed Design and Construction.</b>                                                | <b>27 Oct 2015</b> |

## DISCUSSION

Council resolved at its meeting GC091214R02:

1. *Enter into a funding agreement with the Department of Planning, Transport and Infrastructure to utilise the \$100,000 offered to establish a dog park in Trott Park.*

The funding agreement was finalised between the Department of Planning, Transport and Infrastructure and the City of Marion in February 2015.

Council resolved at its meeting GC251011P02:

1. *Consideration be given to establishing a dog park at the Reserve Street Reserve in Trott Park during the investigation into the creation of two dog parks as part of the Animal Management Plan in the next five years.*
2. *The petition signatories be advised of Council's resolution as per item 1 above.*

Council resolved at its meeting GC140611R08:

1. *That two additional dog parks be created within the City of Marion within the next 5 years.*

Council's Animal Management Plan 2012-2017 outlines under section 6.2.3 Strategy 3: Provision for dogs being exercised in parks, the following;

*Action: Provision for an investigation to be undertaken regarding the creation of purpose built dog parks.*

### Draft Concept Plan

The concept development for the Reserve Street Reserve Dog Park (fenced) was undertaken in accordance with the Dog and Cat Management Boards guideline 'Unleashed: A Guide to Successful Dog Parks'. A copy of the guideline is available on the Boards website. <http://www.dogandcatboard.com.au/publications>

The guideline was developed in 2014 'to address the growing interest and role that off-leash dog parks are playing in our communities.' The guide is aimed at Local Government in the planning and management of dog parks (fenced) and provides key principles and planning considerations 'to assist Councils in creating well-designed, well-used and enjoyable dog parks.'

The draft Concept Plan, presented to the Community in May 2015, provided the following elements:

- An enclosed area of 4150sqm
- 1.8m Fencing (new)
- Double gate entrances x 2 (new)
- Water tap for dog water (upgrade existing)
- Mulched landscaping and additional trees for future shade

The Draft Concept Plan was mailed to 463 households with the following responses received:

- 1 phone call
- 9 emails
- 11 on-line surveys
- 4 hard copy surveys
- Comments on social media

### **Community Feedback**

An information sheet with the draft concept plan was posted to 463 households surrounding the reserve and was available on Councils website, along with a survey. The Information Sheet was promoted through social media.

Key feedback included the following:

- The majority of respondents were supportive of the dog park.
- Three adjacent local residents were generally not supportive of the dog park and were concerned about the impact of the dog park in terms of dog behaviour, noise, traffic, parking and how this would affect their lifestyles and property values.
- Suggestions for the dog park in addition to the concept design included suggestions for a small dog area, additional taps & drinking fountains, grassed surface, car parking, seating, shelter, a larger dog park (fenced), toilets and lighting.
- Some of the respondents requested the dog park (fenced) be relocated within the park to the area near the old sheds.

The consultation report is available on Councils website;

<http://makingmarion.com.au/reservestreet>

### **Site Review**

In response to the feedback received and further discussions with Ward Councillors, an onsite meeting was held with Ward Members and dog park expert Fiona De Rosa to review the Draft Concept Plan and consider how the site could be maximised to deliver an effective fenced dog park with consideration of the Dog and Cat Management Board Guidelines.

The following opportunities were discussed and reviewed:

- Utilising the area near the old sheds (enlarging the area and maximising pleasant views of the south)
- Enlarging the dog park (fenced) area
- Connecting to both carparks to reduce traffic congestion
- Retaining the linear area at the North of the reserve (connecting to the conservation park) as a space for informal dog off-leash exercise
- Incorporating additional landscaping and plantings to create varying spaces for dogs, aimed at reducing high paced activities
- Moving the boundary of the dog park (fenced) further away from local residents on the Eastern side of the reserve to enable a greater buffer between the dog park.

### Revised Concept Plans

With consideration of outcomes from the consultation and site review and the allocated project budget, 3 options have been prepared for Council consideration.

|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Option 1</b> | <b>Development of a Dog Park (fenced) to \$100,000.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Analysis:       | <p>Design</p> <ul style="list-style-type: none"> <li>• Located adjacent to Adams Road for passive surveillance and access</li> <li>• Entry directed away from play space</li> <li>• Utilise existing informal carpark</li> <li>• Incorporates an area of 4960m<sup>2</sup></li> <li>• 1.8m high pvc coated fence with rails top and bottom</li> <li>• Airlock gates</li> <li>• Drink fountain and dog bowl</li> <li>• Bench seat</li> <li>• Signage</li> <li>• Two entry / exit points</li> <li>• Landscape treatments to Eastern side for screening</li> <li>• 30m buffer offset from adjacent Eastern property boundaries</li> <li>• Retention of biodiversity planting area</li> </ul> <p>Response to Consultation</p> <ul style="list-style-type: none"> <li>• Additional Eastern buffer from adjacent residential properties due to concerns of proximity</li> <li>• Retention of biodiversity planting area</li> <li>• Provision of a bench seat</li> <li>• Relocate second entry to the North East of the park, away from adjacent residents</li> </ul> |
| <b>Option 2</b> | <b>Development of a larger Dog Park (fenced) in stages, stage one \$100,000. Stage two (\$155,394) referred to the strategic prioritisation process for further consideration.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Analysis:       | <p>Design</p> <ul style="list-style-type: none"> <li>• Staged approach enables evaluation of user demand</li> <li>• Opportunity to link to additional carpark from Reserve Street</li> <li>• Provides opportunity for greater disbursement of dogs throughout site</li> <li>• Incorporates a fenced off biodiversity area for conservation and includes additional offset plantings</li> <li>• Additional plantings for screening of playground and picnic area</li> <li>• Opportunity for irrigated turf area in future</li> <li>• Located adjacent to Adams Road for passive surveillance and access</li> <li>• Entrances directed away from play space</li> <li>• Utilise existing informal carpark</li> <li>• Stage One incorporates an area of 4,960m<sup>2</sup></li> <li>• Stage Two incorporates an additional area of 5,150m<sup>2</sup>, providing a total space of 10,110m<sup>2</sup>.</li> <li>• 1.8m high pvc coated fence with rails top and bottom</li> <li>• Airlock gates</li> <li>• Drink fountain and dog bowl</li> </ul>                  |



|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <ul style="list-style-type: none"> <li>• Bench seat</li> <li>• Signage</li> <li>• Three entry / exit points</li> <li>• Landscape treatments to Eastern side for screening</li> <li>• 30m buffer offset from adjacent Eastern property boundaries</li> </ul> <p>Response to Consultation</p> <ul style="list-style-type: none"> <li>• Addresses responses to utilise the North West area of the site</li> <li>• Opportunity to increase the size of the Dog Park if required</li> <li>• Additional Eastern buffer from adjacent residential properties due to concerns of proximity</li> <li>• Retention of biodiversity planting area</li> <li>• Provision of two bench seats</li> <li>• Two drink fountains with dog bowls</li> <li>• Relocate second entry to the North East of the park, away from adjacent residents</li> <li>• Additional entry to the North West provides opportunity for informal carparking and access from Reserve Street</li> <li>• Provides area of irrigated turf in Stage Two</li> </ul> |
| <b>Option 3</b> | <b>Development of a larger Dog Park (fenced) to \$226,419</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Analysis:       | In addition to option 2, option 3 provides a small capital cost saving by undertaking construction in one stage. There would also be a potential future operating saving of any secondary stage project management and contract administration that would be required if the project was to occur in two stages over separate financial years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

The Concept options are provided as Attachments 1,2 & 3.

### Operating and Maintenance

The development of the Reserve Street Reserve Dog Park, Trott Park will require an increased operational and maintenance regime at the site. This will include regular operational inspections, regular maintenance, seasonal maintenance and animal management education as detailed below:

#### Visual inspections

- Replace dog bags / Animal Education
- Check soil for cracks
- Report damage (graffiti & vandalism)

#### Regular maintenance

- Mowing
- Empty bins
- Soil Repairs
- Graffiti removal & vandalism repairs
- Mulch / Weeding of garden beds

#### Seasonal maintenance

- Aeration of soil for drainage
- Turf renovation

#### Operational Costs

- Engineering & Water Supply costs will increase through higher usage.

### Next Steps

The concept plan selected by Council will be provided to the Community for information and any further feedback. Detailed design and construction will then be undertaken as per the estimated timeframes below.

| Project Phase               | Estimated Timeframe |
|-----------------------------|---------------------|
| Community Information Sheet | November 2015       |
| Community Feedback          | December 2015       |
| Detailed Design             | November 2015       |
| Tender                      | January 2016        |
| Construction Commences      | March 2016          |

### ANALYSIS:

#### Consultation

An Information Sheet will be available on Council's website and mailed to surrounding residents and those who provided feedback on the initial Concept, to provide information on Council's endorsed option.

#### Financial Implications

##### Capital Funding

Council has received funding of \$100,000 from the Department of Planning, Transport & Infrastructure.

Option 1 does not require additional capital funding from Council.

Option 2 requires future additional funding consideration of \$155,394 from Council should Stage 2 of the project be approved and funding options discussed through the Strategic Prioritisation process.

Option 3 requires additional funding of \$126,419 for construction to commence immediately.

All options require the allocation of ongoing operating and maintenance expenditure and depending on the option selected then operational funding (as per Attachment 4 – Whole of Life Costs) will need to be appropriately included in the LTFP to cover this. This would then be funded through the Councils future budget and rating decisions.

For Option 3 it is recommended that the additional capital funding required, of \$126,419 be sourced from identified savings, resulting from the 2014/15 financial year.

##### Operating and Maintenance Funding

All options require additional operational maintenance funding as per the below;

|                 | Projected<br>O & M pa | Less existing<br>O&M pa | Net increase<br>O&M pa |
|-----------------|-----------------------|-------------------------|------------------------|
| <b>Option 1</b> | \$14,597              | \$1,500                 | \$13,097               |
| <b>Option 2</b> | \$31,764              | \$1,500                 | \$30,264               |
| <b>Option 3</b> | \$31,802              | \$1,500                 | \$30,302               |

### Future Potential Capital Requirements

It is expected that this will be a highly utilised open space facility and as such future review of operational issues may be required and may result in further capital expenditure such as irrigation, turf and formalising the car parking areas.

Estimated capital costs for carparking, irrigation and turf is as follows;

- Formalising Carpark     \$175,000 – \$200,000
- Irrigation & Turf         \$25,000 – \$35,000

These estimates are opinions of cost and are subject to evaluation of user demand and design. Further analysis of whole of life costs will be required and subject to the relevant approvals process, including a report back to Council.

### **Resource Implications**

Option 1 and 3 would utilize existing open space and recreation staff resources for the documentation, procurement, contract administration and project management of the project in 2015/16.

Option 2 would require an additional resource allocation or reprioritization of the 16/17 Open Space and Recreation program for the stage two works, should it be approved through the strategic prioritization process. The estimated resource requirement is 0.2 FTE (Approximately \$21,000).

### **Legislative / Policy Implications**

The development of Reserve Street Reserve Dog Park (fenced), Trott Park is consistent with the Animal Management Plan's direction to provide purpose built dog parks (fenced) and would complete one of two dog parks (fenced) that were resolved to be developed by Council during endorsement of the Animal Management Plan in 2011.

In line with the City of Marion By-Law No.4 Dogs, it is recommended that Council declare the dog park area within the Concept Plan (Option 1,2 or 3) as a designated dog exercise area – dog park (fenced) under By Law No. 4 - Dogs

### **Risk Implications**

Mutual Liability Scheme have provided the following advice;

1. The soil will require an inspection and maintenance program to identify any 'major cracking' or areas that need attention during various climatic times.
2. Consideration should be given to any 'best practice' standards relating to Dog parks.
3. Depending on the use and impact to the soil a long term plan for irrigated grass should be considered.

Items 1 and 2 have been included in the Whole of Life Costs for the project. Item 3 has not been included in the Whole of Life Costs as this item requires further analysis following a concept being adopted and the subsequent use of the site being evaluated.

### **Environmental (Green) Implications**

Concept options 2 & 3 incorporate one of Councils biodiversity planting areas. The biodiversity area received State Government Funding in 2010 for establishment, with a grant condition that the area be maintained for 10 years.

Incorporating the biodiversity area within the dog park (fenced) will assist to divide the spaces within the park, reducing high paced dog activity and provide amenity for users of the park (people and dogs).

To protect the species being developed within the biodiversity area, the concept plan includes low fencing to reduce high impact wear and allow the area to further establish.

The cost of the low fencing has been included in the opinion of cost.

### **CONCLUSION:**

The Reserve Street Reserve Dog Park (fenced) Concept Plan options are provided to Council to inform the direction of the proposed dog park in Trott Park.

### **Attachments**

- Attachment 1 - Concept Plan Option 1
- Attachment 2 - Concept Plan Option 2
- Attachment 3 - Concept Plan Option 3
- Attachment 4 - Whole of Life costs





- LEGEND
- PROPOSED EVERGREEN TREE
  - EXISTING TREE TO BE RETAINED
  - CONCRETE
  - CEMENT TREATED RUBBLE PATH
  - BIN RUBBISH BIN
  - FEATURE SIGNAGE TOTEM
  - TAP DRINK FOUNTAIN AND DOG BOWL WATER TAP
  - BD DOG BAG DISPENSER
  - BENCH SEAT
  - PVC COATED 1.8m CHAINWIRE MESH FENCE WITH RAIL TOP AND BOTTOM

FINAL DRAFT

OPTION 1

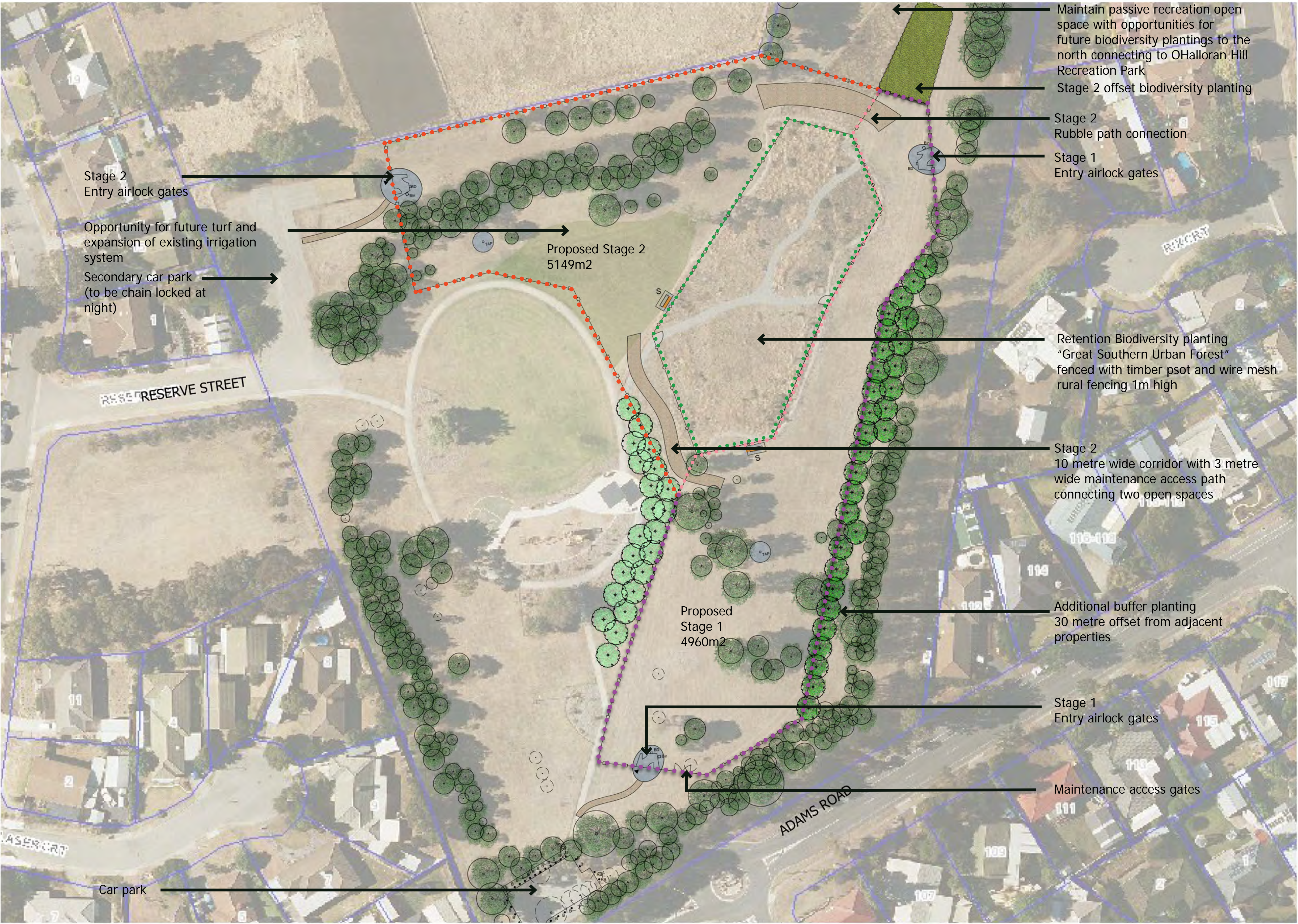
SCALE 1:500@A1

RESERVE STREET RESERVE DOG PARK CONCEPT

PREPARED BY OPEN SPACE & RECREATION PLANNING - CITY OF MARION

|                                     |                         |               |                                                   |
|-------------------------------------|-------------------------|---------------|---------------------------------------------------|
| Design<br>BG<br>21/09/15            | Drawn<br>BG<br>21/09/15 | Checked<br>BG | Authorised for Issue<br>ORIGINAL SIGNED BY:<br>BG |
| Drawing Number / Sheet<br>RRDP-SK14 |                         |               | Issue                                             |
|                                     |                         |               |                                                   |





- LEGEND
- PROPOSED STAGE 1 EVERGREEN TREE
  - PROPOSED STAGE 2 EVERGREEN TREE
  - EXISTING TREE TO BE RETAINED
  - CONCRETE
  - CEMENT TREATED RUBBLE PATH
  - STAGE 2 IRRIGATION TO TURF
  - BIN RUBBISH BIN
  - FEATURE SIGNAGE TOTEM
  - TAP DRINK FOUNTAIN AND DOG BOWL WATER TAP
  - BD DOG BAG DISPENSER
  - BENCH SEAT
  - S
  - STAGE 2 OFFSET BIODIVERSITY PLANTING
  - PVC COATED 1.8m CHAINWIRE MESH FENCE WITH RAIL TOP AND BOTTOM
  - STAGE 2 BIODIVERSITY PROTECTION NETTING FENCE WITH POSTS 900mm HIGH
  - STAGE 2 PVC COATED 1.8m CHAINWIRE MESH FENCE WITH TOP AND BOTTOM
  - STAGE 1 FENCE TO BE RELOCATED TO STAGE 2

FINAL DRAFT

OPTION 2

SCALE 1:500@A1

# RESERVE STREET RESERVE DOG PARK CONCEPT

PREPARED BY OPEN SPACE & RECREATION PLANNING - CITY OF MARION

|                                     |                         |               |                                                   |
|-------------------------------------|-------------------------|---------------|---------------------------------------------------|
| Design<br>BG<br>21/09/15            | Drawn<br>BG<br>21/09/15 | Checked<br>BG | Authorised for Issue<br>ORIGINAL SIGNED BY:<br>BG |
| Drawing Number / Sheet<br>RRDP-SK15 |                         |               | Issue                                             |
|                                     |                         |               |                                                   |





- LEGEND
- PROPOSED EVERGREEN TREE
  - EXISTING TREE TO BE RETAINED
  - CONCRETE
  - CEMENT TREATED RUBBLE PATH
  - IRRIGATED TURF
  - BIN RUBBISH BIN
  - FEATURE SIGNAGE TOTEM
  - TAP DRINK FOUNTAIN AND DOG BOWL WATER TAP
  - BD DOG BAG DISPENSER
  - BENCH SEAT
  - OFFSET BIODIVERSITY PLANTING
  - PVC COATED 1.8m CHAINWIRE MESH FENCE WITH RAIL TOP AND BOTTOM
  - BIODIVERSITY PROTECTION NETTING FENCE WITH POSTS 900mm HIGH

