

AGENDA

Ordinary Council Meeting Tuesday, 13 December 2022

Members of the public are advised that meetings of Council are live streamed on Council's YouTube Channel and video recorded.

**I hereby give notice that an Ordinary Meeting of Council will be held
on:**

Date: Tuesday, 13 December 2022

Time: 6.15pm

**Location: Tirkanthi Kuu Room
Level 1 at Payinthe
128 Prospect Road
Prospect**

**Chris White
Chief Executive Officer**

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1 OPENING**1.1 ACKNOWLEDGMENT OF THE KAURNA PEOPLE AS THE TRADITIONAL CUSTODIANS OF THE LAND**

'CITY OF PROSPECT ACKNOWLEDGES THAT WE ARE ON THE TRADITIONAL COUNTRY OF THE KAURNA PEOPLE OF THE ADELAIDE PLAINS REGION AND WE PAY OUR RESPECT TO ELDERS PAST AND PRESENT.

WE RECOGNISE AND RESPECT THEIR CULTURAL HERITAGE, BELIEFS AND RELATIONSHIPS WITH THE LAND AND WE ACKNOWLEDGE THAT THEY ARE OF CONTINUING IMPORTANCE TO THE KAURNA PEOPLE LIVING TODAY.'

1.2 COUNCIL PLEDGE

WE SEEK WISDOM AND UNDERSTANDING AS WE FACE THE DUTIES OF OUR UNITED TASK, PRAYING FOR THE PEACE AND PROSPERITY OF OUR CITY.

2 ON LEAVE**3 APOLOGIES****4 DECLARATION BY MEMBERS OF CONFLICT OF INTEREST****5 CONFIRMATION OF MINUTES**

Ordinary Council Meeting - 22 November 2022

6 PUBLIC QUESTION TIME**7 PETITIONS**

Nil

8 DEPUTATIONS

8.1 [Insert speaker name](#) / [Insert topic](#)

9 QUESTIONS WITHOUT NOTICE

10 REPORTS FOR DECISION

10.1 PERCY STREET RESERVE - UPDATE

File Number: IC22/368

Author: Joshua Bowen, Manager Assets and Maintenance

Responsible Executive: Sam Dilena, Director City Works & Presentation

EXECUTIVE SUMMARY

Percy Street Reserve (the Park) is scheduled for an upgrade in the 2022/23 financial year. Council staff facilitated a community consultation in late 2021. Round 2 of the consultation identified antisocial behaviour in the Park as a common concern. The south-west corner of the Park has a small section that is 'partially secluded' (by way of a dog leg in the boundary) from the street's view (**Attachment 1**).

The neighbouring owner of 63 Percy Street, Prospect (the Property) expressed safety concerns regarding this portion of the reserve and has offered to purchase the portion of land to straighten the boundary. Council, having considered the matter in a recent Council Meeting (23 August 2022 - Percy Street Reserve Round 2 Consultation Outcomes) carried the following motion as shown below, and notably, resolution clauses 3 and 5.

That Council:

1. Having considered Item 10.1 Percy Street Reserve Round 2 Consultation Outcomes receives and notes the report. **CARRIED UNANIMOUSLY**
2. Endorses the draft concept plan, as shown in Attachment 1, to proceed to final design, documentation, and construction within the existing \$215,000 budget. **LOST**
3. Progresses consideration of sale of portion of land to straighten the boundary. **CARRIED**
4. Fence the play space separately to the balance of the space of the park as per figure 2 page 7 of the staff report. **CARRIED**
5. Council investigates the offer from neighbour to straighten fence by acquiring land from that property. **CARRIED**
6. Continues to review and implement Crime Prevention through Environmental Design (CPTED) principles as detailed in this report during the design development and documentation stage. **CARRIED UNANIMOUSLY**

The purpose of this report is to respond to the resolution, and to inform Council on options available to resolve the safety concerns at Percy Street Reserve. Council is encouraged to review the critical aspects of the two options available and provide guidance on a way forward, so the Resident can be informed accordingly, and staff can progress the draft concept plan for the Percy Street Reserve upgrade.

RECOMMENDATION

That Council:

1. Having considered Item 10.1 Percy Street Reserve - Update receives and notes the report.
2. Supports a land division being progressed as per Option 2 as presented in this report contingent upon the owner of the property at 63 Percy Street, Prospect first:
 - (a) agreeing to pay 50% of the costs to give effect to the land swap as proposed in this report; and
 - (b) entering into a binding payment agreement with the Council on terms satisfactory to the CEO.
3. Subject to the land division receiving development approval and being given effect, supports the commencement of a process to revoke the community land status of the

newly created parcel of land arising from the division of CT5845/175 as detailed in this report by way of the Administration:

- (a) preparing and making publicly available a report on the revocation proposal that addresses the matters under section 194(2)(a) of the *Local Government Act 1999* ("the Act"); and
 - (b) undertaking public consultation in accordance with section 194(2)(b) of the Act.
4. Requests that the Administration prepare a report for Council's consideration addressing the outcomes of the Community Consultation process in respect of the community land revocation proposal.
 5. Allocate \$31,000 additional operating expenditure in the Second Budget Review to progress the land swap proposal per option 2 in this report which amount will be offset by the contribution to be paid by the property owner and the adjustment be included.

DISCUSSION

To progress investigations in relation to the offer from the owner of 63 Percy Street to acquire land from Percy Street Reserve and in line with Council's motion, the Director City Works and Presentation and the Manager Assets and Maintenance met with the Resident on 27 September 2022 to discuss different options.

The Resident after consideration was given to their existing internal infrastructure, cost to purchase the land and work involved in integrating the additional land into their current landscape design did not support proceeding with an option to straighten their eastern boundary from its dogleg to the southern boundary (which was the intent of the original Council motion).