FINAL DRAFT

OPTION 3

SCALE 1:500@A1

RESERVE STREET RESERVE DOG PARK CONCEPT

PREPARED BY OPEN SPACE & RECREATION PLANNING - CITY OF MARION

|                                     |                         |               |                                                   |
|-------------------------------------|-------------------------|---------------|---------------------------------------------------|
| Design<br>BG<br>21/09/15            | Drawn<br>BG<br>21/09/15 | Checked<br>BG | Authorised for Issue<br>ORIGINAL SIGNED BY:<br>BG |
| Drawing Number / Sheet<br>RRDP-SK16 |                         |               | Issue                                             |
|                                     |                         |               |                                                   |



| Option 1 - Estimate of Whole of Life Cost- Reserve Street Dog Park |               |                  |                              |                          |                        |                      |                     |                            |                           |                               |                                |                                         |
|--------------------------------------------------------------------|---------------|------------------|------------------------------|--------------------------|------------------------|----------------------|---------------------|----------------------------|---------------------------|-------------------------------|--------------------------------|-----------------------------------------|
| Description                                                        | Lifecycle Yrs | Acquisition Cost | Projected Operating Costs pa | Projected Maint Costs pa | Total Projected O&M pa | Less Existing O&M pa | Net Increase O&M pa | Projected Depn/ Renewal pa | Existing Depn/ Renewal pa | Net Increase Depn/ Renewal pa | Whole of Life Cost of Proposal | Whole of Life Increase Cost of Proposal |
| Preliminaries/ Site prep earthworks                                | 0             | \$ 7,500         | \$ -                         | \$ -                     | \$ -                   | \$ -                 | \$ -                | \$ -                       | \$ -                      | \$ -                          | \$ 7,500                       | \$ 7,500                                |
| Pavement concrete                                                  | 50            | \$ 14,850        | \$ -                         | \$ 743                   | \$ 743                 | \$ -                 | \$ 743              | \$ 297                     | \$ -                      | \$ 297                        | \$ 66,825                      | \$ 66,825                               |
| Pavement rubble                                                    | 20            | \$ 1,400         | \$ -                         | \$ 70                    | \$ 70                  | \$ -                 | \$ 70               | \$ 70                      | \$ -                      | \$ 70                         | \$ 4,200                       | \$ 4,200                                |
| Turfing and plants                                                 | 20            | \$ 3,900         | \$ -                         | \$ 195                   | \$ 195                 | \$ -                 | \$ 195              | \$ 195                     | \$ -                      | \$ 195                        | \$ 11,700                      | \$ 11,700                               |
| Furniture                                                          | 20            | \$ 10,750        | \$ -                         | \$ 538                   | \$ 538                 | \$ -                 | \$ 538              | \$ 538                     | \$ -                      | \$ 538                        | \$ 32,250                      | \$ 32,250                               |
| Fencing and gates                                                  | 20            | \$ 52,030        | \$ -                         | \$ 2,602                 | \$ 2,602               | \$ -                 | \$ 2,602            | \$ 2,602                   | \$ -                      | \$ 2,602                      | \$ 156,090                     | \$ 156,090                              |
| Insurance                                                          | 20            | \$ -             | \$ 1,000                     | \$ -                     | \$ 1,000               | \$ -                 | \$ 1,000            | \$ -                       | \$ -                      | \$ -                          | \$ 20,000                      | \$ 20,000                               |
| Maintenance (audits, mowing, CSI and operations staff)             | 20            | \$ -             | \$ -                         | \$ 9,450                 | \$ 9,450               | \$ 1,500             | \$ 7,950            | \$ -                       | \$ -                      | \$ -                          | \$ 189,000                     | \$ 159,000                              |
| Contingency                                                        | 0             | \$ 9,043         | \$ -                         | \$ -                     | \$ -                   | \$ -                 | \$ -                | \$ -                       | \$ -                      | \$ -                          | \$ 9,043                       | \$ 9,043                                |
| Total                                                              |               | \$ 99,473        | \$ 1,000                     | \$ 13,597                | \$ 14,597              | \$ 1,500             | \$ 13,097           | \$ 3,701                   | \$ -                      | \$ 3,701                      | \$ 496,608                     | \$ 466,608                              |

\*Whole of life costs include acquisition, operating & maintenance expenditure and depreciation/renewal using current values.

Maintenance 5% pa equation



| Option 2- Staged approach Estimate of Whole of Life Cost- Reserve Street Dog Park |                  |                     |                                       |                                   |                                 |                               |                              |                                     |                                    |                                           |                                            |                                                     |  |
|-----------------------------------------------------------------------------------|------------------|---------------------|---------------------------------------|-----------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------------------|------------------------------------|-------------------------------------------|--------------------------------------------|-----------------------------------------------------|--|
| Description                                                                       | Lifecycle<br>Yrs | Acquisition<br>Cost | Projected<br>Operating<br>Costs<br>pa | Projected<br>Maint<br>Costs<br>pa | Total<br>Projected<br>O&M<br>pa | Less<br>Existing<br>O&M<br>pa | Net<br>Increase<br>O&M<br>pa | Projected<br>Depn/<br>Renewal<br>pa | Existing<br>Depn/<br>Renewal<br>pa | Net<br>Increase<br>Depn/<br>Renewal<br>pa | Whole of<br>Life<br>Cost<br>of<br>Proposal | Whole of<br>Life<br>Increase<br>Cost of<br>Proposal |  |
| Preliminaries/ Site prep earthworks                                               | 0                | \$ 21,000           | \$ -                                  | \$ -                              | \$ -                            | \$ -                          | \$ -                         | \$ -                                | \$ -                               | \$ -                                      | \$ 21,000                                  | \$ 21,000                                           |  |
| Pavement concrete                                                                 | 50               | \$ 27,500           | \$ -                                  | \$ 1,375                          | \$ 1,375                        | \$ -                          | \$ 1,375                     | \$ 550                              | \$ -                               | \$ 550                                    | \$ 123,750                                 | \$ 123,750                                          |  |
| Pavement rubble                                                                   | 20               | \$ 21,000           | \$ -                                  | \$ 1,050                          | \$ 1,050                        | \$ -                          | \$ 1,050                     | \$ 1,050                            | \$ -                               | \$ 1,050                                  | \$ 63,000                                  | \$ 63,000                                           |  |
| Turfing and plants                                                                | 20               | \$ 21,460           | \$ -                                  | \$ 1,073                          | \$ 1,073                        | \$ -                          | \$ 1,073                     | \$ 1,073                            | \$ -                               | \$ 1,073                                  | \$ 64,380                                  | \$ 64,380                                           |  |
| Furniture                                                                         | 20               | \$ 29,725           | \$ -                                  | \$ 1,486                          | \$ 1,486                        | \$ -                          | \$ 1,486                     | \$ 1,486                            | \$ -                               | \$ 1,486                                  | \$ 89,175                                  | \$ 89,175                                           |  |
| Fencing and gates                                                                 | 20               | \$ 82,400           | \$ -                                  | \$ 4,120                          | \$ 4,120                        | \$ -                          | \$ 4,120                     | \$ 4,120                            | \$ -                               | \$ 4,120                                  | \$ 247,200                                 | \$ 247,200                                          |  |
| Irrigation                                                                        | 20               | \$ 10,000           | \$ 1,500                              | \$ 500                            | \$ 2,000                        | \$ -                          | \$ 2,000                     | \$ 500                              | \$ -                               | \$ 500                                    | \$ 60,000                                  | \$ 60,000                                           |  |
| Insurance                                                                         | 20               | \$ -                | \$ 1,000                              | \$ -                              | \$ 1,000                        | \$ -                          | \$ 1,000                     | \$ -                                | \$ -                               | \$ -                                      | \$ 20,000                                  | \$ 20,000                                           |  |
| Maintenance (audits, mowing, CSI and operaitons staff)                            | 20               | \$ -                | \$ -                                  | \$ 19,760                         | \$ 19,760                       | \$ 1,500                      | \$ 18,260                    | \$ -                                | \$ -                               | \$ -                                      | \$ 395,200                                 | \$ 365,200                                          |  |
| Project management staff resource costs                                           | 0                | \$ 21,000           |                                       |                                   |                                 |                               |                              |                                     |                                    |                                           | \$ 21,000                                  | \$ 21,000                                           |  |
| Contingency                                                                       | 0                | \$ 21,309           | \$ -                                  | \$ -                              | \$ -                            | \$ -                          | \$ -                         | \$ -                                | \$ -                               | \$ -                                      | \$ 21,309                                  | \$ 21,309                                           |  |
| Total                                                                             |                  | \$ 255,394          | \$ 2,500                              | \$ 29,364                         | \$ 31,864                       | \$ 1,500                      | \$ 30,364                    | \$ 8,779                            | \$ -                               | \$ 8,779                                  | \$ 1,126,014                               | \$ 1,096,014                                        |  |

\*Whole of life costs include acquisition, operating & maintenance expenditure and depreciation/renewal using current values.  
Staged approach does not factor in CPI on an annual basis  
Maintenance 5% pa equation

| Option 3- Estimate of Whole of Life Cost- Reserve Street Dog Park |                  |                     |                                       |                                   |                                 |                               |                              |                                     |                                    |                                           |                                            |                                                     |  |
|-------------------------------------------------------------------|------------------|---------------------|---------------------------------------|-----------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------------------|------------------------------------|-------------------------------------------|--------------------------------------------|-----------------------------------------------------|--|
| Description                                                       | Lifecycle<br>Yrs | Acquisition<br>Cost | Projected<br>Operating<br>Costs<br>pa | Projected<br>Maint<br>Costs<br>pa | Total<br>Projected<br>O&M<br>pa | Less<br>Existing<br>O&M<br>pa | Net<br>Increase<br>O&M<br>pa | Projected<br>Depn/<br>Renewal<br>pa | Existing<br>Depn/<br>Renewal<br>pa | Net<br>Increase<br>Depn/<br>Renewal<br>pa | Whole of<br>Life<br>Cost<br>of<br>Proposal | Whole of<br>Life<br>Increase<br>Cost of<br>Proposal |  |
| Preliminaries/ Site prep earthworks                               | 0                | \$ 15,000           | \$ -                                  | \$ -                              | \$ -                            | \$ -                          | \$ -                         | \$ -                                | \$ -                               | \$ -                                      | \$ 15,000                                  | \$ 15,000                                           |  |
| Pavement concrete                                                 | 50               | \$ 27,500           | \$ -                                  | \$ 1,375                          | \$ 1,375                        | \$ -                          | \$ 1,375                     | \$ 550                              | \$ -                               | \$ 550                                    | \$ 123,750                                 | \$ 123,750                                          |  |
| Pavement rubble                                                   | 20               | \$ 21,000           | \$ -                                  | \$ 1,050                          | \$ 1,050                        | \$ -                          | \$ 1,050                     | \$ 1,050                            | \$ -                               | \$ 1,050                                  | \$ 63,000                                  | \$ 63,000                                           |  |
| Turfing and plants                                                | 20               | \$ 21,460           | \$ -                                  | \$ 1,073                          | \$ 1,073                        | \$ -                          | \$ 1,073                     | \$ 1,073                            | \$ -                               | \$ 1,073                                  | \$ 64,380                                  | \$ 64,380                                           |  |
| Furniture                                                         | 20               | \$ 28,475           | \$ -                                  | \$ 1,424                          | \$ 1,424                        | \$ -                          | \$ 1,424                     | \$ 1,424                            | \$ -                               | \$ 1,424                                  | \$ 85,425                                  | \$ 85,425                                           |  |
| Fencing and gates                                                 | 20               | \$ 82,400           | \$ -                                  | \$ 4,120                          | \$ 4,120                        | \$ -                          | \$ 4,120                     | \$ 4,120                            | \$ -                               | \$ 4,120                                  | \$ 247,200                                 | \$ 247,200                                          |  |
| Irrigation                                                        | 20               | \$ 10,000           | \$ 1,500                              | \$ 500                            | \$ 2,000                        | \$ -                          | \$ 2,000                     | \$ 500                              | \$ -                               | \$ 500                                    | \$ 60,000                                  | \$ 60,000                                           |  |
| Insurance                                                         | 20               | \$ -                | \$ 1,000                              | \$ -                              | \$ 1,000                        | \$ -                          | \$ 1,000                     | \$ -                                | \$ -                               | \$ -                                      | \$ 20,000                                  | \$ 20,000                                           |  |
| Maintenance (audits)                                              | 20               | \$ -                | \$ -                                  | \$ 19,760                         | \$ 19,760                       | \$ 1,500                      | \$ 18,260                    | \$ -                                | \$ -                               | \$ -                                      | \$ 395,200                                 | \$ 365,200                                          |  |
| Contingency                                                       | 0                | \$ 20,584           | \$ -                                  | \$ -                              | \$ -                            | \$ -                          | \$ -                         | \$ -                                | \$ -                               | \$ -                                      | \$ 20,584                                  | \$ 20,584                                           |  |
| Total                                                             |                  | \$ 226,419          | \$ 2,500                              | \$ 29,302                         | \$ 31,802                       | \$ 1,500                      | \$ 30,302                    | \$ 8,717                            | \$ -                               | \$ 8,717                                  | \$ 1,094,539                               | \$ 1,064,539                                        |  |

\*Whole of life costs include acquisition, operating & maintenance expenditure and depreciation/renewal using current values.

Maintenance 5% pa equation

| Estimate of Whole of Life Cost- Reserve Street Dog Park Summary |                  |                     |                                       |                                   |                                 |                               |                              |                                     |                                    |                                     |                                |                                         |
|-----------------------------------------------------------------|------------------|---------------------|---------------------------------------|-----------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------------------|------------------------------------|-------------------------------------|--------------------------------|-----------------------------------------|
| Description                                                     | Lifecycle<br>Yrs | Acquisition<br>Cost | Projected<br>Operating<br>Costs<br>pa | Projected<br>Maint<br>Costs<br>pa | Total<br>Projected<br>O&M<br>pa | Less<br>Existing<br>O&M<br>pa | Net<br>Increase<br>O&M<br>pa | Projected<br>Depn/<br>Renewal<br>pa | Existing<br>Depn/<br>Renewal<br>pa | Net<br>Increase<br>Depn/<br>Renewal | Whole of<br>Life<br>Cost<br>of | Whole of<br>Life<br>Increase<br>Cost of |
| Option 1 Total                                                  |                  | \$ 99,473           | \$ 1,000                              | \$ 13,597                         | \$ 14,597                       | \$ 1,500                      | \$ 13,097                    | \$ 3,701                            | \$ -                               | \$ 3,701                            | \$ 496,608                     | \$ 466,608                              |
| Option 2 Total                                                  |                  | \$ 255,394          | \$ 2,500                              | \$ 29,364                         | \$ 31,864                       | \$ 1,500                      | \$ 30,364                    | \$ 8,779                            | \$ -                               | \$ 8,779                            | \$ 1,126,014                   | \$ 1,096,014                            |
| Option 3 Total                                                  |                  | \$ 229,449          | \$ 2,500                              | \$ 29,417                         | \$ 31,917                       | \$ 1,500                      | \$ 30,417                    | \$ 8,832                            | \$ -                               | \$ 8,832                            | \$ 1,102,169                   | \$ 1,072,169                            |

*\*Whole of life costs include acquisition, operating & maintenance expenditure and depreciation/renewal using current values.*

*Option 2 does not factor in delays to stage 2 and CPI to construction costs*

Maintenance 5% pa equation

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Kate McKenzie, Manager Governance

**Director:** Kathy Jarrett

**Subject:** Elected Member Code of Conduct Procedure for Investigating Complaints

**Report Reference:** GC271015R13

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**REPORT OBJECTIVES:**

For Council to consider and if appropriate, adopt the Elected Member Code of Conduct Procedure for the investigation of Elected Member Code of Conduct Complaints.

**EXECUTIVE SUMMARY:**

A code of conduct is a set of guidelines that outline an acceptable standard of behaviour and conduct. The mandatory Code of Conduct for Council Members was gazetted on the 29 August 2013 for all Elected Members within South Australia to provide transparency and consistency across the sector. This Code intends that Councils to establish their own procedure for investigating alleged matters under Part 2 of the Code (behavioural matters).

The immediate past Council adopted a Code of Conduct Procedures for Investigating Complaints (**Appendix 1**). This has varied to suit the needs of the current Council and is presented for consideration and adoption.

**RECOMMENDATIONS (1)**

**DUE DATES**

**That Council:**

- 1. Adopt the Elected Member Code of Conduct Procedure as attached in Appendix 1 to this Report.**

**October 2015**

## BACKGROUND

In September 2013, a Mandatory Code of Conduct for Elected Members was introduced for all local government authorities within South Australia. The Code is separated into three parts being:

Part 1 – Principles

Part 2 – Behavioural

Part 3 – Misconduct

The Code intends that Council's will adopt a process for handling of complaints received under Part 2 (Behavioural). Section 2.19 states:

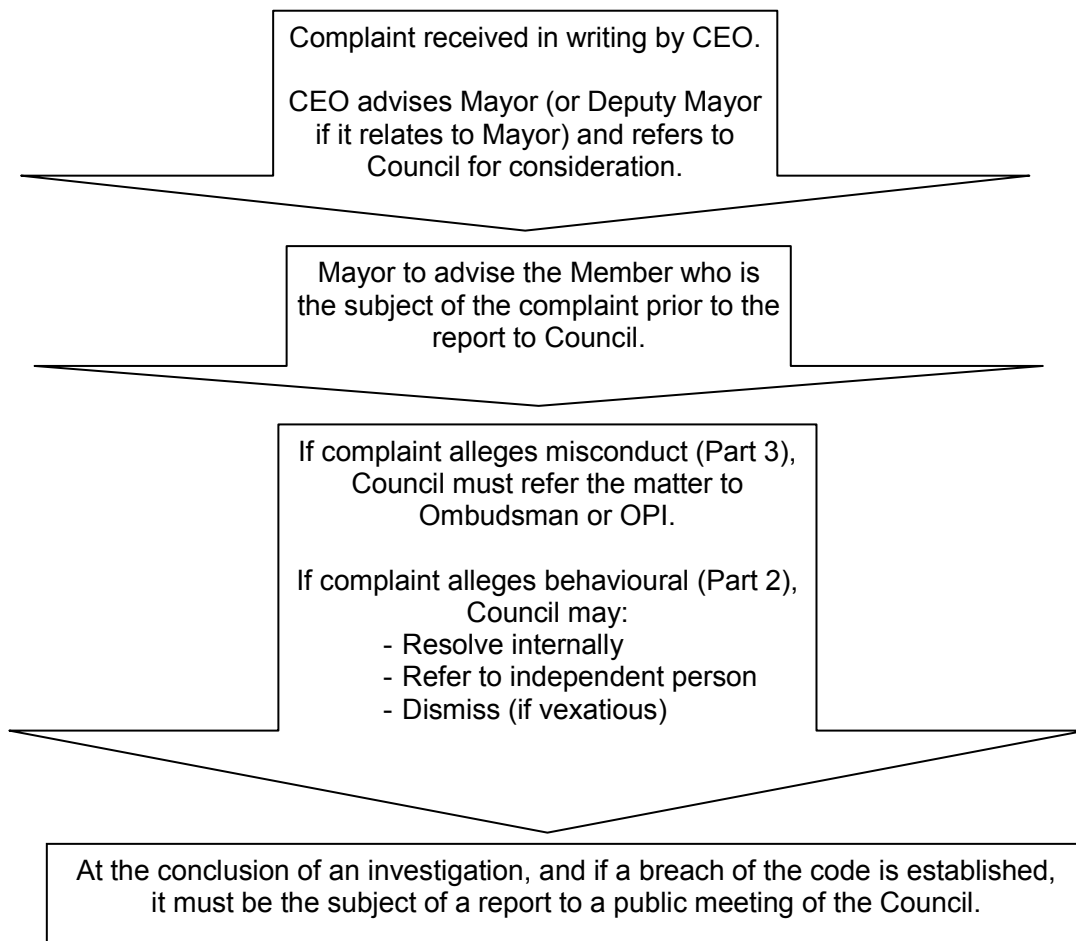
*"A complaint may be investigated and resolved in any manner which that Council deems appropriate in its process for handling alleged breaches of this part. This can include, but is not limited to: a mediator or conciliator, the Local Government Governance Panel, a regional governance panel or an independent investigator."*

The Elected Member Code of Conduct Procedure is attached as **Appendix 1**.

## PROCESS

The proposed procedure would only apply to those matters determined to be alleged behavioural breaches of the Code under part 2. Any matter determined to be misconduct, criminal or corrupt under part 3, would be referred to the Ombudsman or Office of Public Integrity (OPI).

The flow chart below provides an overview of the proposed procedure:



## **ANALYSIS**

The proposed procedure provides that the CEO receive complaints (in writing), advise the Mayor (or Deputy Mayor in matters relating to the Mayor) and refer the matter to Council as a confidential report.

The Council, would determine if the complaint was a behavioural complaint under Part 2 of the Code or misconduct/criminal complaint under part 3 of the Code. If the Council is unsure of the type of alleged breach, they may seek legal advice to clarify the process.

If the alleged breach is determined to be an allegation under part 3, the matter must be referred to the Ombudsman and/or OPI as required under section 2.15 of the Code.

If the alleged breach is to be investigated under part 2 of the Code, the Council would then determine how the investigation will occur in one of the following ways:

### **1. Seek to resolve the matter internally**

The Council may determine to resolve internally if the matter is considered to be minor in nature. The Council may request the Mayor to hold a meeting with the complainant and the Elected Member and may seek mediation or conciliation to resolve the matter. The Mayor must apply principles of natural justice and procedural fairness. If resolved satisfactorily, the matter will be closed and no further action undertaken. The Mayor must confirm in writing to both parties and report the outcomes of the meeting to a public meeting of the Council. Where a matter cannot be resolved, the matter should be referred back to Council for further consideration.

This option provides a timely and cost effective method to resolve matters of a minor nature.

### **2. Referral to independent person of Council's choice**

Council can appoint an independent person of their choice. This appointment could be established through a transparent process such as a tender or via a selection process.

This option provides Elected Members with some input regarding who would be investigating matters of an alleged part 2 Code of Conduct.

### **3. Dismiss the allegation.**

The Council may choose to dismiss a matter if it is frivolous, vexatious, misconceived or lacking in substance. The Council must provide reasoning for undertaking this action.

## **CONCLUSION:**

The Code of Conduct for Council Members provides Council with the opportunity to establish its own procedure for investigating behavioural complaints. By establishing and adopting a procedure, this provides transparency for Elected Members, Staff and the Community regarding how alleged breaches of part 2 of the Code will be managed.

## Appendix 1

# Elected Member Code of Conduct Procedure For Investigating Complaints



## 1. POLICY

- 1.1 The Code of Conduct for Council Members is set by regulation and applies to all Elected Members across local government in South Australia. Depending on the nature of an alleged breach of the Code, a matter may be subject to a Council investigation or an investigation by the Ombudsman or Office of Public Integrity (OPI). This procedure applies when the Council receives a complaint against an Elected Member under the Code of Conduct for Council Members as gazetted on 29 August 2013. A copy of the Code is available on the City of Marion's website [www.marion.sa.gov.au](http://www.marion.sa.gov.au)

## 2. ALLEGED BREACH

- 2.1 Breaches of the Code of Conduct may relate to behaviour (in Part 2 of the Code) or misconduct (in Part 3 of the Code). Criminal or corruption matters, which are subject to separate legislation, do not form part of the Code of Conduct for Elected Members but are referred to in the Appendix of the Code of Conduct.
- 2.2 Where an alleged breach occurs the complainant should report the allegation, in writing to the Chief Executive Officer. The allegation should:
  - 2.2.1 Be specific
  - 2.2.2 Provide as much supporting evidence as possible to assist an investigation
  - 2.2.3 Provide the name of the Elected Member who has allegedly breach the Code.
- 2.3 Complainants can, at any time, take the alternative option of lodging the complaint with the Ombudsman or Office of Public Integrity (OPI), which will direct the complaint in accordance with the ICAC Act.
- 2.4 On receipt of a complaint, the CEO will be responsible for advising the Mayor and referring the complaint to Council.
- 2.5 When no allegations have been substantiated, Council will consider the matter in confidence.
- 2.6 The Council will consider the matter, in conjunction with legal advice if required, and determine whether the complaint relates to:
  - 2.6.1 Behavioural which falls under Part 2 of the Code
  - 2.6.2 Misconduct which triggers action under Part 3 of the Code, or
  - 2.6.3 Criminal or Corrupt behaviour.
- 2.7 Complaints relating to misconduct or criminal behaviour must be referred to the appropriate authorities immediately.

- 2.8 Prior to the complaint being referred to Council, the Mayor will advise the Elected Member who is the subject of the complaint and its substance. If the complaint is about the Mayor, the Deputy Mayor will undertake this function.

### **3. ALLEGED BREACH UNDER PART 2**

When considering how to investigate a complaint, Council may consider the following options:

#### **3.1 Internal Response**

- 3.1.1 Only matters which are determined to be of a minor nature will be dealt with internally and only with the agreement of the parties. Council may request that the Mayor facilitate a meeting with the complainant and the Elected Member and may seek mediation and conciliation between the parties in an attempt to resolve the matter to the satisfaction of all parties. This may be appropriate, for example, where the complainant is also an Elected Member.
- 3.1.2 The Mayor must ensure that the principles of natural justice and procedural fairness are observed.
- 3.1.3 Where the matter is resolved by the Mayor to the satisfaction of all the parties the matter will be closed and no further action will be taken. The Mayor will send written confirmation to all the parties confirming that the matter has been resolved and provide report the outcome to a public meeting of the Council.
- 3.1.4 Where the matter cannot be resolved in this manner, it will be referred back to Council for further consideration.

#### **3.2 Referral to independent person of Council's choice**

- 3.2.1 A complaint may be referred by Council to an independent person for investigation.
- 3.2.2 Complaints to an independent person will specify:
- The grounds of the complaint
  - Set out the circumstances of the complaint
  - Be accompanied by any other material that is available to support the complaint.

#### **3.3 Dismiss the allegation.**

- 3.3.1 The Council may choose to dismiss a matter if it is frivolous, vexatious, misconceived or lacking in substance. The Council must provide reasoning for undertaking this action.



#### **4. REPORTING TO COUNCIL**

- 4.1 At the conclusion of an investigation, if a breach of part 2 of the Code is found, the breach must be the subject of a report to a public meeting of the Council. The Council may, by resolution, take any of the following actions:
  - 4.1.1 Take no action
  - 4.1.2 Pass a censure motion in respect of the Elected Member
  - 4.1.3 Request a public apology, whether written or verbal
  - 4.1.4 Request the Elected Member to attend training on the specific topic found to have been breached
  - 4.1.5 Resolve to move or suspend the Elected Member from a position within the Council (not including the Members Elected position on Council)
  - 4.1.6 Request the member to repay monies to the Council.

#### **5. APPEALS**

- 5.1 The Council will not enter into any process of appeal in relation to Part 2 of the Code. If an Elected Member is aggrieved by the process and or outcome, they may refer the matter to the Ombudsman for review.

#### **6. PART 3 – MANDATORY CODE (MISCONDUCT)**

- 6.1 Any person may report an alleged breach of Part 3 of the Code to the Council, the Ombudsman or Office of Public Integrity. Alleged breaches of this Part made to Council or to the Office of Public Integrity may be referred to the Ombudsman for investigation.
- 6.2 Under the Code of Conduct, an Elected Member who is of the opinion that a breach of Part 3 of the Code has occurred, or is currently occurring, must report the breach to the Mayor of the Council or Chief Executive Officer, the Ombudsman of the Office of Public Integrity.
- 6.3 A failure to report an alleged or suspected breach of Part 3 of the Code is in itself a breach under Part 2 of the Code.
- 6.4 A failure of an Elected Member to co-operate with the Council's process for handling alleged breaches of Part 2 of the Code may be referred for investigation under Part 3.
- 6.5 A failure of an Elected Member to comply with a finding of an investigation under this procedure may be referred for investigation under Part 3 of the Code.
- 6.6 Repeated or sustained breaches of Part 2 of the Code by the same Elected Member may be referred, by resolution of the Council, to the relevant authority as a breach of Part 3.
- 6.7 A report from the Ombudsman that finds a Council Member has breached Part 3 of the Code of Conduct must be the subject of a report to a public meeting of the Council. The Council must pass a resolution to give effect to any recommendations received from the Ombudsman, within two ordinary meetings of the Council following the receipt of these recommendations.

## **7. CRIMINAL MATTERS – APPENDIX TO THE CODE OF CONDUCT**

- 7.1 The matters within the Appendix to the Code of Conduct are matters for which a criminal penalty applies. These matters must be reported to the Office of Public Integrity. In addition, allegations of a breach of any of the offence provisions in the *Local Government Act 1999* must be reported to the Office of Public Integrity.
- 7.2 In compliance with the *Independent Commissioner against Corruption Act 2012*, referral of such complaints to the Office of Public Integrity will remain confidential.

## **8. FURTHER INFORMATION**

|                         |                                                                                                                                                             |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adopted by Council:     | 27 October 2015                                                                                                                                             |
| Next Review:            | November 2019 (within 12 months of general election)                                                                                                        |
| Version:                | 1.1                                                                                                                                                         |
| Previous Version:       | Adopted 24 June 2014                                                                                                                                        |
| Owner:                  | Manager Governance                                                                                                                                          |
| Applicable Legislation: | Local Government Act 1999 (sections 59-63)<br>Local Government (General) Variation Regulations 2013<br>Independent Commissioner against Corruption Act 2012 |
| Related Documents:      | Code of Conduct for Council Members<br>Directions of Guidelines issued by ICAC                                                                              |
| Related Policies:       | Elected Caretaker Policy                                                                                                                                    |

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Kate McKenzie, Manager Governance  
**Director:** Kathy Jarrett  
**Subject:** Code of Practice, Procedures at Meetings 2015  
**Report Reference:** GC271015R14

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**REPORT OBJECTIVE:**

The purpose of this report is to seek Council consideration and adoption of the proposed *Code of Practice, Procedures at Meetings 2015 (Appendix 1)*.

**EXECUTIVE SUMMARY:**

Section 86 of the Local Government Act 1999 (the Act), prescribes the procedures at meetings at a high level. Section 86(8) states:

*Subject to this Act, the procedures to be observed at a meeting of a council will be:*

*(a) As prescribed by regulation*

*(b) Insofar as the procedure is not prescribed by regulation, as determined by the Council.*

The relevant regulations are the *Local Government (Procedures at Meetings) Regulations 2013* (the Regulations). If Council determines to establish its own practices in certain matters, Council must prepare a Code of Practice or Policy.

Pursuant to section 6(1) of the Regulations, if Council establishes its own procedures it must be supported by resolution of at least two-thirds of the members of the Council as a whole.

**RECOMMENDATIONS (1)**

**DUE DATES**

**That Council adopts the amended 'Code of Practice – Procedures at Council Meetings 2015' provided at Appendix 1 to this report, subject to the inclusion of identified changes.**

**27 October  
2015**

## BACKGROUND

The Regulations allow for a Council to adopt a Code of Practice or Policy to vary procedures at meetings. The common practice is to adopt a Code of Practice as it can be a useful document that provides greater clarity (to both Elected Members and the public) in relation to the procedures used at General Council and Council Committee meetings. This allows Council to have a degree of flexibility in meeting procedures.

Section 4 of the Regulations provides guiding principles that should be applied with respect to the procedures to be observed at formal meetings as follows:

- Procedures should be fair and contribute to open, transparent and informed decision-making;
- Procedures should encourage appropriate community participation in the affairs of the council;
- Procedures should reflect levels of formality appropriate to the nature and scope of responsibilities exercised at the meeting;
- Procedures should be sufficiently certain to give the community and decision-makers confidence in the deliberations undertaken at the meeting.

## DISCUSSION

The immediate past Council adopted a Code of Practice, Procedures at Meetings (the Code) and is attached as Appendix 1 with minor variations as follows:

- The Code has been updated to comply with the *Local Government (Procedures at Meetings) Regulations 2013* (the Regulations).
- Publication of Council agendas (1.3) has been varied to reflect current practice.
- Council Committee Reporting Obligations (1.4) has been varied to reflect current practice.
- The verbal report from Elected Members at Council Meetings has been deleted and only a written report will be accepted and included in the minutes (section 3.5).
- The time at which each item commences has been included (3.5(c))
- 

## CONCLUSION

The adoption of the Code provides clarity to Elected Members and the public on the procedures to be used at Council meetings.

Should Council endorse the revised Code, all Elected Members will be provided with a copy of the document, which will also be published on Council's website to enable public access to the Code.

The regulations require that the Code of Practice be reviewed once per financial year and hence the next review will be undertaken during the 2016/2017 financial year.



# **CODE OF PRACTICE**

## **Procedures at Council Meetings**

# **2015**

**Adopted by Council 13 October 2015**

**To be review: 2016/17**

# CODE OF PRACTICE – PROCEDURES AT COUNCIL MEETINGS

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## PART 1 – PRELIMINARY

### Introduction

The role of a council is to manage its local area by acting as an informed representative and responsible decision-maker in the best interests of its community. Council can only make decisions and act through a majority vote of the Council (or Committee). The effectiveness of Council Meetings directly contributes towards accountability to the community.

Council meeting procedures are largely determined by the Local Government (Procedures at Meetings) Regulations 2013 (the Regulations). In addition to the requirements of the Regulations, this Code of Practice identifies a number of discretionary procedures adopted by Council for Council meetings.

### Guiding Principles

Council's approach to the conduct of its meetings adopts the **Guiding Principles** contained within the Local Government (Procedures at Meetings) Regulations 2013 which state:

- Procedures should be fair and contribute to open, transparent and informed decision-making;
- Procedures should encourage appropriate community participation in the affairs of the council;
- Procedures should reflect levels of formality appropriate to the nature and scope of responsibilities exercised at the meeting;
- Procedures should be sufficiently certain to give the community and decision-makers confidence in the deliberations undertaken at the meeting.

### Legislative Requirements and Policy Context

Procedures at Council meetings are regulated by the Local Government (Procedures at Meetings) Regulations 2013. In accordance with these Regulations, Council is able to set discretionary procedures pursuant to Regulation 6. This Code of Practice is made pursuant to this Regulation and has been passed by a two thirds majority of Elected Members.

The provisions set out in this Code of Practice reflect the provisions of the Regulations (including numbering) except where Council has utilised its discretionary powers. Regulations that have been varied by Council under these powers are highlighted in **bold** in this document.

### Definitions

In these procedures, unless the contrary intention appears-

**"Act"** means the *Local Government Act 1999*;

**"clear days"** means days, inclusive of Saturdays, Sundays and public holidays, which do not include:

- the day on which the notice is given
- the day on which the meeting occurs

**"deputation"** means a person or group of persons who wish to appear personally before a council or council committee in order to address the council or committee (as the case may be) on a particular matter;

**"formal motion"** means a motion-

- (a) that the meeting proceed to the next business; or
- (b) that the question be put; or
- (c) that the question lie on the table; or
- (d) that the question be adjourned; or
- (e) that the meeting be adjourned<sup>1</sup>;

**"member"** means a member of the council or council committee (as the case may be);

**"point of order"** means a point raised to draw attention to an alleged breach of the Act, Regulations or this Code of Practice in relation to the proceedings of a meeting;

**"presiding member"** means the person who is the presiding member of a council or council committee (as the case may be) and includes any person who is presiding/chairing at a particular meeting.

**"written notice"** includes a notice given in a manner or form determined by the council.

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<sup>1</sup> See clause 13 for specific provisions about formal motions



## **PART 2 – PROCEDURES AT COUNCIL MEETINGS**

### **1. City of Marion General Procedures**

#### **1.1 Council Meeting Close Time**

Where Council meetings continue to 10.00pm, unless there is a specific motion adopted at the meeting to continue beyond this time, the meeting will be adjourned to a date and time specified as part of the motion.

#### **1.2 Publication of Council Agenda**

Council meeting Agendas will be uploaded to Council's website at least three clear days before the meeting and available for inspection upon request.

#### **1.3 Late Items (Reports)**

Late items (reports) listed on a circulated Agenda will be emailed and/or delivered to members prior to the scheduled meeting. Late reports will only occur where information has not been provided in time for the delivery of the Agenda and where an urgent Council decision is required.

#### **1.4 Council Committee Reporting Obligations**

Council Committees will report to Council in the form of the minutes from each committee meeting. The minutes will be received and noted. Any matters discussed by the Committee where a Council resolution is required is to be considered as separate resolutions to the receiving and noting of the Committee minutes.

#### **1.5 Moving Items “En Bloc”**

Items listed on the Agenda for Council consideration may be “moved on block”.

## **2. Commencement of Meetings and Quorums**

Regulation 7

- 2.1 A meeting will commence as soon after the time specified in the notice of meeting as a quorum is present.
- 2.2 If the number of apologies received by the Chief Executive Officer indicates that a quorum will not be present at a meeting, the Chief Executive Officer may adjourn the meeting to a specified day and time.
- 2.3 If at the expiration of 30 minutes from the time specified in the notice of meeting as the time of commencement a quorum is not present, the presiding member or, in the absence of a presiding member, the Chief Executive Officer, will adjourn the meeting to a specified day and time.
- 2.4 If a meeting is adjourned for want of a quorum, the Chief Executive Officer will record in the minute book the reason for the adjournment, the names of any members present, and the date and time to which the meeting is adjourned.
- 2.5 If a meeting is adjourned to another day, the Chief Executive Officer must-
  - (a) give notice of the adjourned meeting to each member setting out the date, time and place of the meeting; and
  - (b) give notice of the adjourned meeting to the public by causing a notice setting out the date, time and place of the meeting to be placed on display at the principal office of the council.