However during this meeting the Property owner (the Resident) suggested a 'land swap' (the Proposal), roughly on the basis that Council would exchange 18sqm of community land for 18sqm of the Property's land. In effect, Council would transfer the 'partially secluded' triangle portion to the Resident in exchange for land from the Resident's eastern boundary (**Attachment 2**).

Percy Street Reserve is comprised in two Certificate of Title's (CT) as follows:

- CT 5845/175 which contains the partially secluded portion
- CT 5197/699 which runs adjacent to the eastern boundary of the Resident's land.

It is important that Council consider the risk factors and potential impediments that may prevent the Proposal from being implemented.

Community Land Considerations

The Park is classified as community land pursuant to the *Local Government Act 1999* (the Act) and as such Council cannot dispose of community land in any case unless the classification of the land as community land has first been revoked. The only way the Council could proceed with the Proposal is by first successfully undertaking a revocation process in respect of the portion of the Park comprising the 'partially secluded' area, as prescribed under Section 194 of the Act.

The Office of Local Government prepared and issued a [Guidance Paper \(No. 5 Community Land Revocations\)](#) outlining the requirements of the process. It states that a report (to be released for consultation) is first required, which addresses the following criteria as prescribed by section 194(2) of the Act, including:

- a summary of the reasons for the proposal; and
- a statement of any dedication, reservation or trust to which the land is subject; and
- a statement of whether revocation of the classification is proposed with a view to sell or disposal of the land; and
- an assessment of how implementation of the proposal would affect the area and the local community; and

- The Guidance Paper sets out the need for effective consultation in managing expectations and by ensuring the community has a full understanding of the nature and impacts of the revocation. Council must be abundantly clear in the consultation processes because a failure to do so can lead to the Minister rejecting the proposal. In this case, the consultation report would need to outline that the revocation is to give effect to the Proposal.

If, following its consideration of the consultation outcomes, Council wishes to proceed with the revocation proposal, then it must submit the report (ie Community Land Revocation report) together with a report on all submissions received to the Minister responsible for the Act. If the Minister approves the proposal, Council can proceed to make a resolution revoking the classification of the relevant portion of the Park as community land.

Land Division

Given the Proposal will also involve the division of land, Council may wish to consider the following two options:

Option 1

Boundary realignment, which would result in the triangle portion of the Park merging with the Resident's property, and a portion of the eastern side of the resident's property merging with the Park. That is, there would be no new titles created. This would require Council to revoke the community land status of the whole of that portion of the Park (CT 5845/175) and then vest it back on completion of the realignment.

Option 2

An eastern portion of the Resident's property could merge with the Park and then Council would sub-divide the Park to create a new CT for the triangle portion. This may be preferred as the revocation process would only need to be undertaken in respect of the triangle portion.

The process would be:

- a land division of CT 5845/175 is pursued to create an addition title, comprising the triangle portion (the **New Title**), however the land division would require development approval;
- once the New Title has been created, the Council may, if approved by the Minister, revoke the community land status of this land pursuant to section 194 of the Act.

Once the New Title has had its community land status revoked, it could then be transferred to the Resident. Simultaneously, Council would give effect to its acquisition of a portion of the eastern boundary of the Resident's property by way of a boundary realignment of CT 5197/699, resulting in a portion of land merging with CT 5197/699 and becoming Community Land.

However, a question to be considered in relation to both Options is whether the land division would likely be approved having regard to applicable planning considerations. In this regard, advice received from Council's planning department advised the following;

- *The planning assessment of a land division is intended to ensure that allotments being created are suitable for their intended purpose. There is clearly no planning purpose being achieved by dividing an already land-locked allotment of a somewhat awkward shape into two smaller, land-locked allotments.*
- *Acknowledging that at the time of the application both proposed allotments would be under the ownership of Council and identified as Community Land set aside for open space, it is not impossible that it could be approved subject to a demonstration of the rationale underpinning the need and purpose for the division*
- *It's important to note that accredited officers can't be involved in the assessment of the application due to our Code of Conduct, meaning that this would be assessed by either a non-accredited officer or by an external accredited consultant.*

- *In the context of the above, there are risks that an application proposing land division may not be supported as the allotment proposed to be created cannot by itself serve any functional purpose.*

Should the Council be minded to support the commencement of the revocation process and consult with its community on the proposal, it should be contingent on a land division application being supported prior to community consultation commencing.

There is no guarantee that the Minister will approve the revocation of the community land status of the Park. Indeed, since the Park is developed for and used by the community, it is possible that the Minister may refuse a proposal to revoke the community land status of the whole of the land comprised in CT 5845/175.

It is for this reason that, should Council be minded to further progress the objective of addressing the isolated parcel at the rear of Percy Street Reserve, the Administration recommends progressing with Option 2. Revocation of a small parcel of land is more likely to be approved by the Minister, noting that overall there is no net loss of community land proposed in the land swap.

Additional Considerations

The Council is not obliged to dispose of land to address the Resident's security concerns. A relevant risk consideration is that doing so *may* give rise to a precedent for the Council moving forward, particularly where cost effective mitigation can be achieved using passive surveillance through environmental design development.

Since the Proposal involves the disposal of Council land, the Council must assess and consider it against the considerations set out in the Council's [Sale or Disposal of Assets Policy](#) (the Policy).

This includes considering whether the Proposal delivers upon the key principles listed at part 5.2.1 of the Policy:

For the sale and disposal of land and other assets valued in excess of Council's capitalisation thresholds, the following key principles apply:

- (1) Consistency with and relevance to Council's Corporate and Strategic Plans*
- (2) Transparency and accountability in sale and disposal procedures and practices, ensuring that Council obtains the best possible price in the circumstances surrounding the sale, and that all potential purchasers are given equal opportunity to purchase the land or assets*
- (3) Opportunities to enhance local economic development and growth*
- (4) Compliance with statutory and other obligations*
- (5) Commercial confidentiality within legislative constraints; and*
- (6) Other relevant factors deemed appropriate by Council*

Finally, any agreement with the Resident to progress the Proposal must necessarily be subject to the following preconditions:

- all required development approvals having been obtained; and
- the Council completing a revocation process in respect of the land to be acquired by the Resident.
- Costs being agreed to be borne by the Resident to the extent defined by the Council at this meeting.

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- (4) Compliance with statutory and other obligations*
- (5) Commercial confidentiality within legislative constraints; and*
- (6) Other relevant factors deemed appropriate by Council*

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- all required development approvals having been obtained; and
- the Council completing a revocation process in respect of the land to be acquired by the Resident.
- Costs being agreed to be borne by the Resident to the extent defined by the Council at this meeting.

Where Council's [Community Engagement & Consultation Policy](#) (the Engagement Policy) prescribes steps that are more stringent than the minimum requirements of the Act (as is the case) then those steps must be followed. If the Engagement Policy is not complied with, Council's application to the Minister will not comply with the legislative requirements and the Minister is not likely to exercise his/her discretion in relation to that application

Council Engagement Policy requires a Level 3 consultation on community land classification that includes:

- Compliance with statutory requirements (*Local Government Act 1999*)
- Minimum 6-8 weeks consultation
- Report to Council and community on findings

As each revocation proposal is unique, consideration to identifying all parties with an interest in the proposal should be identified so Council can develop an understanding of these individuals and groups and choose appropriate communication, including:

- Writing directly and individually to those who live or own property in proximity to the affected land, particularly where the revocation is for the purpose of alienating open space currently available for recreational purposes
- Erection of a sign that explains the proposal and invites public submissions on the subject land
- Publication of a media article in the local newspaper or Council's newsletter which identifies the land and explains the proposal and the public consultation process
- Holding a public meeting with Council where community feedback can be received.

Implications, Related Questions and Further Information

The costs of the Proposal given the steps that would need to be undertaken (as above), must also be considered to determine whether the objective of the Proposal justifies the expenditure. The Annual Business Plan provides no funding for this Proposal.

The current cost estimate is \$25K (indicative, not including staff time), however this is exclusive of the cost to Council to undertake community consultation in accordance with section 194(2) of the Act. These costs include:

- Survey to establish existing boundaries and proposed new boundaries
- Submitting relevant statutory approvals
- Conveyancing to give effect to land division to excise the triangle portion from the reserve
- Conveyancing associated with boundary realignment for Council to acquire the portion of Resident's land, which will merge with the Park
- Demolition and erection of new fencing in line with new boundaries
- Significant commitment of staff time to support both the legal and consultative elements of the proposal

Progression of the Proposal is subject to the consideration of responsibility to pay for the costs involved, with the cost of consultation estimated at \$6K. Public consultation would only proceed on the basis that the land sub-division is granted.

Staff propose that Council should consider setting a prerequisite of an agreed 50% contribution towards all costs by the neighbour should the Proposal proceed, given the mutual benefit and swapping of land. Despite the final quantum split supported by the Council, it is proposed that the Resident's contribution be sought in full and up front prior to any work commencing. These funds would be held and drawn down as the process was progressed and costs invoked. A legal agreement would be prepared between the Resident and Council to cover the management of these funds, how they will be used, and the fact that they are an estimate only (with the possibility of either a refund of surplus, or a further invoice, if the actual cost changes).

As such, it is proposed that the Council would need to allocate at least \$31,000 in expenditure to allow the process to be undertaken if supported, offset by the extent to which the Council requires the Resident to contribute. Staff have recommended that this contribution be 50% of the estimated cost of the works. (ie approximately \$15,500).

Concept Plan Update

The current draft concept plan for Percy Street Reserve retains all land comprised in CT 5845/175 and 5197/699. Subject to the outcomes of Council's consideration on this matter, the draft concept plan will be updated and presented to Council in early 2023.

The design has been delayed to focus on the boundary adjustment process and, as previously advised to Council, will no longer be able to be delivered in the 2022/23 financial year due to the delays experienced.

Relevance to Core Strategies / Policy



Local Government Act 1999 Sale or Disposal of Assets Policy **Community Plan: Towards 2040**

► Responsible & Sustainable

2 to 5 year timeline

RS2.7 Demonstrate innovation in the supply and delivery of infrastructure projects