### 3. Minutes

- 3.1 The minutes of the proceedings at a meeting must be submitted for confirmation at the next meeting or, if that is omitted, at a subsequent meeting.
- 3.2 No discussion on the minutes may occur before confirmation, except as to the accuracy of the minutes as a record of proceedings.
- 3.3 On the confirmation of the minutes, the presiding member will-
- (a) initial each page of the minutes, which pages are to be consecutively numbered; and
  - (b) place his or her signature and the date of confirmation at the foot of the last page of the minutes.
- 3.4 The minutes of the proceedings of a meeting must include-
- (a) The names of the members present at the meeting; and
  - (b) in relation to each member present-
    - i. the time at which the person entered or left the meeting; and
    - ii. unless the person is present for the whole meeting, the point in the proceedings at which the person entered or left the meeting; and
  - (c) each motion or amendment, and the names of the mover and seconder; and
  - (d) any amendment or withdrawal of a motion or amendment; and
  - (e) whether a motion or amendment is carried or lost; and
  - (f) any disclosure of interest made by a member; and
  - (g) an account of any personal explanation given by a member; and
  - (h) details of the making of an order under subsection (2) of section 90 of the Act (see subsection (7) of that section); and

- (i) a note of the making of an order under subsection (7) of section 91 of the Act in accordance with the requirements of subsection (9) of that section; and
- (j) details of any adjournment of business; and
- (k) any other matter required to be included in the minutes by or under the Act or any regulation including:
  - i. a question on notice asked by an Elected Member of which five clear days notice has been given together with the reply provided (refer also to Clause 4.2(b) of this Code of Practice).
  - ii. if resolved by Elected Members present at the meeting at which the question is asked, details of a question without notice together with the reply provided (refer also to Clause 4.5 of this Code of Practice).
  - iii. In the event that a division is called by a member, the names of members who voted in the affirmative and the names of the members who voted in the negative (in addition to the result of the vote) (refer also to Clause 12.4 of this Code of Practice)

**3.5 The minutes of relevant Council meetings will also include:**

- (a) **Elected Member communication reports to the following extent:**
  - i. **The Mayor's, Deputy Mayor's and Elected Member reports (only the subject matter) where those reports have been provided in writing to the minute taker by 12 noon on the Wednesday next following the meeting.**
  - ii. **Types of activities to be included in reports are those attended by Elected Members in their Representative or Civic capacity only. Examples include:**
    - **Civic activities (e.g. citizenship ceremonies)**
    - **Meetings with external bodies attended as Council Liaison**

- **Meetings with residents**
- **Training sessions attended**

**Attendance at Council meetings will not be recorded. Attendance at Development Assessment Panel or Committee meetings will be recorded.**

- (b) **The name of a person or persons (representor) making a deputation. However, the details of the content of the deputation will not be included (refer also to Clause 6.9 of this Code of Practice).**
- (c) **The time at which each item commences**

**3.6 Minutes will be forwarded by email to Elected Members to confirm accuracy and then placed on Council's website by 5.00pm on the Friday next following the meeting, or at the latest, within five days after the meeting.**

**3.7 The minutes of the meetings will not include:**

- (a) **Apologies received from Elected Members**
- (b) **Leave of Absences**
- (c) **Voting Patterns other than Divisions or as required by legislation**

## 4. Questions

- 4.1 A member may ask a question on notice by giving the Chief Executive Officer written notice of the question at least five clear days before the date of the meeting at which the question is to be asked.
- 4.2 If notice of a question is given under Clause 4.1:
- (a) the Chief Executive Officer must ensure that the question and answer is placed on the agenda for the meeting at which the question is to be asked; and
  - (b) the question and the reply must be entered in the minutes of the relevant meeting (refer also to Clause 3.4(k)(i) of this Code of Practice).
- 4.3 A member may ask a question without notice at a meeting.
- 4.4 The presiding member may allow the reply to a question without notice to be given at the next meeting.
- 4.5 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 (refer also to Clause 3.4(k)(ii) of this Code of Practice).
- 4.6 The presiding member may rule that a question with or without notice not be answered if the presiding member considers that the question is vague, irrelevant, insulting or improper.
- 4.7 **Members are able to ask a maximum of three Questions without Notice at a Council meeting except with the consent of the meeting.**
- 4.8 **Questions may be asked prior to the moving of a motion or during a debate on a motion for clarification purposes only. Such questions are not considered “questions without notice” as described in Clauses 4.3, 4.4, 4.5, and 4.7 of this Code of Practice.**
- 4.9 **In asking a clarification question a member will not be considered to be speaking to the motion.**
- 4.10 **A maximum of two clarification points may be asked by**

**individual members in relation to each motion except with the consent of the presiding member.**

**4.11 Members are encouraged to seek answers to questions prior to the Council meeting.**

**4.12 In relation to Questions with Notice, all questions and answers will be included in the agenda papers and the minutes therefore will not be read out at the relevant meeting.**

## **5. Petitions**

Regulation 10

**5.1 A petition to the council must-**

- (a) be legibly written or typed or printed; and**
- (b) clearly set out the request or submission of the petitioners; and**
- (c) include the name and address of each person who signed or endorsed the petition.**
- (d) be addressed to the council and delivered to the principal office of the council.**

**5.2 If a petition is received as detailed in 5.1, the Chief Executive Officer must ensure that the petition or a statement as to the nature of the request or submission and the number of signatures is placed on the agenda for the next ordinary meeting of the council.**

**5.3 Where further investigation is required on issues raised in a petition, the petition will be provided to the next meeting of Council from receipt of the petition to note the petition and a report providing further detail will be provided to Council once investigations have been completed.**

**5.4 On initial receipt of the petition, a summary and the first page only will be provided to Council. When the matter is considered the entire petition will be attached to the report.**

## 6. Deputations

- 6.1 A person or persons wishing to appear as a deputation at a meeting must deliver (to the principal office of the council) a written request to the council.
- 6.2 The chief executive officer must transmit a request received as detailed in Section 6.1 to the presiding member.
- 6.3 The presiding member may refuse to allow the deputation to appear at a meeting.
- 6.4 The chief executive officer must take reasonable steps to ensure that the person or persons who requested a deputation are informed of the outcome of the request.
- 6.5 If the presiding member refuses to allow a deputation to appear at a meeting, the presiding member must report the decision to the next meeting of the council.
- 6.6 The council may resolve to allow a deputation to appear despite a contrary ruling by the presiding member.
- 6.7 A council may refer the hearing of a deputation to a council committee.
- 6.8 **A deputation must not exceed five minutes except with the consent of the meeting.**
- 6.9 **The name of the representor will be recorded in the minutes of a Council meeting however, the details of the content of the deputation will not be included (refer also to Clause 3.5(b) of this Code of Practice).**



## 7. Motions

- 7.1 A member may bring forward any business in the form of a written notice of motion.
- 7.2 The notice of motion must be given to the chief executive officer at least five clear days before the date of the meeting at which the motion is to be moved.
- 7.3 A motion the effect of which, if carried, would be to revoke or amend a resolution passed since the last periodic election of the council must be brought by written notice of motion.
- 7.4 If a motion as detailed in Clause 7.3 is lost, a motion to the same effect cannot be brought-
- (a) until after the expiration of 12 months; or
  - (b) until after the next periodic election,
- whichever is the sooner.
- 7.5 **Where a notice of motion has been given by a member who is not present at the meeting the notice of motion may be moved by any other member present at the meeting.**
- 7.6 **Notice of motions cannot be added to on the night of the meeting where the notice of motion is presented. Additions to notices of motions will be dealt with separately as a motion without notice.**
- 7.7 Subject to the Act and these regulations, a member may also bring forward any business by way of a motion without notice.
- 7.8 The presiding member may refuse to accept a motion without notice if, after taking into account the Guiding Principles, he or she considers that the motion should be dealt with by way of a written notice of motion.
- 7.9 The presiding member may refuse to accept a motion if the subject matter is, in his or her opinion, beyond the power of the council.
- 7.10 **A motion without notice will not be accepted, where in the opinion of the presiding member, the motion relates to a significant issue or substantive information is required in order to make an informed decision on the motion (Refer**

**Clause 7.8 above). Such issues should be provided as written notices of motion.**

- 7.11 A motion will lapse if it is not seconded at the appropriate time.
- 7.12 **A member moving or seconding a motion will speak to the motion at the time of moving or seconding the motion for no longer than three minutes (clause 10.1). If further time is required, it will be considered by the presiding member and granted at their discretion to a total maximum of five minutes.**
- 7.13 **If the motion is seconded, the common practice of the meeting will be to put the motion without further debate/discussion unless there is a speaker against the motion.**
- 7.14 **The common practice of the meeting will be to alternate speakers for and against the motion until the debate is complete.**
- 7.15 **At the conclusion of the debate, if a member who has not already spoken wishes to raise a new matter that has not been covered in previous debate/discussion or a matter considered of high importance, they will be permitted to speak for a maximum of three minutes.**
- 7.16 A member may only speak once to a motion except-
- (a) To provide an explanation in regard to a material part of his or her speech, but not so as to introduce any new matter; or
  - (b) with leave of the meeting; or
  - (c) as the mover in reply.
  - (d) for the mover who may exercise a right to speak in closing the debate.
- for no longer than three minutes (Clause 10.1). The period of speaking may be extended with the consent of the presiding member.**
- 7.17 A member who has spoken to a motion may not at a later stage of the debate move or second an amendment to the motion.
- 7.18 A member who has not spoken in the debate on a question may move a formal motion.

7.19 A formal motion must be in the form of a motion set out in 7.17 (and no other formal motion to a different effect will be recognised).

7.20 If the formal motion is-

- (a) that the meeting proceed to the next business, then the effect of the motion, if successful, is, in the case of an amendment, that the amendment lapses and the meeting proceeds with the consideration of the motion before the meeting without further reference to the amendment and, in the case of a motion, that the motion lapses and the meeting proceeds to the next item of business; or
- (b) that the question be put, then the effect of the motion, if successful, is that debate is terminated and the question put to the vote by the presiding member without further debate; or
- (c) that the question lie on the table, then the effect of the motion, if successful, is that the meeting immediately moves to the next item of business and the question can then only be retrieved at a later time by resolution (and, if so retrieved, debate is then resumed at the point of interruption); or
- (d) that the question be adjourned, then the effect of the motion, if successful, is that the question is disposed of for the time being but debate can be resumed at the later time (at the point of interruption); or
- (e) that the meeting be adjourned, then the effect of the motion, if successful, is that the meeting is brought to an end immediately without the consideration of further business.

7.21 If seconded, a formal motion takes precedence and will be put by the presiding member without discussion unless the motion is for an adjournment (in which case discussion may occur (but only occur) on the details for resumption).

7.22 A formal motion does not constitute an amendment to a substantive motion.

7.23 If a formal motion is lost-

- (a) the meeting will be resumed at the point at which it was interrupted; and

- (b) if the formal motion was put during debate (and not at the end of debate) on a question, then a similar formal motion (i.e., a motion to the same effect) cannot be put until at least one member has spoken on the question.

7.24 A formal motion for adjournment must include the reason for the adjournment and the details for resumption.

## **8. Amendments to Motions**

Regulation 13

- 8.1 A member who has not spoken to a motion at an earlier stage of the debate may move or second an amendment to the motion.
- 8.2 An amendment must be relevant to the motion and so framed that it forms a sensible alternative proposal. It must not be a direct negation of the original motion.
- 8.3 An amendment will lapse if it is not seconded at the appropriate time.
- 8.4 A person who moves or seconds an amendment (and, if he or she chooses to do so, speaks to the amendment) will, in so doing, be taken to have spoken to the motion to which the amendment relates.
- 8.5 If an amendment is lost, only one further amendment may be moved to the original motion.
- 8.6 If an amendment is carried, only one further amendment may be moved to the original motion.
- 8.7 **Amendments are to be provided to the minute taker in writing to ensure accuracy of recording.**

## **9. Variations etc**

Regulation 14

- 9.1 The mover of a motion or amendment may, with the consent of the seconder, request leave of the meeting to vary, alter or withdraw the motion or amendment.
- 9.2 The presiding member must immediately put the question for leave to be granted and no debate will be allowed on that question.

## **10. Addresses by Members etc**

Regulation 15

- 10.1 A member must not speak for longer than three minutes at any one time without leave of the meeting.
- 10.2 **Members are to speak through the Chair of the meeting when speaking to a motion.**
- 10.3 A member may, with leave of the meeting, raise a matter of urgency.
- 10.4 A member may, with leave of the meeting, make a personal explanation.
- 10.5 The subject matter of a personal explanation may not be debated.
- 10.6 The contribution of a member must be relevant to the subject matter of the debate.
- 10.7 **Members will address other members as Councillor during council meetings.**
- 10.8 **Members may choose to sit or stand when addressing the Council meeting.**

## 11. Voting

- 11.1 The presiding member, or any other member, may ask the chief executive officer to read out a motion before a vote is taken.
- 11.2 The presiding member will, in taking a vote, ask for the votes of those members in favour of the question and then for the votes of those members against the question (and may do so as often as is necessary to enable him or her to determine the result of the voting), and will then declare the outcome.
- 11.3 A person who is not in his or her seat is not permitted to vote **unless extenuating circumstances exist, in which case the Elected Member may be located elsewhere within the Chamber, but not in an area designated a public area.**
- 11.4 For the purpose of clause 11.3 extenuating circumstances are;
- infant or dependent care
  - injury
  - infirmity

## 12. Divisions

12.1 A division will be taken at the request of a member.

12.2 If a division is called for, it must be taken immediately and the previous decision of the presiding member as to whether the motion was carried or lost is set aside.

12.3 The division will be taken as follows-

- (a) the members voting in the affirmative will, until the vote is recorded, stand in their places; and
- (b) the members voting in the negative will, until the vote is recorded, sit in their seats; and
- (c) the presiding member will count the number of votes and then declare the outcome.

12.4 The chief executive officer will record in the minutes the names of members who voted in the affirmative and the names of the members who voted in the negative (in addition to the result of the vote).

**12.5 Members wishing to vote in the affirmative but are unable (to stand) due to extenuating circumstances, may indicate their affirmative vote by raising a hand or by indicating in some other unambiguous manner.**

**12.6 Members voting in the negative, who are not currently in their seats due to extenuating circumstances may indicate their negative vote by raising a hand or by indicating in some other unambiguous manner**

**13. Tabling of Information**

Regulation 18

- 13.1 A member may require the chief executive officer to table any documents of the council relating to a motion that is before a meeting (and the chief executive officer must then table the documents within a reasonable time, or at a time determined by the presiding member after taking into account the wishes of the meeting, and if the member who has required the tabling indicates that he or she is unwilling to vote on the motion until the documents are tabled, then the matter must not be put to the vote until the documents are tabled).
- 13.2 The chief executive officer may, in tabling a document, indicate that in his or her opinion consideration should be given to dealing with the document on a confidential basis under section 90 or 91 of the Act.

**14. Adjourned Business**

Regulation 19

- 14.1 If a formal motion for a substantive motion to be adjourned is carried-
- (a) the adjournment may either be to a later hour of the same day, to another day, or to another place; and
  - (b) the debate will, on resumption, continue from the point at which it was adjourned.
- 14.2 If debate is interrupted for want of a quorum and the meeting is then adjourned, the debate will, on resumption, continue from the point at which it was interrupted.
- 14.3 Business adjourned from a previous meeting must be dealt with before any new business at a subsequent meeting.



**15. Short-term Suspension of Proceedings**

15.1 If the presiding member considers that the conduct of a meeting would benefit from suspending the operation of all or some of the provisions of this Division for a period of time in order to allow or facilitate informal discussions, the presiding member may, with the approval of at least two-thirds of the members present at the meeting, suspend the operation of this Division (or any part of this Division) for a period determined by the presiding member.

15.2 The Guiding Principles must be taken into account when considering whether to act in accordance with Clause 15.1.

15.3 If a suspension occurs in accordance with Clause 15.1

- (a) a note of the suspension, including the reasons for and period of suspension, must be entered in the minutes; and
- (b) the meeting may proceed provided that a quorum is maintained but, during the period of suspension-
  - (i) the provisions of the Act must continue to be observed; and
  - (ii) no act or discussion will have any status or significance under the provisions which have been suspended; and
  - (iii) no motion may be moved, seconded, amended or voted on, other than a motion that the period of suspension should be brought to an end; and
- (c) the period of suspension should be limited to achieving the purpose for which it was declared; and
- (d) the period of suspension will come to an end if-
  - (i) the presiding member determines that the period should be brought to an end; or
  - (ii) at least two-thirds of the members present at the meeting resolve that the period should be brought to an end.

**16. Points of Order**

- 16.1 The presiding member may call to order a member who is in breach of the Act or these regulations.
- 16.2 A member may draw to the attention of the presiding member a breach of the Act or these regulations, and must state briefly the nature of the alleged breach.
- 16.3 A point of order takes precedence over all other business until determined.
- 16.4 The presiding member will rule on a point of order.
- 16.5 If an objection is taken to the ruling of the presiding member, a motion that the ruling not be agreed with must be moved immediately.
- 16.6 The presiding member is entitled to make a statement in support of the ruling before a motion under 16.5 is put.
- 16.7 A resolution under 16.5 binds the meeting and, if a ruling is not agreed with-
- (a) the ruling has no effect; and
  - (b) the point of order is annulled.

**17. Interruption of Meetings by Members**

17.1 A member of a council must not, while at a meeting-

- (a) behave in an improper or disorderly manner; or
- (b) cause an interruption or interrupt another member who is speaking.

17.2 Clause 17.1(b) does not apply to a member who is-

- (a) objecting to words used by a member who is speaking; or
- (b) calling attention to a point of order; or
- (c) calling attention to want of a quorum.

17.3 If the presiding member considers that a member may have acted in contravention of Clause 17.1, the member must be allowed to make a personal explanation.

17.4 Subject to complying with Clause 17.3, the relevant member must leave the meeting while the matter is considered by the meeting.

17.5 If the remaining members resolve that a contravention of Clause 17.1 has occurred, those members may, by resolution-

- (a) censure the member; or
- (b) suspend the member for a part, or for the remainder, of the meeting.

17.6 A member who-

- (a) refuses to leave a meeting in contravention of Clause 17.4; or
- (b) enters a meeting in contravention of a suspension under Clause 17.5,

is guilty of an offence and the Maximum penalty is \$1,250

## **18. Interruption of Meetings by Others**

Regulation 30

18.1 A member of the public who is present at a meeting of a council must not-

- (a) behave in a disorderly manner; or
- (b) cause an interruption.

Maximum penalty: \$500

|                         |                                                                                            |
|-------------------------|--------------------------------------------------------------------------------------------|
| Adopted by Council:     | 13 October 2015                                                                            |
| Next Review:            | October 2016                                                                               |
| Previous Version:       | 12 February 2013                                                                           |
| Owner:                  | Manager Governance                                                                         |
| Applicable Legislation: | Local Government Act 1999<br>Local Government (Procedures at Meetings) Regulations<br>2013 |



**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** Kate McKenzie, Manager Governance  
**Director:** Kathy Jarrett  
**Subject:** City of Marion Christmas Trading Hours 2015  
**Ref No:** GC271015R15

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**REPORT OBJECTIVE AND EXECUTIVE SUMMARY:**

To seek Council endorsement to close the City of Marion's principle office, being the Administration building, on Thursday 24<sup>th</sup> December 2015 at 1 pm and Thursday 31<sup>st</sup> December 2015 at 3 pm.

**DISCUSSION:**

Section 45 of *the Local Government Act 1999* requires Council to nominate its principal office and determine the hours during which the office is to be open for the transaction of business.

The Administration building located at 245 Sturt Road, Sturt is Council's nominated principal office. The hours of 8.30am – 5.00pm Monday to Friday are the normal operating hours during which the office is to be open for the transaction of business.

In previous years, Council has determined to alter the normal hours during which the office is open to allow Elected Members, Management and Staff to take the opportunity celebrate the festive season.

For the 2015 Christmas period, it is proposed that the Administration building close at 1 pm on Thursday 24<sup>th</sup> December 2013 and 3 pm Thursday 31<sup>st</sup> December 2015.

When considering changes to normal business hours, the needs of our customers are the primary focus. Customer demand for council services is significantly reduced during the festive season but to ensure services are provided to the community, the Council will continue to operate during the holiday period, excluding public holidays.

The emergency after-hours services will continue to operate outside Council's business hours during the Christmas and New Year period.

Appropriate advertising and notification will be displayed to ensure customers are fully aware of the changes to our normal business hours.

Note that the opening hours of Council's other sites will be determined based on operational/customer needs and do not require a resolution of Council.

**RECOMMENDATIONS (1):**

**Due Date**

**That Council endorse the closure of the City of Marion's principle office, being the Administration building, at 245 Sturt Road, Sturt on:**

**22 October 2013**

- Thursday 24<sup>th</sup> December 2015 at 1 pm and
- Thursday 31<sup>st</sup> December 2015 at 3 pm.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Originating Officer:** David Harman, Financial Accountant  
**Corporate Manager:** Ray Barnwell, Manager Finance  
**Director:** Vincent Mifsud  
**Subject:** Finance Report – September 2015  
**Report Reference:** GC271015R16

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**REPORT OBJECTIVES AND EXECUTIVE SUMMARY:**

This report provides Council with information relating to the management of financial resources under its control as at September 2015. 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. Financial information regarding Major Projects will also be summarised in the quarterly Major Project reports. 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.

According to the above criteria, the Cove Civic Centre and the City Services Redevelopment projects qualify and are included in Section 2 of this report.

**RECOMMENDATIONS (1)**

**DUE DATES**

**That Council:**

- |                                                                 |                        |
|-----------------------------------------------------------------|------------------------|
| <b>1. Receive the report “Finance Report – September 2015”.</b> | <b>27 October 2015</b> |
|-----------------------------------------------------------------|------------------------|

## **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.

## **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 Budget Report.

The following reports are included:

(1) Major Projects

Section 48 approved Projects

- (a) Cove Civic Centre (CCC)
- (b) City Services Redevelopment

(2) Funding Statement – Actual versus Budget (Appendix 1)

(3) Debtors Reports for Sundry Debtors and Rates Debtors (Appendix 2)



**(1) Major Projects****(a) Cove Civic Centre**

|                                           | <b>2015/16<br/>Actual + Committ<br/>YTD<br/>30/09/2015</b> | <b>2015/16<br/>Budget</b> | <b>Project<br/>Cost At<br/>Completion</b> |
|-------------------------------------------|------------------------------------------------------------|---------------------------|-------------------------------------------|
| <b>Income</b>                             |                                                            |                           |                                           |
| Federal Budget Grant 2011-12 Contribution |                                                            |                           | 3,400,000                                 |
| <b>Total Income</b>                       |                                                            |                           | <b>3,400,000</b>                          |
| <b>Expenditure</b>                        |                                                            |                           |                                           |
| <b>Operating</b>                          | -                                                          | -                         | -                                         |
| <b>Capital Construction</b>               | (404,255)                                                  | (2,128,622)               | (13,400,000)                              |
| <b>Total Expenditure</b>                  | <b>(404,255)</b>                                           | <b>(2,128,622)</b>        | <b>(13,400,000)</b>                       |
| <b>Project Result Surplus/(Deficit)</b>   | <b>(404,255)</b>                                           | <b>(2,128,622)</b>        | <b>(10,000,000)</b>                       |

The net deficit forecast will be funded in the following manner:

|                            |                   |
|----------------------------|-------------------|
| <b>Funded By :</b>         | <b>\$</b>         |
| <b>(Over Project Life)</b> |                   |
| Fixed Term Loan            | 10,000,000        |
|                            | <b>10,000,000</b> |

Construction of the Cove Civic Centre was originally forecast to commence in 2010/11. At the 13 November 2012 Council Meeting, a Section 48 Prudential report (GC131112R01) was considered and adopted by Council.

Following Councils support of a design-led approach which provided greater certainty regarding design and project costs construction commenced in late October 2013. With construction completed in late July 2015 the Centre was officially opened on 1 August 2015.

The Federal Government provided \$3.4 million which was received in June 2012 as a contribution to the Cove Civic Centre Budget with the balance being funded through fixed term loan funding.

**(b) City Services Redevelopment**

|                                         | <b>2015/16<br/>Actual + Committ<br/>YTD<br/>30/09/2015</b> | <b>2015/16<br/>Budget</b> | <b>Project<br/>Cost At<br/>Completion</b> |
|-----------------------------------------|------------------------------------------------------------|---------------------------|-------------------------------------------|
| <b>Income</b>                           |                                                            |                           |                                           |
| <b>Total Income</b>                     |                                                            |                           | -                                         |
| <b>Expenditure</b>                      |                                                            |                           |                                           |
| <b>Operating</b>                        | -                                                          | -                         | -                                         |
| <b>Capital Construction</b>             | (2,223,794)                                                | (5,388,133)               | (14,332,000)                              |
| <b>Total Expenditure</b>                | <b>(2,223,794)</b>                                         | <b>(5,388,133)</b>        | <b>(14,332,000)</b>                       |
| <b>Project Result Surplus/(Deficit)</b> | <b>(2,223,794)</b>                                         | <b>(5,388,133)</b>        | <b>(14,332,000)</b>                       |

The net deficit forecast will be funded in the following manner:

|                            |                   |
|----------------------------|-------------------|
| <b>Funded By :</b>         | <b>\$</b>         |
| <b>(Over Project Life)</b> |                   |
| Operating Revenue          | 1,732,000         |
| Fixed Term Loan            | 12,600,000        |
|                            | <b>14,332,000</b> |

The City Services Redevelopment design work commenced in 2011/12, with tendering for the project commencing in March 2014. Following the completion of the tender process, Council unanimously approved the awarding of the construction contract for the redevelopment to Badge Constructions (SGC190814F01). The building was officially opened in September 2015 with site works expected to be completed during late 2015.

On the 11 February 2014 (GC110214R04) Council approved the change in allocated funding for this project of up to \$14.332m.

On the 25 March 2014 (GC250314R01) Council approved loan funding of up to \$12.6m to be taken out for this project. Council has also agreed that it will consider a report on the timing and methodology for disposal of any surplus land following completion of the project.

## **INTERNAL ANALYSIS**

### **Financial Implications:**

This report is an information report only and has no direct financial implications.

### **CONCLUSION:**

The main monthly reporting focus is to report the “Actual versus Budget” position to enable regular monitoring of Council’s financial performance. Major Projects require regular reporting and monitoring by Council to ensure prudent financial management is maintained.

Appendix 1: Funding Statement & Graphs – Actual versus Budget.

Appendix 2: Sundry Debtors & Rates Debtors Report

**(2) 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 maintaining a Category 3 Financial Sustainability rating, on average over each five year period, which for 2015/16 means a targeted operating surplus of between \$0 and \$3.424m.

**Comment:** Council currently has a net operating surplus result of \$2.935m before capital revenues, against a year to date forecast budget of \$1.340m 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 96.97% of the year to date Capital Renewal Budget has been spent or committed.

The actual progress to date of Council's full Capital New and Renewal Expenditure program is detailed by asset class in the attached graphs, with the exception of major projects which have previously been detailed in this report.

**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:** New borrowings of up to \$7.370m are included in the 2015/16 budget as part of the funding for Council's Major Projects. Principal repayments of \$2.314m mean that the overall loan liability balance is forecast to increase by \$5.056m.

**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:** Major movements in Net Transfers from Reserve of \$7.608m include the following:

**Transfers to Reserve**

|                              |           |
|------------------------------|-----------|
| Urban Tree Fund              | \$ 10k    |
| Asset Sustainability Reserve | \$ 5,609k |

**Transfers from Reserve**

|                               |              |
|-------------------------------|--------------|
| Grants and Carryovers Reserve | (\$ 13,227k) |
|-------------------------------|--------------|

A balanced funding position is forecast to occur in 2015/16.

## Funding Statement

As at 30 September 2015

| Original<br>Adopted<br>Budget<br>\$'000 |                                                            | YTD<br>Actual +<br>Committ<br>\$'000 | YTD<br>Budget<br>\$'000 | YTD<br>Variance<br>\$'000 |          | Annual<br>Budget<br>\$'000 | Note |
|-----------------------------------------|------------------------------------------------------------|--------------------------------------|-------------------------|---------------------------|----------|----------------------------|------|
|                                         | <b>Operating Revenue</b>                                   |                                      |                         |                           |          |                            |      |
| 70,058                                  | <b>Rates</b>                                               | 18,002                               | 17,933                  | 69                        | F        | 70,058                     |      |
| 1,630                                   | <b>Statutory Charges</b>                                   | 740                                  | 429                     | 311                       | F        | 1,630                      | A    |
| 1,633                                   | <b>User Charges</b>                                        | 258                                  | 270                     | (12)                      | U        | 1,633                      |      |
| 6,024                                   | <b>Operating Grants &amp; Subsidies</b>                    | 1,455                                | 875                     | 580                       | F        | 4,887                      | B    |
| 270                                     | <b>Investment Income</b>                                   | -                                    | 3                       | (3)                       | U        | 270                        |      |
| 770                                     | <b>Reimbursements</b>                                      | 102                                  | 217                     | (115)                     | U        | 770                        | C    |
| 536                                     | <b>Other</b>                                               | 165                                  | 82                      | 83                        | F        | 536                        |      |
| 315                                     | <b>Net gain - SRWRA</b>                                    | -                                    | -                       | -                         | -        | 315                        |      |
| <b>81,236</b>                           |                                                            | <b>20,722</b>                        | <b>19,809</b>           | <b>913</b>                | <b>F</b> | <b>80,099</b>              |      |
|                                         | <b>Operating Expenses</b>                                  |                                      |                         |                           |          |                            |      |
| 32,139                                  | <b>Employee Costs</b>                                      | 6,787                                | 6,992                   | 205                       | F        | 32,139                     | D    |
| 14,561                                  | <b>Contractual Services</b>                                | 4,760                                | 4,701                   | (59)                      | U        | 16,183                     |      |
| 4,668                                   | <b>Materials</b>                                           | 1,052                                | 1,326                   | 274                       | F        | 4,675                      | E    |
| 1,343                                   | <b>Finance Charges</b>                                     | -                                    | -                       | -                         | -        | 1,343                      |      |
| 13,821                                  | <b>Depreciation</b>                                        | 3,455                                | 3,455                   | -                         | -        | 13,821                     |      |
| 6,104                                   | <b>Other</b>                                               | 1,733                                | 1,995                   | 262                       | F        | 6,160                      | F    |
| <b>72,636</b>                           |                                                            | <b>17,787</b>                        | <b>18,469</b>           | <b>682</b>                | <b>F</b> | <b>74,321</b>              |      |
| <b>8,600</b>                            | <b>Operating Surplus/(Deficit) before Capital Revenues</b> | <b>2,935</b>                         | <b>1,340</b>            | <b>1,595</b>              | <b>F</b> | <b>5,778</b>               |      |
|                                         | <b>Capital Revenue</b>                                     |                                      |                         |                           |          |                            |      |
| -                                       | <b>Capital Grants &amp; Subsidies</b>                      | -                                    | -                       | -                         | U        | -                          |      |
| 1,500                                   | <b>Contributed Assets</b>                                  | -                                    | -                       | -                         | U        | 1,500                      |      |
| -                                       | <b>Gain/(Loss) on Asset Disposal</b>                       | -                                    | -                       | -                         | U        | -                          |      |
| <b>1,500</b>                            |                                                            | <b>-</b>                             | <b>-</b>                | <b>-</b>                  | <b>U</b> | <b>1,500</b>               |      |
| <b>10,100</b>                           | <b>Net Surplus/(Deficit) resulting from operations</b>     | <b>2,935</b>                         | <b>1,340</b>            | <b>1,595</b>              | <b>F</b> | <b>7,278</b>               |      |
| 13,821                                  | <b>add Depreciation</b>                                    | 3,455                                | 3,455                   | -                         |          | 13,821                     |      |
| (315)                                   | <b>less Share of Profit SRWRA (excluding dividend)</b>     | -                                    | -                       | -                         |          | (315)                      |      |
| <b>23,606</b>                           | <b>Funding available for Capital Investment</b>            | <b>6,390</b>                         | <b>4,795</b>            | <b>1,595</b>              | <b>F</b> | <b>20,784</b>              |      |
|                                         | <b>Capital</b>                                             |                                      |                         |                           |          |                            |      |
| 13,057                                  | <b>less Capital Expenditure - Renewal</b>                  | 4,736                                | 4,884                   | 148                       | F        | 17,077                     | G    |
| 6,504                                   | <b>less Capital Expenditure - New</b>                      | 4,380                                | 5,661                   | 1,281                     | F        | 14,871                     | H    |
| 1,500                                   | <b>less Capital - contributed assets</b>                   | -                                    | -                       | -                         | U        | 1,500                      |      |
| <b>2,545</b>                            | <b>Net Overall lending/(borrowing)</b>                     | <b>(2,726)</b>                       | <b>(5,750)</b>          | <b>3,024</b>              | <b>F</b> | <b>(12,664)</b>            |      |

| Original<br>Adopted<br>Budget<br>\$'000                    |                                                    | YTD<br>Actual +<br>Committ<br>\$'000 | YTD<br>Budget<br>\$'000 | YTD<br>Variance<br>\$'000 | Annual<br>Budget<br>\$'000 | Note            |
|------------------------------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------|---------------------------|----------------------------|-----------------|
| <b>Funded by</b>                                           |                                                    |                                      |                         |                           |                            |                 |
| <b>Loans</b>                                               |                                                    |                                      |                         |                           |                            |                 |
| 5,388                                                      | Loan Principal Receipts (Net)                      | -                                    | -                       | -                         | -                          | 7,370           |
| -                                                          | Loan Receipts/(Payments) from Sporting Clubs (Net) | -                                    | -                       | -                         | -                          | -               |
| 2,314                                                      | less Loan Principal Repayments                     | 155                                  | 155                     | -                         | -                          | 2,314           |
| <b>3,074</b>                                               | <b>Loan Funding (Net)</b>                          | <b>(155)</b>                         | <b>(155)</b>            | <b>-</b>                  | <b>-</b>                   | <b>5,056</b>    |
| <b>Movement in level of cash, investments and accruals</b> |                                                    |                                      |                         |                           |                            |                 |
| -                                                          | Cash Surplus/(Deficit) funding requirements        | 4,737                                | 1,713                   | 3,024                     | -                          | -               |
| (5,619)                                                    | less Reserves (Net)                                | 7,618                                | 7,618                   | -                         | -                          | 7,608           |
| <b>5,619</b>                                               | <b>Cash/Investments/Accruals Funding</b>           | <b>(2,881)</b>                       | <b>(5,905)</b>          | <b>3,024</b>              | <b>(7,608)</b>             |                 |
| <b>(2,545)</b>                                             | <b>Funding Transactions</b>                        | <b>2,726</b>                         | <b>5,750</b>            | <b>(3,024)</b>            | <b>F</b>                   | <b>12,664</b> I |

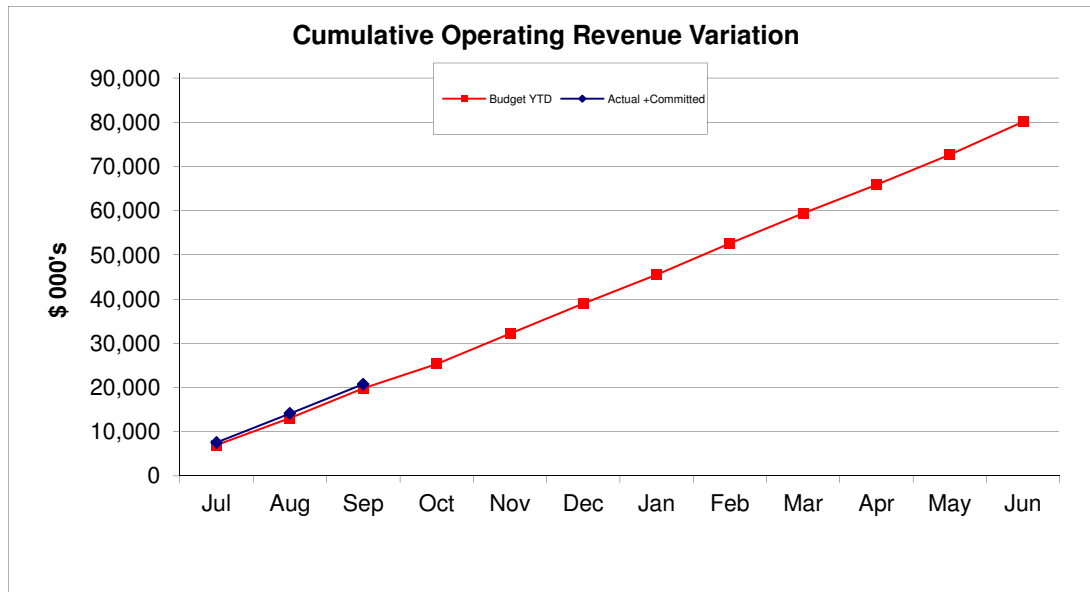
**Variation Notes**

|          |                                         |                                |                                                                                                                                                             |
|----------|-----------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> | <b>Statutory Charges</b>                | <b>Favourable<br/>\$311k</b>   | Predominantly reflects budgeted timing variations in relation to Dog Registration fees (\$240k).                                                            |
| <b>B</b> | <b>Operating Grants &amp; Subsidies</b> | <b>Favourable<br/>\$580k</b>   | Reflects budget timing variations with regards to grants received for the Grants Commission Financial Assistance Grants (\$320k), and HACC grants (\$180k). |
| <b>C</b> | <b>Reimbursements</b>                   | <b>Unfavourable<br/>\$115k</b> | Predominantly reflects budget timing variations in relation to a number of areas, none of which are individually significant.                               |
| <b>D</b> | <b>Employee Costs</b>                   | <b>Favourable<br/>\$205k</b>   | Predominantly reflects savings from temporarily vacant positions.                                                                                           |
| <b>E</b> | <b>Materials</b>                        | <b>Favourable<br/>\$274k</b>   | Predominantly reflects budget timing variations with regards to Electricity and Water (\$268k)                                                              |
| <b>F</b> | <b>Other Expenses</b>                   | <b>Favourable<br/>\$262k</b>   | Reflects budget timing variations with regards to Insurance Premiums.                                                                                       |
| <b>G</b> | <b>Capital Expenditure (Renewal)</b>    | <b>Favourable<br/>\$148k</b>   | Reflects a number of variations with further detail being included in the attached Capital Expenditure graphs.                                              |
| <b>H</b> | <b>Capital Expenditure (New)</b>        | <b>Favourable<br/>\$1,281k</b> | Reflects budget timing variations with regards to the completion of the Cove Civic Centre.                                                                  |
| <b>I</b> | <b>Funding Transactions</b>             | <b>Favourable<br/>\$3,024k</b> | The variance in cash/investments/accruals funding is attributable to the corresponding net overall lending/(borrowing) position.                            |

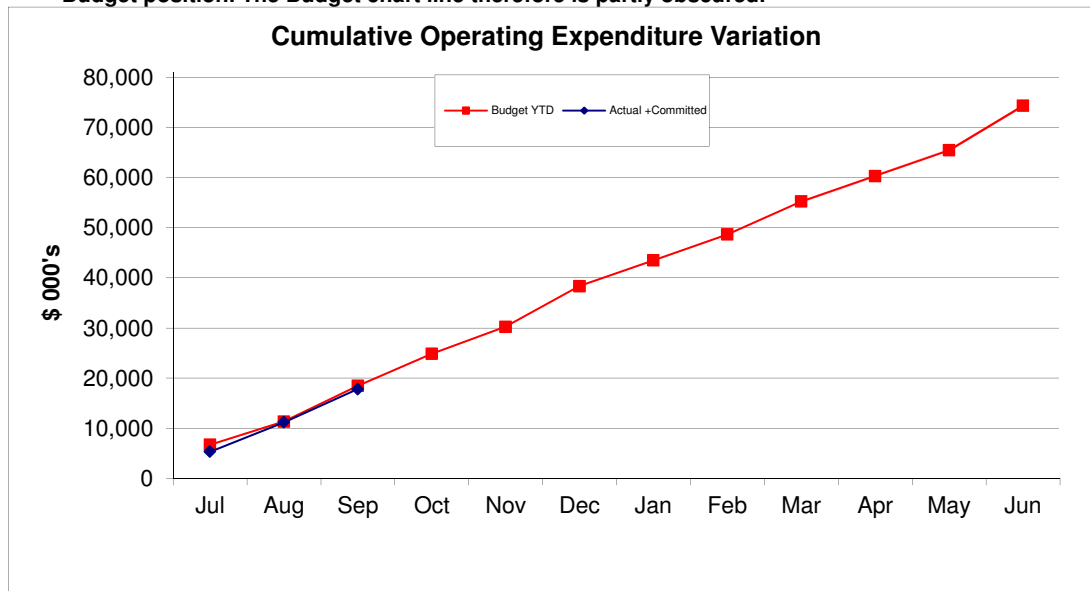
The above comments referring to budget timing variations are where some monthly budget estimates are not reflective of the actual expenditure patterns as at the reporting date.

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.