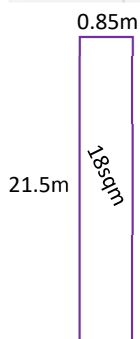
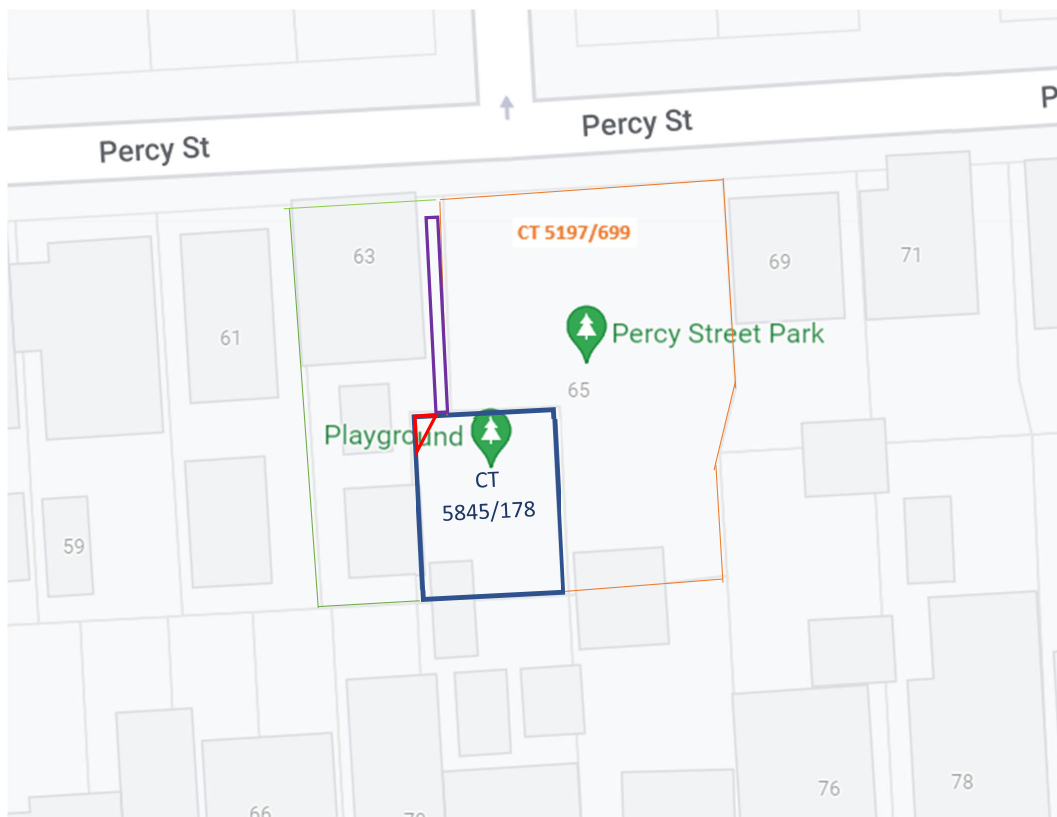
ATTACHMENTS

1. Image - Partially secluded south-west corner [↓](#) 
2. Map - Proposed land swap [↓](#) 

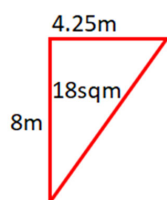
South west corner, 'partially secluded'



Attachment 2



The purple rectangle represents approx. 18sqm of the residence land proposed in the land swap
(Noting there is a 1m set back from the front boundary to allow for utilities to remain within the boundary in 63 Percy Street.



The red triangle represents approx. 18sqm of community land proposed in the land swap

10.2 FEDERAL BUDGET FUNDING - LOCAL ROADS AND COMMUNITY INFRASTRUCTURE LRCI PROGRAM - PHASE 3 PROJECTS**File Number:** IC22/370**Author:** Amir Eskandari, Manager PMO & Project Delivery**Responsible Executive:** Sam Dilena, Director City Works & Presentation**EXECUTIVE SUMMARY**

The Australian Federal Government has committed to the support of projects through the Local Roads and Community Infrastructure Program (LRCIP). City of Prospect's allocation of funds for Phase 3 was a total of \$572,360, to be spent on Infrastructure projects from 1 January 2022 and completed by 30 June 2023.

At the 14 December 2021 Council Meeting, Council endorsed for the allocation of the Phase 3 funds to two projects - extension of the Devonport Terrace upgrade (i.e Islington Shared Path), and extension to the renewal works for Braund Road, with the allocation of \$350,000 and \$222,360, respectively.

The Braund Road extension to the renewal works is well underway, with the allocated funds almost fully expended.

The Islington Shared Path, however, is currently affected by the delivery of Churchill Road Drainage Upgrade project potentially on its alignment. Therefore, staff seek Council's consideration to submit a request to LRCIP for an amendment to replace the Islington Shared Path project with renewal projects (i.e. Kerb and Gutter upgrade & Road Reseal on Cotton St, Devonport Terrace, and Galway Ave).

This Council Report provides an update to the LRCIP Phase 3 funding and seeks Council support for the reallocation of projects under this program.

Furthermore, Council staff seek approval to pursue future grant funding opportunities for the upgrade of the Islington Shared Path.

RECOMMENDATION**That Council:**

1. **Having considered Item 10.2 Federal Budget Funding - Local Roads and Community Infrastructure LRCI Program - Phase 3 Projects receives and notes the report.**
2. **Supports the reallocation of projects under Phase 3 of the Local Roads and Community Infrastructure Program (LRCIP), by withdrawing the extension of the Devonport Terrace upgrade (Islington Shared Path) and replacing with capital renewal projects associated with Kerb and Gutter upgrades & Road Reseals on Cotton St, Devonport Terrace, and Galway Ave respectively.**
3. **That the 2022-23 Annual Budget be adjusted accordingly.**
4. **Supports staff pursuing future grant funding opportunities to upgrade the Islington Shared Path.**

DISCUSSION

The Australian Federal Government has committed to the support of projects through the Local Roads and Community Infrastructure Program (LRCIP) with funding allocations to Councils determined by formula that consider road length and population.

The most recent allocation was for Phase 3 funding, within which City of Prospect was allocated a total of \$572,360, to be spent on Infrastructure projects from 1 January 2022 and completed by 30 June 2023.

At the 14 December 2021 Council Meeting, Council endorsed for the allocation of the Phase 3 funds to two projects as follows:

1. Extension of the Devonport Terrace upgrade to complete the final 400 metre section from Devonport Terrace through to the Regency Road overpass - \$350,000.00.
2. Extension to the renewal works currently planned for this financial year on Braund Road - \$222,360.00.

The Braund Road extension to the renewal works is well underway, with the allocated funds almost fully expended.

However, the extension of the Devonport Terrace upgrade (which encompasses the Islington Shared Path from Gurr Street, along the railway line, to Regency Road) is currently affected by Churchill Road Drainage Upgrade project.