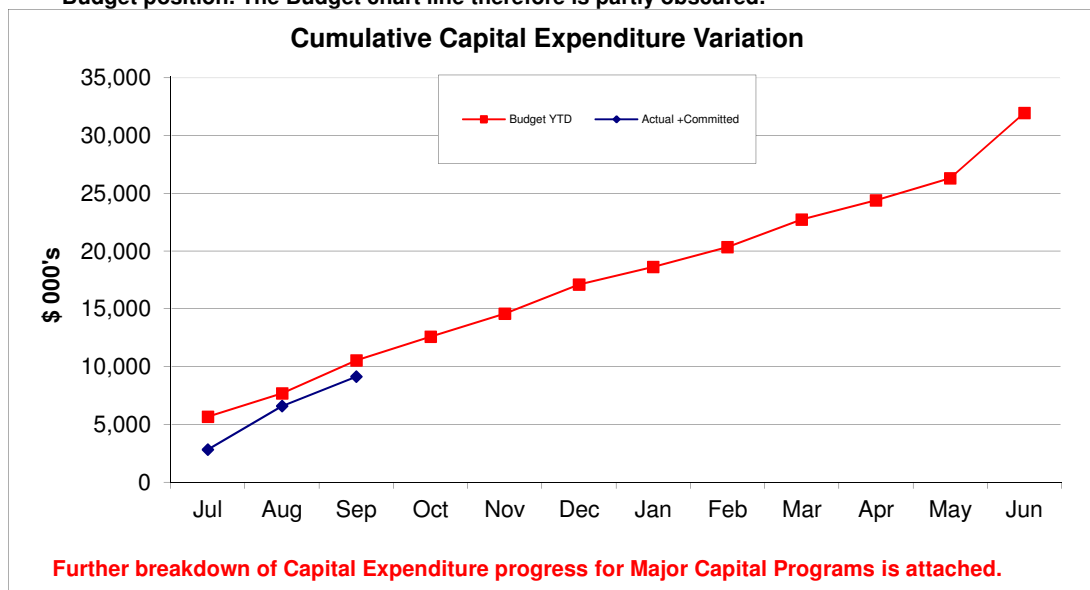
## Funding Statement Cumulative Position - 2015/16



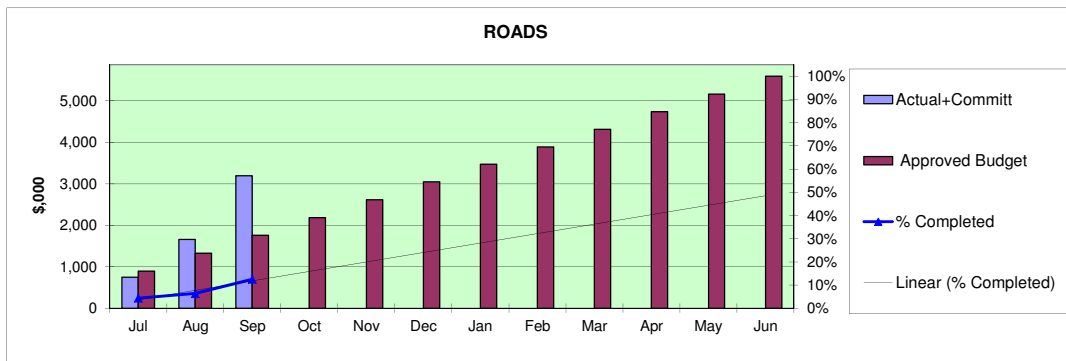
**Note - The Year to Date Actual + Committed position result is accurately aligned to the Year to Date Budget position. The Budget chart line therefore is partly obscured.**



**Note - The Year to Date Actual + Committed position result is accurately aligned to the Year to Date Budget position. The Budget chart line therefore is partly obscured.**

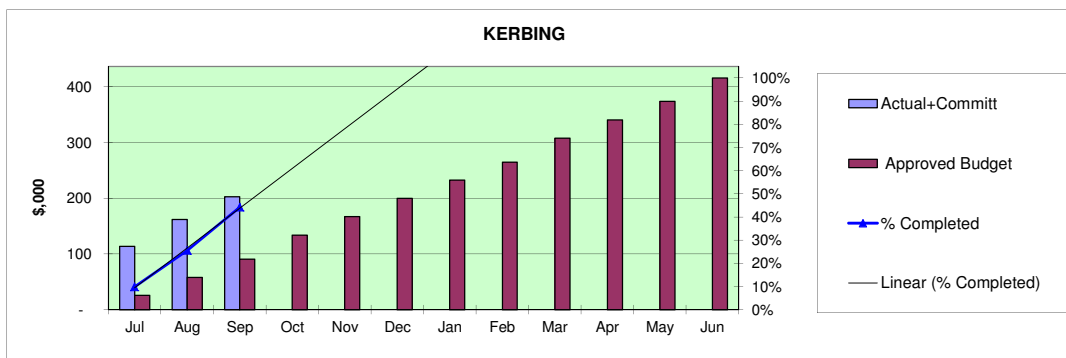




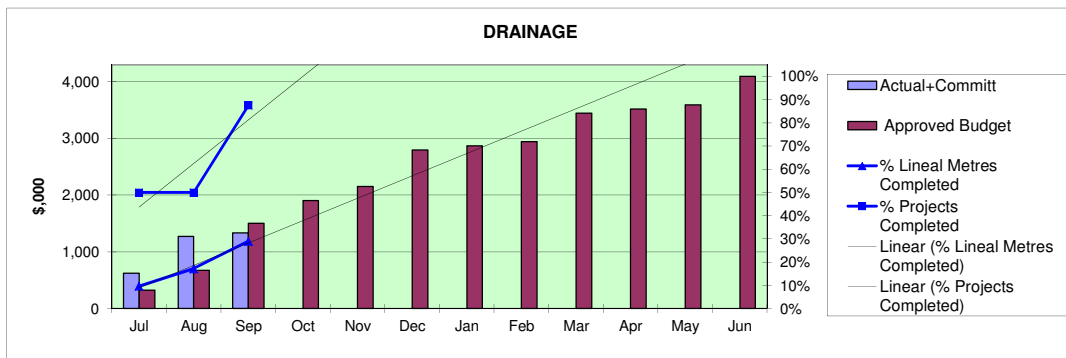


Program commenced, 12% complete.

- The Actual+Commit for September includes a substantial commitment relating to purchase orders being raised for works yet to be carried out.

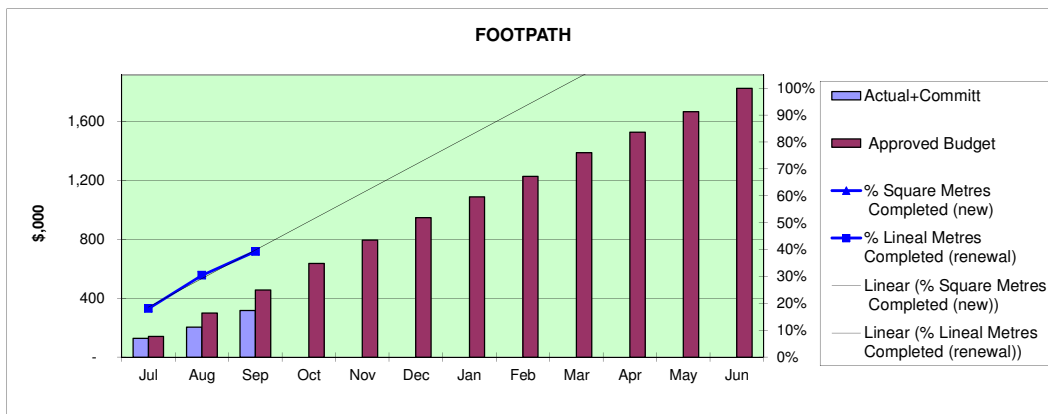


Program commenced, 44% complete.

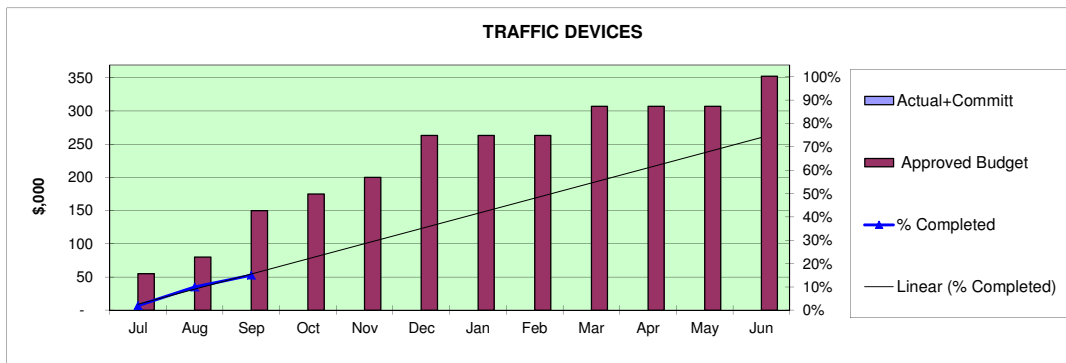


Program commenced, 29% complete.

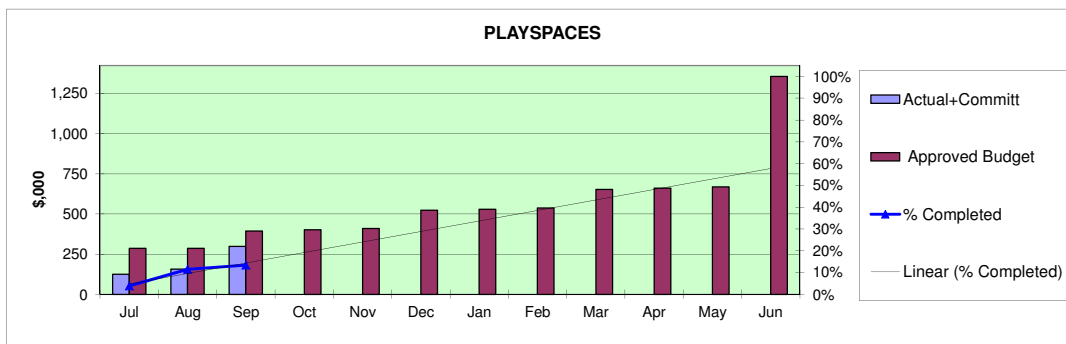
- 1 of 2 projects completed.
- West Street and Nannagai Drive completed.
- Farne Terrace, First Street, Maxwell Terrace, Towers Terrace, Coolah Terrace, Panton/Whiteleaf Crescent, Radstock Avenue Stage 2 Newland Avenue/Jervois Terrace, Crozier Terrace in progress.



Proactive program commenced, 39% complete.

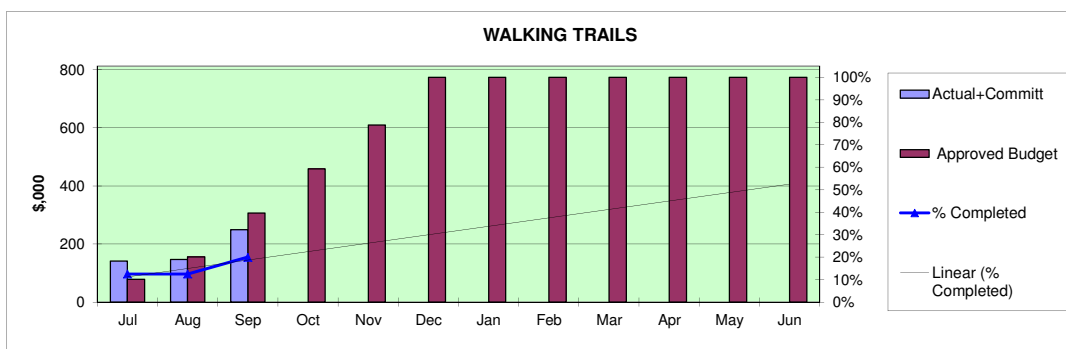


Program commenced, 15% complete.



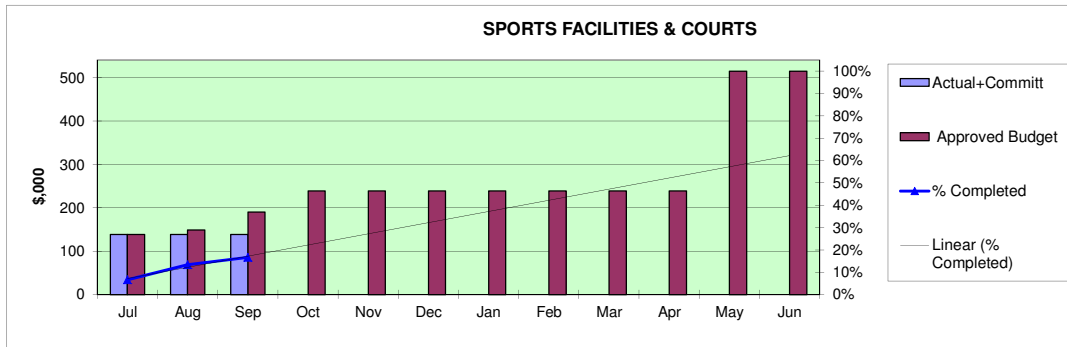
Program commenced, 13% complete.

- Plympton Oval completed.
- Construction underway for Edwardstown Oval.
- Letter sent to Minister regarding site relocation for Inclusive Playspace (Touched by Olivia Foundation).

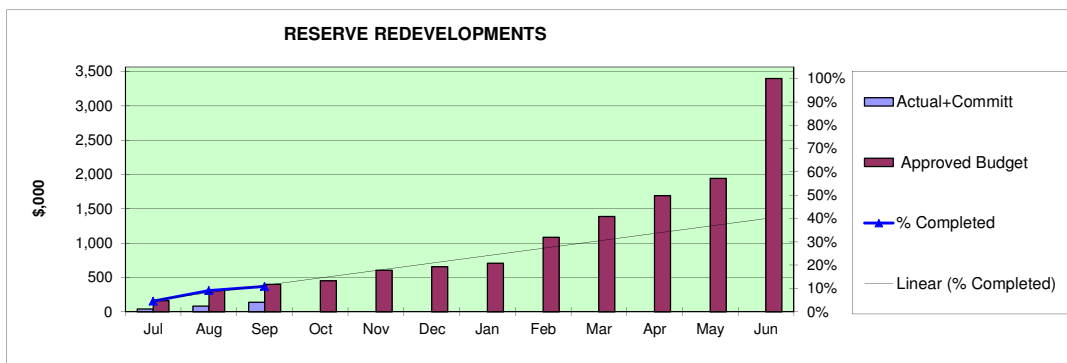


Program commenced, 20% complete.

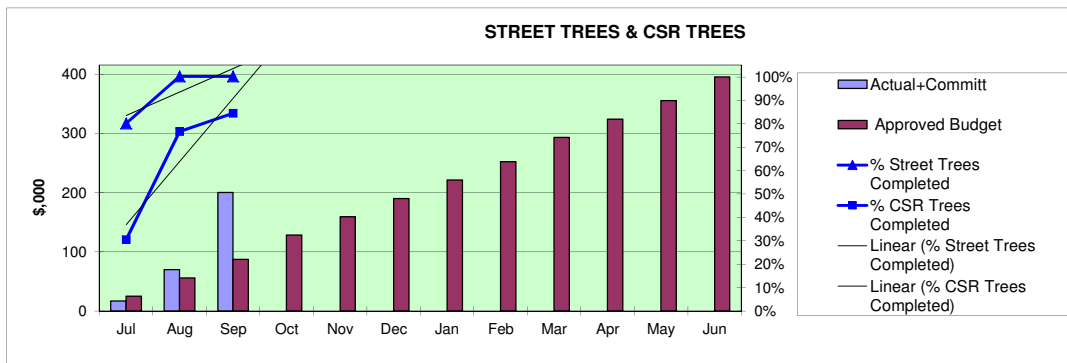
- Integrated Path Hallett Cove in progress.
- Railway Tce in progress.



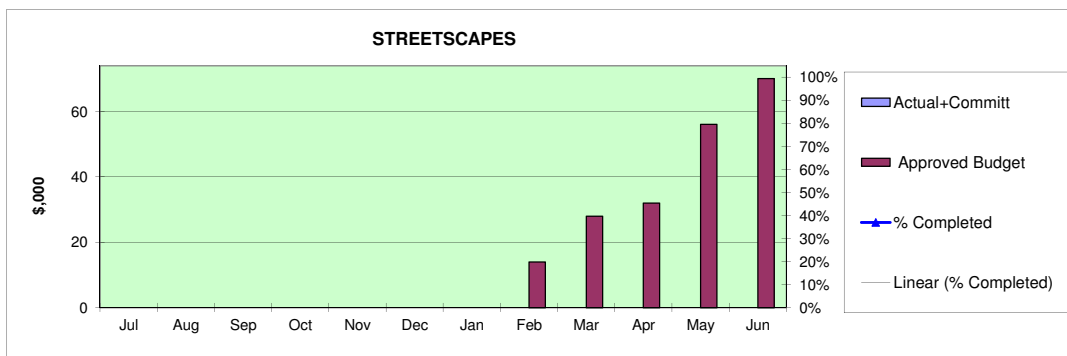
Program commenced, 17% complete.  
 • Edwardstown Oval courts in progress.



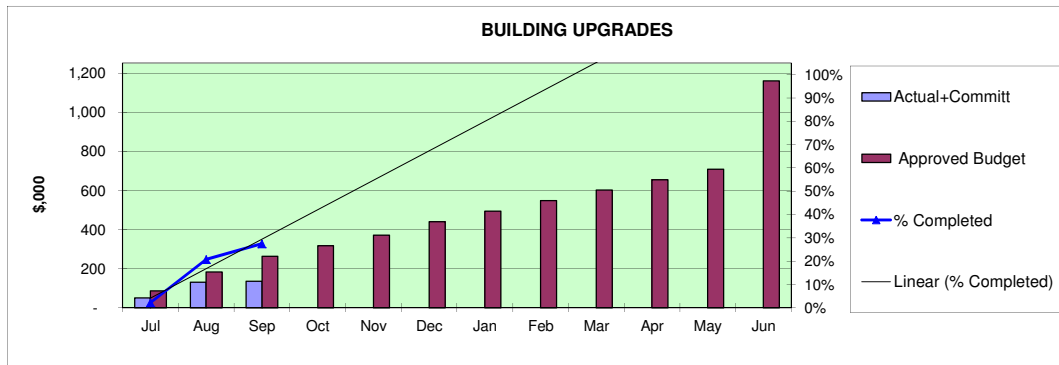
Program commenced, 11% complete.  
 • Trott Park Dog Park, Jervois Street Reserve, Oaklands Recreation Park, Mitchell Park Fitness Trail in progress.



Program commenced, Street tree plantings 100%, CSR plantings 85% complete.  
 • Target plantings, Street trees 1,400, CSR trees 400, total 1,800.  
 • Significant plantings, including tube stock, has been carried out to reduce Nursery stock holdings.



Works are scheduled to commence on this program in February.



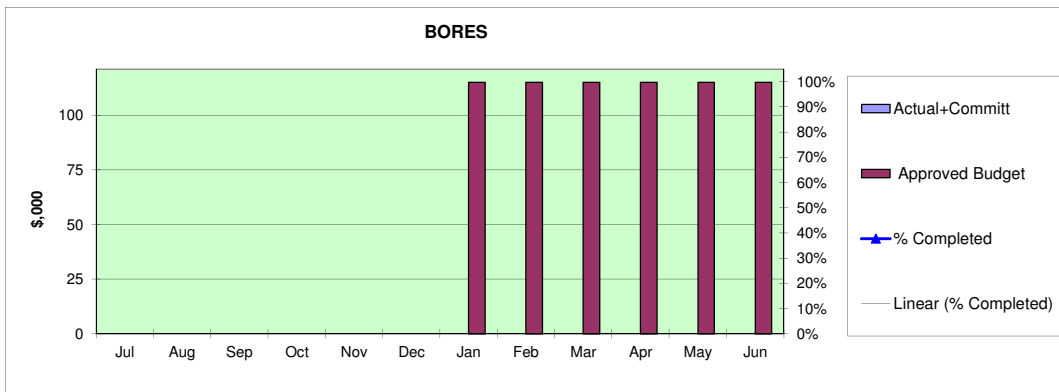
Program commenced, 28% complete.

#### Completed

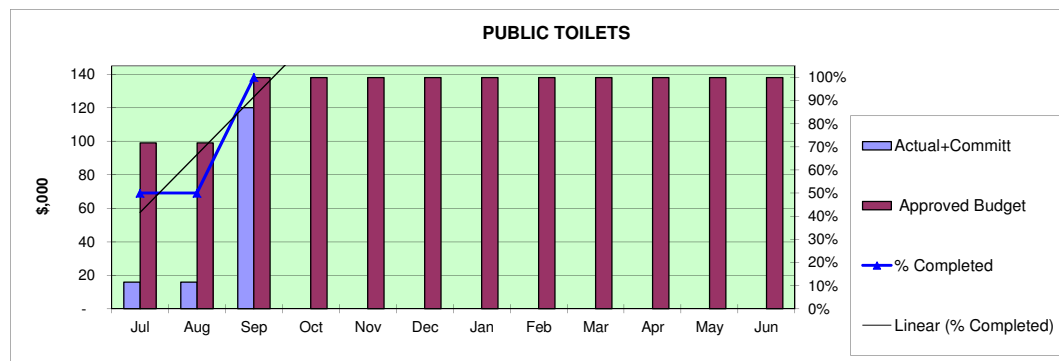
- Marion Swimming Pool filtration pipe and compressor baffles.
- MCC office fitout.
- MCC furniture.

#### In Progress

- Harcourt Gardens DDA.
- Warradale Tennis Club DDA and kitchen replacement.
- Asbestos removal at 17 Margaret Street Glandore.
- Glandore Community Centre fascia replacement.
- Active Elders toilet upgrade.
- Marion Bowling Club roof replacement.