This complication was raised through the LRCIP progress reporting and has now been confirmed that the timeframe of the proposed stormwater works will not align with the Phase 3 deadline for completion being 30 June 2023.

Therefore, staff seek Council's support to submit a request to LRCIP for an amendment to the Approved Work Schedule in order to replace the Islington Shared Path project with other renewal projects that are able to be completed by the Phase 3 program's deadline. These other renewal projects are Kerb and Gutter upgrade & Road Reseal on Cotton St, Devonport Terrace, and Galway Avenue.

These renewal projects are scheduled to be completed in the first half of the 2023 calendar year.

The Islington Shared Path project would then become fully funded by Council, with the \$350,000 subsidy from the LRCIP funding projects from within its capital renewal budget (transport assets). In effect, there will be no net impact to the Council's financial position and the grant funding can be expended prior to the grant agreement deadline to complete works.

Furthermore, Council staff seek approval to pursue future grant funding opportunities for the upgrade of the Islington Shared Path. Funding can be sought from programs such as the DIT State Bicycle Fund, which funds dollar for dollar, up to a \$200,000 contribution and opens in early 2023.

Implications, Related Questions and Further Information

Overall Council's financial position is not impacted as grant funding will be allocated to fully funded Capital Renewal Works as identified earlier, and funding for those works transferred to the Islington Shared Path project. These changes to the budget will occur should the Council support this proposal.

Phase 3 guidelines governing the use of this funding have been reviewed to ensure compliance with project nominated.

The Phase 3 funding does not require a matching contribution of funds from Council.

Relevance to Core Strategies / Policy

- Annual Business Plans and Budget
- Long Term Financial Plan

Community Plan: Towards 2040

► Connected & Caring

FY 20/21 Measures

- CC1.2 Undertake Local Roads & Community Infrastructure Program projects upon successful grant applications for better transport connections and to stimulate economy post COVID-19

► Responsible & Sustainable

FY 20/21 Measures

RS1.2 Ensure at least 50% of road construction and maintenance materials purchased is recycled content

ATTACHMENTS

Nil

10.3 GAROC - CASUAL VACANCY**File Number:** IC22/373**Author:** Deborah Horton, Team Leader Governance & Risk**Responsible Executive:** Ginny Moon, Director City Corporate**EXECUTIVE SUMMARY**

Following the conclusion of the 2022 Council elections, a casual vacancy has arisen on the Greater Adelaide Regional Organisation of Councils (GAROC) Committee. Former Town of Walkerville Mayor Elizabeth Fricker was unsuccessful in her bid for re-election, resulting in the casual vacancy.

This report seeks a nomination from City of Prospect Members for a position on GAROC.

RECOMMENDATION**That Council:**

1. **Having considered Item 10.3 GAROC - Casual Vacancy receives and notes the report.**
2. **Nominates [insert name] for the position on the Greater Adelaide Region of Councils (GAROC) for 2022-24.**
3. **The ballot paper provided at Attachment 1 be completed and returned to the Local Government Association Returning Officer by 5pm Wednesday 25 January 2023.**

DISCUSSION**Background – what is GAROC?**

GAROC was formed in 2018 via the Local Government Association Constitution and exists to lead regional advocacy policy initiation and review, leadership engagement and capacity building in the greater Adelaide region(s).

The current chair of GAROC is City of Mitcham Mayor, Dr Heather Holmes-Ross representing South Adelaide Region. Other Members include;

Lord Mayor Jane Lomax-Smith AM, Adelaide Region, City of Adelaide

Mayor Michael Coxon, West Adelaide Region, City of West Torrens

Councillor Lucas Jones, North Adelaide Region, City of Tea Tree Gully

Councillor Anna Leombruno, East Adelaide Region, Campbelltown City Council

Mayor Claire Boan, West Adelaide Region, City of Port Adelaide Enfield

Mayor Gillian Aldridge OAM, North Adelaide Region, City of Salisbury.

The Local Government Association has a plethora of GAROC information on their website including;

- [Strategic Plan 2019 - 2023](#)
- [Annual Business Plan 2022-23](#)
- [Meeting Agendas and Minutes](#)

GAROC Vacancy

Former Mayor of Walkerville, Ms Elizabeth Fricker, was a representative of the East Regional Grouping of Members (East Grouping), which comprises Adelaide Hills Council, the Cities of Burnside, Norwood Payneham & St Peters, Prospect, Unley, Campbelltown City Council and the

Town of Walkerville. Each Grouping of Members is represented on GAROC by two persons. The other East Grouping representative is Councillor Anna Leombruno from the Campbelltown City Council.

The Chief Executive Officer of the Local Government Association has written to council seeking a nomination from City of Prospect for an Eastern Region Representative (**Attachment 1**).

The GAROC Terms of Reference provide at clause 4.7.3. (**Attachment 2**) that if there is a casual vacancy in the membership of GAROC, then the relevant regional grouping of members will appoint by resolution another Council Member to serve as a member of GAROC for the balance of the membership term.

The GAROC Terms of Reference do not prescribe the process by which an appointment to fill a casual vacancy will be determined, beyond requiring a resolution of the majority of Members comprising the Regional Grouping. Noting that the appointment will continue for the balance of the membership term to GAROC (i.e., until the LGA Annual General Meeting to be held in October 2024), It is proposed that the outcome of the election, through the ballot process, will be determined by a majority resolution of the East Grouping members (including Prospect).

GAROC Nominations

The LGA Chief Executive Officer has requested that, as a Member Council in the East Grouping to invite one (1) nomination from City of Prospect for a position on GAROC.

Each member of the East Grouping may nominate a candidate for membership, provided that the person nominated is a council member of one of the East Grouping members. Councils are not obligated to submit a nomination.