Bore audit commenced, programmed works are dependant upon outcome and due to commence in January 2016.



Program completed.

- Southbank Boulevard Exceloo installed and opened to public 1 October 2015.

| Debtor                                         | Total Balance     | Current          | 30 Days          | 60 Days          | 90 Days          | 90+ Days          | Percentage of total 90+ day balance | Comments for 90+ Day balances                                                                                                                                                                                                                                                                              |
|------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General Total</b>                           | <b>17,318.65</b>  | <b>4,780.40</b>  | <b>.00</b>       | <b>.00</b>       | <b>.00</b>       | <b>12,538.25</b>  | <b>7%</b>                           | Predominantly relates to one debtor on an ongoing payment regarding illegal tree removal (repayment plan is in place).                                                                                                                                                                                     |
| <b>Hire of Council Facilities Total</b>        | <b>14,284.30</b>  | <b>5,025.00</b>  | <b>875.00</b>    | <b>.00</b>       | <b>1,130.00</b>  | <b>7,254.30</b>   | <b>4%</b>                           | Made up of 16 out of 26 debtors in this category, with none individually significant.                                                                                                                                                                                                                      |
| <b>Land Clearing Total</b>                     | <b>290.20</b>     | <b>.00</b>       | <b>.00</b>       | <b>.00</b>       | <b>.00</b>       | <b>290.20</b>     | <b>0%</b>                           | Made up of 1 debtor.                                                                                                                                                                                                                                                                                       |
| <b>Sporting Clubs &amp; Other Leases Total</b> | <b>64,194.96</b>  | <b>6,225.87</b>  | <b>4,757.40</b>  | <b>1,756.56</b>  | <b>5,038.12</b>  | <b>46,417.01</b>  | <b>27%</b>                          | Made up of 7 out of 23 debtors in this category with one debtor accounting for \$15,895. Includes amounts of \$15,404 relating to Emergency Services Levy amounts for which council is currently seeking exemption. Two accounts (totalling \$10,645) are on payment plans. \$2,645 since paid in October. |
| <b>Extra Works Total</b>                       | <b>31,659.95</b>  | <b>3,220.00</b>  | <b>9,507.45</b>  | <b>4,910.00</b>  | <b>4,700.00</b>  | <b>9,322.50</b>   | <b>5%</b>                           | Made up of 7 out of 14 debtors in this category,                                                                                                                                                                                                                                                           |
| <b>Swim Centre Debtors Total</b>               | <b>1,296.90</b>   | <b>.00</b>       | <b>.00</b>       | <b>.00</b>       | <b>.00</b>       | <b>1,296.90</b>   | <b>1%</b>                           | Made up of 4 debtors with none individually significant.                                                                                                                                                                                                                                                   |
| <b>Grants &amp; Subsidies Total</b>            | <b>102,324.12</b> | <b>11,638.82</b> | <b>.00</b>       | <b>3,492.50</b>  | <b>.00</b>       | <b>87,192.80</b>  | <b>50%</b>                          | \$86,780 relates to one specific debtor - related work will not commence until grant funding is received in full from the club.                                                                                                                                                                            |
| <b>Environmental Health Total</b>              | <b>10,424.60</b>  | <b>1,855.40</b>  | <b>1,536.00</b>  | <b>328.00</b>    | <b>334.00</b>    | <b>6,371.20</b>   | <b>4%</b>                           | Made up of 47 out of 78 debtors in this category, with none individually significant.                                                                                                                                                                                                                      |
| <b>Impoundment</b>                             | <b>135.00</b>     | <b>.00</b>       | <b>.00</b>       | <b>.00</b>       | <b>.00</b>       | <b>135.00</b>     | <b>0%</b>                           | Made up of one debtor - vehicle will not be released until payment is finalised.                                                                                                                                                                                                                           |
| <b>Supplier Refund Totals</b>                  | <b>1,012.50</b>   | <b>.00</b>       | <b>.00</b>       | <b>.00</b>       | <b>1,012.50</b>  | <b>.00</b>        | <b>0%</b>                           | Made up of one debtor, since paid in full in October.                                                                                                                                                                                                                                                      |
| <b>Tree Funds Total</b>                        | <b>3,789.84</b>   | <b>.00</b>       | <b>220.00</b>    | <b>770.00</b>    | <b>.00</b>       | <b>2,799.84</b>   | <b>2%</b>                           | Made up of 10 out of 12 debtors in this category, with none individually significant.                                                                                                                                                                                                                      |
| <b>Living Kurna Cultural Centre</b>            | <b>3,973.70</b>   | <b>1,926.00</b>  | <b>1,747.70</b>  | <b>300.00</b>    | <b>.00</b>       | <b>.00</b>        | <b>0%</b>                           |                                                                                                                                                                                                                                                                                                            |
| <b>Marion Cultural Centre Total</b>            | <b>6,546.70</b>   | <b>1,947.22</b>  | <b>2,237.48</b>  | <b>2,112.20</b>  | <b>30.00</b>     | <b>219.80</b>     | <b>0%</b>                           | Made up of 1 out of 14 debtors.                                                                                                                                                                                                                                                                            |
| <b>Total</b>                                   | <b>257,251.42</b> | <b>36,618.71</b> | <b>20,881.03</b> | <b>13,669.26</b> | <b>12,244.62</b> | <b>173,837.80</b> |                                     |                                                                                                                                                                                                                                                                                                            |
| <b>Total Aging Profile</b>                     |                   | <b>14%</b>       | <b>8%</b>        | <b>5%</b>        | <b>5%</b>        | <b>68%</b>        |                                     |                                                                                                                                                                                                                                                                                                            |

| Category                      | Description                                                                                                                              |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| General                       | Anything that does not fit into one of the below categories.                                                                             |
| Hire of Council Facilities    | For hire of rooms in Neighbourhood Centres, etc - usually charged out at an hourly rate. Also includes cultural workshops and tours.     |
| Land Clearing                 | Relates to the clearing of vacant land                                                                                                   |
| Sporting Clubs & Other Leases | Rent, electricity, water, maintenance, etc charged out to lessees.                                                                       |
| Extra Works                   | For 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          | Food Inspection fees                                                                                                                     |
| Impoundment                   | Used for Vehicle Impoundment fees.                                                                                                       |
| 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.      |
| Tree Funds                    | Includes contribution from residents and/or developers for the removal and/or replacement of Council Street Trees and significant trees. |
| Living Kurna Cultural Centre  | Relates to programs run through the LKCC                                                                                                 |
| Marion Cultural Centre        | For invoices relating to the Marion Cultural Centre                                                                                      |

## **Rates Report - Collection of Rates to 30 September 2015**

### **ANALYSIS OF OUTSTANDING RATES AS AT 30 SEPTEMBER 2015**

|                                       | <u>Note</u> |                      | <b>% of Total<br/>Annual Rates</b> |
|---------------------------------------|-------------|----------------------|------------------------------------|
| CURRENT                               | 1           | \$ 46,221,836        | <b>66.0%</b>                       |
| OVERDUE                               | 2           | \$ 920,175           | <b>1.3%</b>                        |
| ARREARS                               | 3           | \$ 1,333,170         | <b>1.9%</b>                        |
| POSTPONED                             | 4           | \$ 103,226           | <b>0.1%</b>                        |
| LEGALS                                | 5           | \$ 20,023            | <b>0.0%</b>                        |
|                                       |             | <b>\$ 48,598,431</b> | <b>69.4%</b>                       |
| <b>TOTAL ANNUAL RATES FOR 2015/16</b> |             | <b>\$ 70,058,000</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: 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 5: 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.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Question Received from:** Councillor Tim Gard

**Subject:** Provision for Major Disaster or Impact

**Ref No:** GC271015Q01

**File No:** 9.33.3.31

---

**QUESTION:**

Could management advise the particular responsibilities of the City of Marion in respect of provisions for any form of major disaster or impact in the City of Marion?

In doing so, could advice be given as to how State and Municipal provisions interrelate and where any responsibilities begin and end?

Further, is there a need to perform any planning for such events with or for major ratepayers such as Westfield?

**COMMENTS: (Sherie Walczak, Risk Unit Manager)**

All emergency management arrangements in South Australia are governed by the *Emergency Management Act 2004* (the Act).

The State Emergency Management Committee (SEMC) is a strategic planning committee that reports to the Emergency Management Council on matters that relate to the preparedness of the State. See Appendix 1 which outlines the South Australian Emergency Management Committee Structure.

The State Emergency Management Plan (SEMP) is prepared under section 9(1)(b) of the Act to manage all emergencies. The SEMP outlines responsibilities, authorities and the mechanisms to prevent, or if they occur manage and recover from, incidents and disasters within South Australia. It relies on strong cooperative, coordinated and consultative relationships among State Government agencies and Local Government together with other services to ensure that an efficient and coordinated response can be made to any incident or disaster. It does not assume a particular incident or event and is based on the All Hazards principles as endorsed by the Emergency management Council and Emergency management Australia.

**Zone (Local Government) Arrangements**

The SEMP establishes a regional structure of eleven Emergency Management zones based on Local Government boundaries. Each zone will have a Zone Emergency Management Committee (ZEMC) responsible for planning and implementing zone-level actions in support of the SEMP. The zone will undertake emergency risk assessments and develop a Zone Emergency Management Plan (ZEMP) and other plans as required. The role of a ZEMC includes:

- Working within the Zone Emergency Risk Management Framework to identify, analyse and evaluate emergency risks that could impact the Zone;

- Identifying and evaluating treatment options and developing a Zone Emergency Management Plan (ZEMP) to address residual risk;
- Providing assurance that arrangements are in place to prevent and/or mitigate, prepare for, respond to and recover from emergencies,

A ZEMC does not have an 'operational' role during emergencies. When an emergency occurs, the SAPOL Local Service Area Commander / Zone EM Coordinator may, following consultation with the Control Agency, activate the Zone Emergency Centre (ZEC) to support the actions of the Control Agency. Some ZEMC members, as part of their broader day-to-day role, may attend the ZEC during its operations.

The City of Marion participates in the Southern Adelaide ZEMC together with the cities of Mitcham, Onkaparinga and Holdfast Bay. The City of Marion hosts the Southern Adelaide ZEMC and Ann Gibbons, Manager Environmental Sustainability, is the Committee Chair. Council representatives are provided from risk management teams; Marion's representative is Sherie Walczak, Unit Manager Risk.

Other members include representatives of South Australian Fire and Emergency Services Commission (SAFECOM), State Emergency Service (SES), South Australian Police (SAPOL), and the Department for Communities and Social Inclusion (DCSI) State Recovery Office.

### **City of Marion Arrangements**

Each Council has a legislative obligation under Section 7(d) of the *Local Government Act 1999* to "take measures to protect its area from natural and other hazards and mitigate the effect of such hazards". Therefore, the City of Marion has a responsibility to work with all levels of government and our local community to:

- Prepare – anticipated threats via Hazard Registers and Emergency Management Plans
- Prevent – limit the effects by the implementation of controls to anticipated threats
- Respond – provision of facilities, plant & human resources as requested by the incident controller
- Recover – restoration of essential community services following a disaster

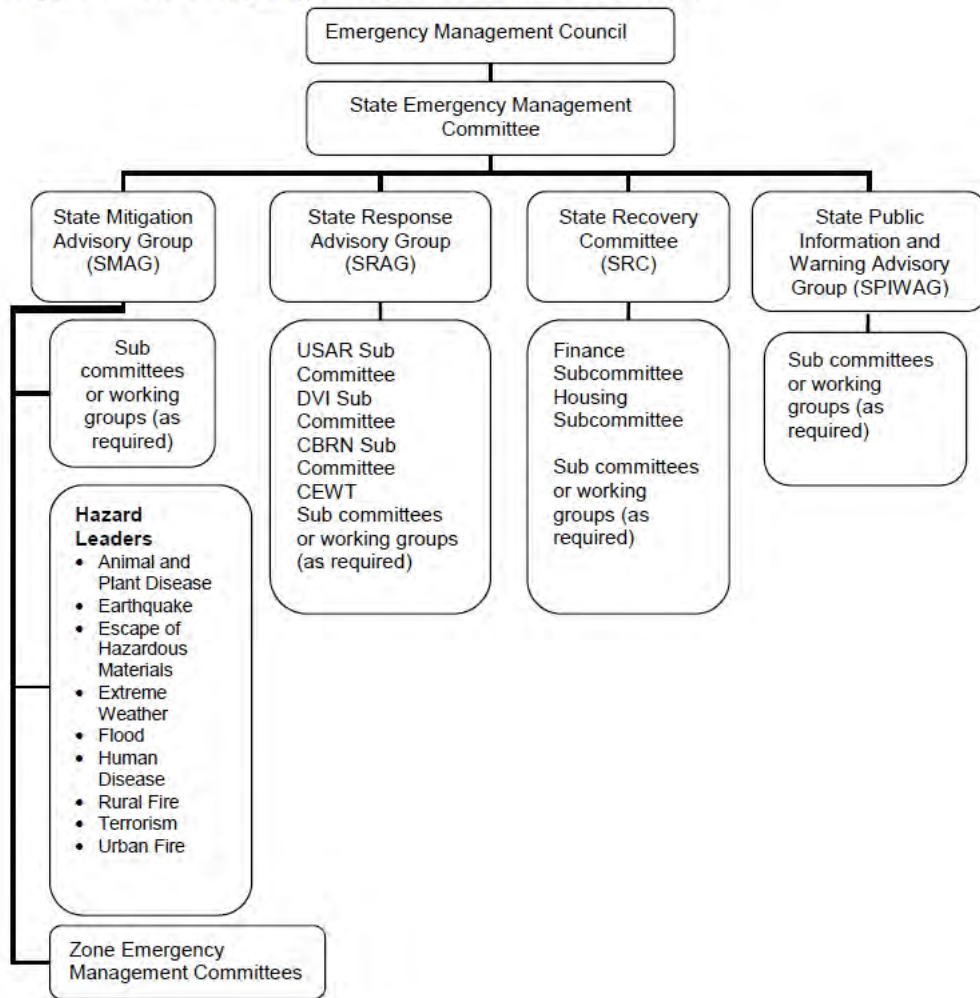
Part of the emergency response planning process includes the identification of critical infrastructure to support the continued provision of essential services to businesses, governments and the community within an emergency response.

Representatives of Westfield Marion were involved in some of the hazard assessment workshops or emergency management planning activities coordinated by the Southern Adelaide ZEMC. The role of such planning and identification of organisations to be involved in that planning is a matter for the Southern Adelaide ZEMC and Hazard Leaders.



## APPENDIX 1

**Figure 1: S.A. Emergency Management Committee Structure**



**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Question Received from:** Councillor Tim Gard

**Subject:** Encouragement of Aged Care Facility Investment

**Ref No:** GC271015Q02

**File No:** 9.33.3.31

---

**QUESTION:**

1. Is there any strategy being pursued for the encouragement of aged care facility investment within the City of Marion, particularly in areas of the city where there are clear shortfalls in such facilities?

**COMMENTS:**

**Margi Whitfield, Manager Community Participation**  
**Steve Hooper, Manager Development Services:**

There are 24 aged care facilities available to City of Marion residents, 8 of which are within Marion council boundaries, with the remainder in adjacent areas. These facilities provide 2,165 high care beds. The majority of these facilities are within the central and northern Marion council area, with 6 facilities available for southern residents of the City of Marion. While aged care facilities are fewer in the southern areas of Council and there may be opportunities for future development of such facilities, evidence is suggesting adequate provision at this time.

The City of Marion, as a current provider of the Commonwealth Home Support Program (CHSP), is also working with residents to foster independence and to remain living in their own homes for as long as they wish to. The support provided to eligible residents through the CHSP assists in reducing pressure on aged care facilities and allows those who wish to remain in their own homes to do so for as long as possible.

Over the past 10 years, more than 30 aged care/retirement living development applications have been approved by Council. These have included expansions to existing aged care facilities such as Eldercare at Glengowrie and Southern Cross Care at Oaklands Park together with new aged care facilities/retirement living facilities such as Anglicare at Trott Park and Albion Mews at Dover Gardens.

It is acknowledged that there is more aged care/retirement living housing in the northern part of the Council area. To accommodate additional aged care facilities in the south, vacant land to the immediate east of the Hallett Cove Shopping Centre has been identified as appropriate for aged care housing in the Marion Development Plan. However this land remains vacant at the time of writing. Additional opportunities could be created with the

potential rezoning of the Adelaide Development Company (ADC) land at the southern extremity of the Council, although this land is not in close proximity to services, shops and other facilities. In this respect, whilst ADC has provided Council with a concept layout for the rezoning of the ADC land, illustrating a mix of dwelling styles, they have not expressly contemplated aged care housing to the best of our knowledge.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Question Received from:** Councillor Tim Gard

**Subject:** Oaklands Crossing in Emergencies

**Ref No:** GC271015Q03

**File No:** 9.33.3.31

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**QUESTION: Cr Gard**

Could management determine, through enquiry with each sector of Emergency Services, to what extent the Oaklands crossing traffic jams increase the risk to lives and properties in the area, and in doing so determine the size of the area and population affected?

**COMMENTS: Cr Gard**

We are planning a public campaign to lobby for the grade separation at Oaklands crossing. For some time now I have held that emergency services, and the imposition on them in relation to this crossing, is one of the key points of leverage to achieve action.

There are vast populations, covering an equally vast area, that are at greater risk than is necessary due to this very point.

Examples of affected properties include:

- Westfield Marion and local precinct – aside from the very high and regular need for ES attendance for day to day emergencies, this property and its occupants are in a most exposed situation in the event of any disaster, in which multiple services and back up would be required. Such a situation would no doubt involve train stoppage but even the delay in this process would have potentially catastrophic effects. \
- CoM properties
- many schools and child minding centres
- aged care properties, such as Alwyndor, Oaklands etc.

The central issue is that there are no alternative routes enabling a line crossing that do not add considerable delay to the execution of these services. For example, the closest emergency hospital facilities to Flinders are at Ashford and the nearest crossing between Oaklands and Flinders is the grade separated one on Marion Road.

Not only are there 'log jams' on Diagonal and Morphett Roads themselves, that may take anything up to 20 minutes to clear, but the access and egress to and from minor thoroughfares connected to those major roads is greatly lessened for long periods of time.

**COMMENTS: Sherie Walczak, Unit Manager Risk**

Consultation will need to occur with each sector of emergency services and the Zone Emergency Management Committee to determine a profile of the area and population with regards to the impact of the current Oaklands Crossing on the provision of emergency services.

It is proposed that this work be included within the comprehensive research (as proposed in the Oaklands Crossing Report) to understand who currently uses the crossing and the level of risk associated with the traffic congestion.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Notice Received from:** Councillor Bruce Hull

**Subject:** Development Proposal Notice

**Ref No:** GC271015M01

**File No:** 9.24.1.4 & 9.33.3.27

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**MOTION:**

That subject to the approval of the applicant (via an amended development application form) Council affixes a Development Proposal Notice outside (on the subject property) of all Category 2 or 3 development application sites for the period of prescribed public notification, being A3 in size and laminated as per the attached example from the City of Sydney (appendix 1).

That any notice for Category 2 developments clarify that valid representations can only be received from those property owners and occupiers notified in writing of the proposal development, and that for other owners and occupiers, the notice is a courtesy notification only.

**COMMENTS: Councillor Hull**

Nil

**COMMENTS: Steve Hooper, Manager Development Services**

The current provisions of the Development Act and associated Regulations do not contemplate 'Development proposal notices' being placed in front of development sites.

Accordingly, as Council has no statutory authority for the placing of notices on development properties, any such notice would need to be with the approval of the applicant. In the event that the owner does not agree to the placement of such notice, Council would not be in a position to legally proceed with such a notice.

Council processes between 15 and 30 Category 2 & 3 developments per month of which approximately 2-5 would be Category 3 developments.

Placing notices on Category 3 developments would have minimal impact on resourcing and would provide those persons not formally notified of a proposed development an opportunity to lodge a valid written representation with respect to a development where otherwise they might not be aware of the development (assuming they have not read the public notice section in the Guardian Messenger).