A nomination may only be made by resolution of the council and using the attached nomination form. The form must be signed by both the candidate nominated by the council to indicate his/her willingness to stand for election, and by the Chief Executive Officer of the nominating council. The nomination form must be accompanied by the attached candidate information sheet. Nominations must be received **before 5.00pm Wednesday 25 January 2023**.

GAROC Voting

In the event that more than one nomination is received a ballot will be conducted. Ballot papers will be distributed to the East Grouping councils and will include any information provided on the candidate information sheet. Further information on the voting process will be provided at the time ballot papers are distributed.

If a ballot proceeds, ballot papers will be issued in a timeframe that will ensure receipt prior to Friday 3 February 2023. Close of voting will then occur at **5.00pm Wednesday 1 March 2023**. The LGA has acknowledged that this is a relatively short timeframe, but has expressed their hope that by flagging the dates well in advance, Council will be in a position to facilitate the completion of the ballot within the required timeframes.

Counting of votes, if required, will occur at 9.30am on Friday 3 March 2023 at LG House, 148 Frome Street, Adelaide. Further details will be provided once it has been confirmed that a ballot will be conducted.

Meeting schedule: GAROC will meet at least once in each 2-month period at such times and places as shall be determined by the Chief Executive. Future meeting dates for 2023 and 2024 are unknown at this time.

Venue: LGA Boardroom at Local Government House 148 Frome Street, Adelaide.

Term: 2 years. Commencing December 2022 and concluding October 2024 (LGA AGM).

City of Prospect Voting

Suspension of Meeting procedures – (Code of Practice Meeting Procedures - Regulation 20)

If there are more than two Members that may wish to nominate for a position on GAROC, Council may seek to suspend meeting procedures to enable votes to be cast and a nominee chosen.

During suspension of meeting procedures, a member will not have a conflict of interest at this time to enable the opportunity for members to nominate and speak to their nomination.

Voting Procedures for nomination on in/external positions – (Code of Practice Meeting Procedures - Regulation 7.6)

If there are more Members than positions available, Council will follow its own supplementary provisions, which will enable a secret ballot and voting process. During this ballot and voting process, a member will not have a conflict of interest at this time. Members can therefore nominate and vote for themselves.

City of Prospect Conflict of Interest

Once the ballot and counting process has been completed as explained above, with an Elected Member nominee determined as a result and meeting procedures resumed, the Elected Member determined to be the final nominee will need to consider whether they have a conflict of interest before a motion is moved in the meeting.

Given this position is not paid, it is governance's recommendation that an Elected Member will not have a material conflict of interest.

Information to assist Elected Members determine whether they have a conflict of interest or not including the type of conflict in a matter, is available via the Local Government Association's Conflict of Interest Guidelines.

Intelligent Community Indicators

5. Sustainability: Economic growth while reducing the environmental impact of that growth
6. Advocacy: Engaging leaders and citizens, businesses and institutions, in identifying opportunities to champion positive change

ATTACHMENTS

1. **2022 GAROC East Casual Vacancy - letter to East Regional Grouping Member CEOs** [!\[\]\(e84f4dc0518e2685b866048632d78d45_img.jpg\)](#)
2. **LGA-GAROC-Terms of Reference** [!\[\]\(6f06992deed1c766d6daef1d83491cc1_img.jpg\)](#)



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In reply please quote our reference: ECM 785182 TN/AL

24 November 2022

Mr Chris White
Chief Executive Officer
City of Prospect
Email: chris.white@prospect.sa.gov.au

Dear Chris

Casual Vacancy - GAROC East Regional Grouping of Members

Following the conclusion of the 2022 Council elections a casual vacancy has arisen on the Greater Adelaide Regional Organisation of Councils (GAROC) Committee. Former Town of Walkerville Mayor Elizabeth Fricker was unsuccessful in her bid for re-election, resulting in the casual vacancy.

Ms Fricker was a representative of the East Regional Grouping of Members (East Grouping), which comprises Adelaide Hills Council, the Cities of Burnside, Norwood Payneham & St Peters, Prospect, Unley, Campbelltown City Council and the Town of Walkerville. Each Grouping of Members is represented on GAROC by two persons. The other East Grouping representative is Councillor Anna Leombruno from the Campbelltown City Council.

The GAROC Terms of Reference provide at clause 4.7.3. that if there is a casual vacancy in the membership of GAROC, then the Regional Grouping of Members relevant to the GAROC member the subject of the casual vacancy will appoint by resolution of the majority of Members comprising the Regional Grouping of Members another Council Member to serve as a member of GAROC for the balance of the membership term.

The GAROC Terms of Reference do not prescribe the process by which an appointment to fill a casual vacancy will be determined, beyond requiring a resolution of the majority of Members comprising the Regional Grouping. Noting that the appointment will continue for the balance of the membership term to GAROC (i.e., until the LGA Annual General Meeting to be held in October 2024) and in light of the recent conclusion of Council elections, I have determined to conduct an election process to fill the vacancy. The outcome of the election, through the ballot process, will be determined by a majority resolution of the East Grouping members.

Nominations

I write to you in your capacity as the Chief Executive Officer of a Member Council in the East Grouping to invite one (1) nomination from your council for a position on GAROC.

Each member of the East Grouping may nominate a candidate for membership, provided that the person nominated is a council member of one of the East Grouping members. Councils are not obligated to submit a nomination.

A nomination may only be made by resolution of the council and using the attached nomination form. The form must be signed by both the candidate nominated by the council to indicate his/her willingness to stand for election, and by you as the Chief Executive Officer of the nominating council. The

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nomination form must be accompanied by the attached candidate information sheet. Nominations must be received **before 5.00pm Wednesday 25 January 2023**.

Voting

In the event that more than one nomination is received a ballot will be conducted. Ballot papers will be distributed to the East Grouping councils and will include any information provided on the candidate information sheet. Further information on the voting process will be provided at the time ballot papers are distributed.