Placing notices on Category 2 development will have greater resource implications given the higher number of applications involved. Resourcing implications might include costs of

preparing and laminating the notice, associated costs such as 'cable ties' or 'star droppers' (depending on which is appropriate for each individual site) and associated staff time in erecting and thereafter dismantling the notices.

It is noted that a Category 2 developments does not afford those residents who are not considered 'adjoining property owners' an opportunity to lodge a valid representation and legal advice provides that representations from other properties owners or occupiers are to be disregarded and are invalid. Accordingly, to avoid misleading the public with any Category 2 'Development Proposal Notice', it is recommended that the notice is a courtesy notification as identified in the wording of the motion.

Members may be aware that the Draft Planning, Infrastructure and Development Bill contemplates 'Development Proposal Notices' being placed on land with respect to certain types of applications. Once this legislation is introduced, Council will have a statutory duty to place notices on land for affected development applications.

During consultation in 2014 on the *Think, Design, Deliver* Expert Panel on Planning Reform reports, Council resolved to support the suggested reform of improving consultation on assessment matters via sign boards on development sites.

# DEVELOPMENT PROPOSAL

City of Sydney  
Town Hall House  
456 Kent Street  
Sydney NSW 2000  
Telephone +61 2 9265 9333  
Fax +61 2 9265 9222  
council@cityofsydney.nsw.gov.au  
GPO Box 1591 Sydney NSW 2001  
cityofsydney.nsw.gov.au



25-Aug-2015

## SITE NOTICE

DEVELOPMENT PROPOSAL

REFERENCE NUMBER D/2015/1165

Site: 88-108 William Street, WOOLLOOMOOLOO NSW 2011  
Applicant: NKT ARCHITECTURE PTY LTD

### PROPOSAL

Alterations to Level 22 for air ventilation services including installing an external grille within the existing spandrel panel on the western facade of the building.

The City of Sydney has received the above Development Application. As part of our assessment process, we are notifying surrounding neighbours and property owners to seek their views on the proposal.

The application is on public exhibition until **9 September 2015**. (If the period finishes on a weekend, the period is extended to the next working day). During this time, you are welcome to make a submission on the proposal. You can view the full application at any of the following locations (although privacy restrictions exist for internal areas of residential buildings):

1. Online at the City's website [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au), under Development – Development Applications – On Exhibition. The website contains all relevant details of the proposal, including plans, which can be downloaded if required. A submission can be made directly from the website.
2. In person at the following locations:  
CBD Level 2, Town Hall House, 456 Kent St, Sydney. Mon to Fri 8am – 6pm.  
KINGS CROSS 50-52 Darlinghurst Rd, Kings Cross. Mon to Fri 9am – 5pm. Sat 9am – 12 noon.

If you would like to speak directly to a Council planning officer about this development application, you can contact **John Butera** on Ph: 9265 9333 or email: [dasubmissions@cityofsydney.nsw.gov.au](mailto:dasubmissions@cityofsydney.nsw.gov.au)  
Yours faithfully

BILL MACKAY  
Manager – Planning Assessment

Sydney2030 Green Global Connected

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**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Notice Received from:** Councillor Tim Pfeiffer  
**Subject:** Edwardstown Honour Board  
**Ref No:** GC271015M02  
**File No:** 9.24.1.4 & 9.33.3.22

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**MOTION:**

1. That the Mayor writes to the Commanding Officer of the Warradale Barracks to:
  - Thank and acknowledge the Warradale Barracks for their custodianship of the Edwardstown Honour Board.
  - Express an interest in one day housing the Edwardstown Honour Board at a custom designed and prominent location at Edwardstown Oval, conditional on the agreement of the Commanding Officer of the Warradale Barracks and the development of an appropriate facility at Edwardstown Oval.
2. That the Mayor writes to Ms Jennifer Vincent, thanking her for her extensive voluntary research work, which led to the locating of the Edwardstown Honour Board.

**COMMENTS: Councillor Pfeiffer**

During the First World War, 207 individuals from the Edwardstown district enlisted for service. Of this group, many never returned and numerous bravery awards were issued.

Soon after the war, local residents decided that something needed to be done to honour those from our area who had bravely enlisted to fight for their country.

Three significant things happened:

1. Local community members reached into their own pockets to take out a loan, purchase land and develop Edwardstown Memorial Oval.
2. The Avenue of Honour was planted on Messines Av, Edwardstown.
3. An honour board was commissioned to commemorate these who enlisted.

The Edwardstown Honour Board was hand carved by local Edwardstown coach builder, Pengelly (who also built Adelaide's old 'red rattler' trams). Pengelly occupied the site on South Road that was later occupied by Hills.

This honour board was one of the largest and most ornate honour boards in existence,



carved of stunning blackwood. It was proudly displayed for decades in the Edwardstown Institute.

In the 1980s, the Edwardstown Institute was demolished. However prior to demolition, the honour board was removed and put into storage. The legend of the missing honour board has circulated through the older Edwardstown residents ever since. It has been a topic of ongoing and emotional discussion.

At the 'From Almond Groves to Poppy Fields' exhibition at the Marion Cultural Centre in April, I saw an old photo of the Edwardstown Honour Board. Until this point, I'd only heard the legend, but not seen a photo. With this photographic proof, it was more than just local folklore.

Local amateur historian, Jennifer Vincent, subsequently took a particular interest in the issue. Over the course of several weeks Jennifer made it her business to find the honour board. Jennifer went to extraordinary lengths reviewing records and chasing leads. After an incredible amount of work, Jennifer ultimately found the honour board at the Warradale Army Barracks. It is in very good condition and has been well maintained.

The objective of this motion is for Council to formally enter into discussions with the Warradale Army Barracks and express an interest in one day uniting the Edwardstown honour with the redeveloped Edwardstown Memorial Oval, as the centre-piece of the redevelopment. The Edwardstown Memorial Oval and the Edwardstown honour board were both developed by the local community in order to memorialise the same group of local individuals who fought in the First World War. It would be a meaningful and inspiring act to be able to unite the honour board with the site that is dedicated to those specific individuals.

The other objective of this motion is to thank Ms Jennifer Vincent for her brilliant detective work in tracking down an important part of our history which had been missing for the last few decades.

This motion is strongly supported by the Edwardstown Oval Committee of Management.

**COMMENTS: Sean O'Brien, Community Facilities Planner**

The City of Marion is currently in the process of developing new building concept designs for the Edwardstown Soldiers Memorial Recreation Ground that would provide appropriate quality sports clubrooms and community facilities to cater for the site users and community's needs for generations to come.

The intent is to complete the concept designs by the end of 2015 calendar year to enable a funding application to Round 3 of the Federal Government's National Stronger Regions Fund in support of the Edwardstown Oval redevelopment.

It will be imperative that the concept designs recognise the importance of the Edwardstown Honour Board and the local history of the Edwardstown Soldiers Memorial Recreation Ground to the community. Therefore the project brief states the building and landscape concepts will contain design elements that will recognize the history of the site and include the WW1 honour board.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Notice received from:** Councillor Nick Westwood

**Subject:** Electric Vehicles

**Ref No:** GC271015M03

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**MOTION:**

That Council:

1. Provide in principle support for the use of electric vehicles in all possible modes of transport, which will contribute to a more liveable city and state.
2. Provide limited staff support, for the review of local electric vehicle technology and the possibility of local electric vehicle manufacture within or near the City of Marion, with a view to generating jobs for our residents.

**COMMENTS: Councillor Westwood**

In line with the enthusiasm that various Elected Members have displayed regarding alternative energy generation and the need for more employment opportunities within our city, I have pursued the subject of local electric vehicle manufacture, an interest of mine for many years.

I have met with members of the Australian Electric Vehicle Association on two occasions recently. They have been enthusiastic about electric vehicle manufacture, and I have enlisted a number as technical advisers.

Further to this, I recently met with the State Treasurer, the Hon Tom Koutsantonis at a Breakfast hosted by the Edwardstown Region Business Association. On this occasion, Mr Koutsantonis committed himself to a meeting on this subject before I finished asking the question (to request a meeting). My reaction, apart from surprise, was to tell him that I would have to gather some people together first and then have the discussion with him, which he accepted. I have now contacted his office for that meeting, to explore the matter further with him, and to align myself with efforts being made and information being held by staff in various department offices. I don't want to "reinvent the wheel" and would like to be "on the same page" as the State Government before working towards the main goal.

This motion is to enable staff to provide both oral and written advice to me and other Councillors on this matter, with the endorsement of Council.

**COMMENTS: Ann Gibbons, Manager Environmental Sustainability**

Subject to Council supporting the motion, administration could undertake a high level review of electric vehicle technology and investigate opportunities for local electric vehicle manufacture and jobs creation with relevant organisations and State Government departments.

Please note should the motion be supported additional resources will need to be provided or reprioritised in order for this activity to occur.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Notice Received from:** Councillor Ian Crossland  
**Subject:** Capella Drive Reserve  
**Ref No:** GC271015M04  
**File No:** 9.24.1.4 & 9.33.3.30

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**MOTION:**

1. Notes the opportunity to increase soccer facilities in the south through changing sports clubs leasing arrangements.
2. In order to pursue the opportunity to increase soccer facilities Council is to:
  - 2.1 Undertake preliminary investigation works, including a soil test, a review of electrical services and a concept design for the potential installation of sports floodlights at Capella Reserve.
  - 2.2 Endorse the funding of the investigations works (as per recommendation 2.1) up to \$5,000 subject to the cost of these works being considered as part of the first budget review process.
3. Formalise the offer from Sheidow Park Cricket Club to end their lease agreement at Capella Reserve in line with their lease obligations. That Council consider as part of the first budget review process contributing up to \$3,000 towards a top soil treatment at their alternative oval.
4. Subject to the outcomes of recommendations 2 and 3 above, enter into negotiations with the Cove Soccer club to change their current lease from use of Capella Reserve from 6 months to 12 months to play soccer.
5. Note that a further report will be brought in January 2016 which outlines the outcomes of all investigative works, costings, community consultation and development approval.
6. Request Cover Soccer to apply for Development Approval and Landlord Approval to allow for the installation of sports floodlights at Capella reserve

**COMMENTS: Councillor Crossland**

As most Councillors would be aware, the City of Marion has a chronic shortage of soccer pitches across our city. Soccer is one of the most popular sports in Australia and is probably the most popular sport in the Southern Hills and Coastal ward. The shortage is having a

significant impact where on a yearly basis the Cove Soccer club are turning away players in particular junior players.

Cove Soccer currently has 286 registered players. They have so far turned away over 120 young people from the club as they simply cannot accommodate any more players. Due to the lack of pitches the soccer club privately hire pitches at Flinders University, Adelaide Shores and Reynella East High School. This is also acting as a deterrent to members, particularly if they rely on public transport.

As there are no immediate plans to provide any additional soccer pitches I am putting forward the following options.

### **Soccer at Capella Drive Reserve**

Cove Soccer Club currently utilise this reserve for 6 months of the year between April and October. Sheidow Park Cricket Club uses the reserve for the remaining 6 months. This mixed use prevents permanent soccer goals at the site. The removable goals are often vandalised or generally pulled out of the ground when not in use. Additional council resources are required to keep replacing the goals and changing the reserve from cricket to soccer and then back again. During the winter months and during the time the reserve is in use by the Cricket Club the Juniors have to conduct training sessions at Cove Sports. I have discussed the shortage of soccer facilities with the presiding officer of the Sheidow Park Cricket Club. They have kindly offered to give up their lease at Capella Drive reserve and play all their games from their alternative site. To prevent any damage to this site they have asked that Council fund a top dressing to the oval to prevent any damage which may be caused by the additional use.

If Council accepts this offer permanent goal posts can be installed in the reserve to provide both club and public use. There are no other soccer facilities in the south of our city. Permanent soccer use would also provide a cost benefit to council both in maintenance costs and in staff resources.

Once solely used as a soccer area the installation of LED floodlights could be considered. Lighting would provide the Juniors with a permanent base. Relocating the Junior players would reduce the overuse of the Cove Soccer pitch.

To explore this option and to allow the Cove Soccer Club to apply for grant funding Council must first grant landlords permission to install the lights. Once granted the development process including community consultation can begin.

### **COMMENTS:** Carol Hampton – Project Officer

Subject to Council's support for this motion, the Land and Property team will work with the Sheidow Park Cricket Club and Cove Soccer Club to discuss lease arrangements and works required to relocate the cricket club from Capella Reserve to an alternative site and for the soccer club to have sole use of the reserve for soccer, including changes to the reserve to support this. Subject to reaching an agreed position with the two clubs, formal lease arrangements will be progressed.

In relation to recommendation 2.2 further advice has been received from the Finance Department, based on Council's Asset Sustainability Policy, that funding be sourced for the investigations works up to \$5,000 from the identified savings resulting from the 2014/15 financial year. It is therefore recommended that resolution 2.2 be reworded as follows:

*Endorse the funding of the investigations works (as per recommendation 2.1) up to \$5,000 to be sourced from the identified savings resulting from the 2014/15 financial year.*

The team will undertake necessary investigations and concept design work, in conjunction with the Cove Soccer Club, to consider the potential installation of sports floodlights at Capella Reserve. A report detailing these investigations will be presented to Council in January 2016 for Council's further consideration. In conjunction with this work, assistance will be provided to Cove Soccer Club to progress the necessary applications to support the installation of the floodlights at Capella Reserve.

**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Notice Received from:** Councillor Ian Crossland

**Subject:** Cove Soccer Irrigation System

**Ref No:** GC271015M05

**File No:** 9.24.1.4 & 9.33.3.30

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**MOTION:**

That Council, in accordance with their landlord obligations, replace the Cove Soccer pitch irrigation system (at Cove Sports Complex) and complete the necessary ground works to provide a safe and level playing surface before the 8th January 2016.

**COMMENTS: Councillor Crossland**

As most Councillors would be aware, the City of Marion has a chronic shortage of Soccer pitches across our city. Soccer is one of the most popular sport in Australia and is probably the most popular sport in the Southern Hills and Coastal ward. The shortage is having a significant impact where on a yearly basis the Cove Soccer club are turning away players in particular junior players.

Cove Soccer currently has 286 registered players. They have so far turned away over 120 young people from the club as they simply cannot accommodate any more players.

Due to the lack of pitches the soccer club privately hire pitches at Flinders University, Adelaide shores and Reynella East High School. This is also acting as a deterrent to members, particularly if they rely on public transport.

As there are no immediate plans to provide any additional soccer pitches I am putting forward the following options.

**New Irrigation System**

The soccer club currently have one pitch which is utilised for training and matches by both Junior and Senior players. The irrigation system failed about 5 years ago and is beyond repair. Council staff now attend to the site two or three times a day to roll out a hosepipe to water the grass. This seems to be hap hazard. Sometimes areas are flooded and other areas receive no water at all. This is a poor use of resources and with unreliable results. When I last visited Cove Soccer club about 3 weeks ago the pitch was full of weeds and the pitch was uneven. I have attached a photograph to highlight the condition of the pitch. Fixing the irrigation system and completing the necessary ground works to repair the pitch should free up council staff and improve the durability of the pitch. Under our existing landlords responsibilities the irrigation system should have been fixed years ago. The ongoing overuse of the pitch and the poor grounds maintenance have left the pitch virtually unusable.

**COMMENTS: (Brett Jaggard, Unit Manager, Open Space Operations)**

The Cove soccer pitch has a subsurface irrigation system that was installed approximately 10 years ago. The sub surface irrigation system is ineffective for sports field management. Overhead watering is required to assist with washing in top dressing and fertiliser. The existing irrigation system was installed too close to the surface due to the limestone rock that is present at the site which has made it difficult to aerate and also made it vulnerable to damage from pegs placed in the ground. When in operation the system's watering is patchy with localised areas of dryness and flooding. The site also suffers from heavy foot traffic due to the number of players using the pitch.

Council's current practice is to irrigate with the sub surface system and two overhead sprinklers on hoses which are manually turned on and off each morning and afternoon throughout the working week.

The pitch is renovated on an annual basis to ensure the surface is fit for purpose, however due to the heavy foot traffic from over use and with the inadequate watering there are ongoing maintenance risks that are difficult to manage. The neighbouring football field is currently irrigated with an overhead system and it is evident that the playing surface is of a much higher quality than the soccer pitch.

A new design has been completed for an overhead watering system which includes a controller that would link the soccer and football oval to our desktop centrally controlled system. This would allow for more efficient water use and also reduce the risks associated with the condition of the playing surface, it needs to be acknowledged that a new watering system will improve the turf condition, however it will not resolve all of the surface issues due to the amount of foot traffic using the pitch on a regular basis. The approximate cost for this new system is \$110,000.

Due to the urgency of works, the funding for these works should be sourced from the identified savings resulting from the 2014/2015 financial year.



**CITY OF MARION  
GENERAL COUNCIL MEETING  
27 October 2015**

**Notice Received from:** Councillor Jason Veliskou  
**Subject:** Poker Machines  
**Ref No:** GC271015M06  
**File No:** 9.24.1.4 & 9.33.3.17

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**MOTION:**

1. Council recognises the negative impacts that gambling has on the general community and subsequently does not support any increase in the number of council owned venues with pokie machines.
2. Council encourages, supports and consults with its lessees in seeking alternative sources of revenue to poker machines.
3. Whilst preferring to minimise the use of poker machines in our community, Council will not compel any of its lessees to remove their current, licensed, poker machines.
4. A report will be provided to Council by the end of February 2016 regarding options for possible voluntary reduction of these poker machines.

**COMMENTS: Councillor Veliskou**

Nil

**COMMENTS: Carol Hampton - Project Officer**

A Motion with Notice (CG131015M02) was received from Councillor Hull in relation to Poker Machines in community facilities within the City of Marion:

1. Council call for a report to be presented to the February 2016 General Council Meeting to consider a policy position that all City of Marion Community Facilities are Poker Machine free.
2. This report include potential options and strategies for clubs that are currently operating with poker machines to assist in this transition.

A report (GC131015M02) was prepared for the Council meeting on 13 October 2015 in response to the Motion with Notice, which was subsequently adjourned to the Council meeting on 27 October 2015.

As advised in the report dated 13 October 2015 *“There are no Council policies in relation to gaming machines and assisting the community in relation to gaming machine dependence.*

*Should Council resolve, a report can be presented to Council at the February 2016 General Council Meeting which outlines strategies Council may wish to adopt in regards to the phasing out of gaming machines in operation at Council owned facilities and the associated impact this would have on the sustainability of clubs. The report would include a policy in regards to gambling facilities.”*

In the event that Councillor Hull’s motion is passed earlier in the agenda, the Presiding Member will need to determine if this motion can be considered based on *Regulation 12(3) of the Local Government (Procedures at Meetings) Regulations* that states “A motion the effect of which, if carried, would be to revoke or amend a resolution passed since the last general election of the council must be brought by written notice of motion”.

In the event that Councillor Hull’s motion is lost, this motion may be considered as an alternative motion.

Subject to Council’s support for Councillor Veliskou’s motion it is proposed that Council’s position on the negative impacts of gambling could be incorporated into a policy statement. The report to Council in February can take into consideration consultation with lessees and alternative sources of revenue, as well as Council’s direction on the removal of current, licensed poker machines in our community.

## CONFIDENTIAL REPORT

### REPORT RELATING TO: A leader in the delivery of the Community Vision

Originating Officer: John Valentine, Manager Strategic Projects  
Corporate Manager: John Valentine, Manager Strategic Projects  
Director: Vincent Mifsud  
Subject: Former Hallett Cove Library and Youth Services Building  
Reference No: GC271015F01  
File No: 13.60.1.1

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If the Council so determines, this matter may be considered in confidence under Section 90(3)(b) and (d) of the *Local Government Act 1999* on the grounds that the report contains information relating to a matter that could confer a commercial advantage to a third party and is of a commercial nature.



Kathy Jarrett  
Acting Chief Executive Officer

#### RECOMMENDATION:

1. That pursuant to Section 90(2) and (3)(b) and (d) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Kathy Jarrett, Vincent Mifsud, Fiona Harvey, Kate McKenzie, Victoria Moritz, John Valentine and Craig Clarke be excluded from the meeting as the Council receives and considers information relating to the disposal of the former Hallett Cove Library (and Youth Services) building, and the appointment of commercial agent, upon the basis that the Council 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 given the information relates to a matter that could confer a commercial advantage to a third party and is of a commercial nature.