If a ballot proceeds, ballot papers will be issued in a timeframe that will ensure receipt by you prior to Friday 3 February 2023. Close of voting will then occur at **5.00pm Wednesday 1 March 2023**. I acknowledge this is a relatively short timeframe, however I am hopeful that by flagging the dates with you well in advance you will be in a position to facilitate your council's completion of the ballot within the required timeframes.

Counting of votes, if required, will occur at 9.30am on Friday 3 March 2023 at LG House, 148 Frome Street, Adelaide. Further details will be provided once it has been confirmed that a ballot will be conducted.

Could you please facilitate a process whereby your council will consider and if it determines to do so, resolves to submit a nomination for an East Grouping representative on GAROC.

If you have any questions in relation to the casual vacancy election process, please contact me or LGA Program Leader Governance Tami Norman on 8224 2037 or tami.norman@lga.sa.gov.au.

Yours sincerely

Clinton Jury

Chief Executive Officer

Telephone: (08) 8224 2039

Email: cjury@lga.sa.gov.au

Attach: 2022 GAROC East Casual Vacancy – Nomination Form
2022 GAROC East Casual Vacancy – Candidate Information Sheet



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Greater Adelaide Regional Organisation of Councils (GAROC) East—2022 Casual Vacancy Nomination Form

Nominee's Council	<i>(insert name of council)</i>
Nominee's Name (full name)	<i>(insert title, first name and surname)</i>
Regional Grouping	<i>(Select one)</i> <input type="checkbox"/> North <input type="checkbox"/> West <input type="checkbox"/> South <input checked="" type="checkbox"/> East
Declaration and signature of nominee	I hereby accept such nomination. Signature:
Signature and name of Nominating Council's CEO	Signature: (insert name)
Dated	<i>(insert date)</i>

This form is to be sent to the LGA Returning Officer
Close of nominations 5:00pm Wednesday 25 January 2023



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Greater Adelaide Regional Organisation of Councils (GAROC) East—2022 Casual Vacancy Candidate Information Sheet

(word limit is strictly 1,000 words)

Name:	<i>(insert title, first name and surname)</i>
Council:	<i>(insert council name)</i>
Local Government Experience & Knowledge	<ul style="list-style-type: none"><i>(insert)</i>
Local Government Policy Views & Interests	<ul style="list-style-type: none"><i>(insert)</i>
Other information	<ul style="list-style-type: none"><i>(insert details of leadership, board, corporate governance experience etc)</i>

This form must accompany the Nomination Form

LGA GAROC Terms of Reference

Effective 23 July 2020

**Local Government Association of South Australia****GAROC Terms of Reference**

Adopted by the LGA Board on 23 July 2020 and re-ratified by Members at the AGM held 29 October 2021

1. Establishment

In accordance with clause 19 of the Local Government Association of South Australia Constitution and Rules (**Constitution**) there are 2 regional organisations of Members: the South Australian Regional Organisation of Councils (**SAROC**) and the Greater Adelaide Regional Organisation of Councils (**GAROC**).

2. Terms of Reference

2.1. These Terms of Reference set out the functions to be discharged by GAROC.

2.2. The operation of the Terms of Reference may be altered by the Board of Directors either generally or in respect of specific circumstances by resolution with the exception of clauses 4.2, 4.3 and 4.4. A resolution for the purposes of this clause 2.2 will be reported to the chairperson of GAROC within 24 hours of the meeting of the Board of Directors at which the resolution was passed.

2.3. These Terms of Reference will be presented to the Members at a General Meeting for ratification annually (or more frequently as determined by the Board).

2.4. Clauses 4.2, 4.3 or 4.4 of this Terms of Reference may be altered only:

2.4.1. By resolution passed at a General Meeting of which at least 30 days' notice has been given to Members; and

2.4.2. With approval of the Minister.

2.5. The term:

GAROC Region means the combined local government area of each Member listed in the Schedule and the City of Adelaide.

GAROC Regional Grouping means all of the Members of the Regional Groupings of Members as identified in the Schedule and, for the purposes of Clause 6 of these Terms of Reference and Clause 28.6 of the Constitution, includes the City of Adelaide.

2.6. A capitalised term not defined in this document has the meaning provided for the term in the Constitution.

3. Status

GAROC is a committee of the LGA and is responsible to the Board of Directors for the discharge of its functions.

4. GAROC**4.1. Role**

The role of GAROC is regional advocacy, policy initiation and review, leadership, engagement and capacity building in the GAROC Region.



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4.2. Membership

- 4.2.1. Each Regional Grouping of Members listed in the schedule to these Terms of Reference will elect in accordance with clause 4.3 and 4.4 from the Members of the Regional Grouping of Members, 2 Council Members of Members in the Regional Grouping of Members as members of GAROC provided that each person elected is from a different Member.
- 4.2.2. In addition to the members of GAROC elected in accordance with clause 4.2.1, the Lord Mayor of the City of Adelaide will be a standing member of GAROC.

4.3. Nominations for election to GAROC

- 4.3.1. The members of GAROC will be elected biennially.
- 4.3.2. In the year in which GAROC members will be elected, and at least 3 months before the Annual General Meeting, the Chief Executive shall write to all Members of the GAROC Regional Grouping as listed in the schedule calling for nominations for the membership of GAROC.
- 4.3.3. Each Member of the GAROC Regional Grouping may nominate a candidate for membership of GAROC, provided that:
 - (a) a person nominated as a member of GAROC must be a representative of a member on the relevant Regional Grouping of Members; and
 - (b) only a Council Member can be nominated to GAROC.
- 4.3.4. A nomination of a person as a member of GAROC must be by resolution of the Member received by the Chief Executive not later than 5 pm on the day specified for the closure of nominations (**Close of Nominations**). A nomination must be signed by the candidate indicating his or her willingness to stand for election and be in the form determined by the Chief Executive.

4.4. Election to GAROC

- 4.4.1. The Chief Executive shall be the returning officer for any election of members to GAROC.
- 4.4.2. After the Close of Nominations, the Chief Executive will notify Members of each Regional Grouping of Members of the candidates for membership of GAROC nominated by the Regional Grouping of Members.
- 4.4.3. If the only nominations received from a Regional Grouping of Members by the Close of Nominations match the membership positions described in clause 4.2.1, then the Chief Executive will declare those persons duly elected to those membership positions.
- 4.4.4. If the number of persons nominated by the Close of Nominations by a Regional Grouping of Members exceeds the number of membership positions described in clause 4.2.1, then an election for the purpose of clause 4.2.1 must be held in accordance with this clause.



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- 4.4.5. In the event of an election being required, the Chief Executive shall conduct the election as follows:
- (a) at least six weeks before the Annual General Meeting, the Chief Executive shall deliver ballot papers to each Member of the Regional Grouping of Members;
 - (b) the ballot papers shall:
 - (i) list the candidates for election;
 - (ii) specify the day of closure of the election;
 - (iii) be accompanied by an envelope marked "Ballot Paper" and a second envelope marked "Returning Officer";
 - (c) each Member shall determine by resolution the candidate or candidates (as relevant) it wishes to elect;
 - (d) the chair of the meeting for that Member shall mark the ballot paper with an "X" next to the candidate or candidates (as relevant) that the Member wishes elected and seal the ballot paper in the envelope marked "Ballot Paper" inside the envelope marked "Returning Officer". Before sealing the second envelope the chair must indicate the Member's name on the inside flap of the envelope. The envelope may then be sealed and delivered to the Returning Officer;
 - (e) on receipt of the envelopes the Chief Executive must:
 - (i) open the outer envelope addressed to the "Returning Officer" and record the name of the Member which appears on the inside flap of the envelope on the roll of Member's eligible to vote; and
 - (ii) place the envelope marked "Ballot Paper" unopened into the ballot box;
 - (f) the Chief Executive shall nominate the date, time and place for the counting of votes and shall invite each candidate and a person nominated as the candidate's scrutineer to be present;
 - (g) at the counting of the votes the Chief Executive shall produce unopened envelopes marked "Ballot Paper" and if satisfied that all votes are valid, count the number of votes received by each candidate;
 - (h) in respect of an election for the purposes of clause 4.2.1, the 2 candidates from a Regional Grouping of Members with the most votes shall be deemed elected in respect of that Regional Grouping of Members and the Chief Executive shall declare the candidates elected at the Annual General Meeting; and
 - (i) in the case of candidates for membership positions described in clause 4.2.1 from a Regional Grouping of Members receiving the same number of votes, the Chief Executive shall draw lots at the counting of the votes to determine which candidate is elected.



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- 4.4.6. The Chief Executive may, in his or her discretion, appoint a deputy returning officer and delegate any of his or her powers, functions or duties to that person who shall act accordingly.
- 4.4.7. The Chief Executive may, in his or her discretion, delegate any of his or her powers, functions or duties to an Executive Officer of a Regional Grouping of Members who shall act accordingly for the conduct of elections for the purpose of clause 4.2.1 in respect of the Regional Grouping of Members relevant to that Executive Officer.

4.5. Term of office

The term of office for members of GAROC shall commence after the Annual General Meeting of the year in which the member is elected. Each member of GAROC will serve for a period of 2 years or until a circumstance causing a casual vacancy as described in clause 4.7.2 occurs.

4.6. Duties

- 4.6.1. Each member of GAROC must:
 - (a) undertake his or her role as a GAROC member honestly and act with reasonable care and diligence in the performance and discharge of functions and duties;
 - (b) not make improper use of information acquired by virtue of his or her position as a GAROC member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA;
 - (c) not make improper use of his or her position as a GAROC member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA; and
 - (d) not act in any matter where the GAROC member has a conflict of interest (provided that an interest shared in common with all or a substantial proportion of the members of GAROC will not be an interest giving rise to a conflict of interest).

4.7. Absences and casual vacancies

- 4.7.1. A leave of absence may be granted to a member of GAROC by resolution of GAROC. A replacement member of GAROC will be appointed for the period of the leave of absence by resolution of the majority of Members comprising the Regional Grouping of Members relevant to the person the subject of the leave of absence.
- 4.7.2. A casual vacancy will occur in the office of a member of GAROC if the member of GAROC:
 - (a) dies;
 - (b) resigns from GAROC;
 - (c) is dismissed by resolution of the Board of Directors from GAROC for Misconduct;

- (d) ceases to be a Council Member;
- (e) the Member for which the member of GAROC is a Council Member is no longer a member of the Local Government Association; or
- (f) an administrator is appointed to administer the affairs of the Member for which the member of GAROC is a Council Member.

4.7.3. If there is a casual vacancy in the membership of GAROC, then the Regional Grouping of Members relevant to the GAROC member the subject of the casual vacancy will appoint by resolution of the majority of Members comprising the Regional Grouping of Members another Council Member to serve as a member of GAROC for the balance of the membership term.

5. Responsibilities

5.1. Board of Directors

- 5.1.1. The role of the Board of Directors is to oversee corporate governance of the LGA and provide strategic direction and leadership.
- 5.1.2. The duties of the Board of Directors are to ensure that:
 - (a) the LGA acts in accordance with applicable laws and the Constitution;
 - (b) the LGA acts ethically and with integrity, respecting diversity and striving for gender balance participation in all activities;
 - (c) the activities of the LGA are conducted efficiently and effectively and that the assets of the LGA are properly managed and maintained;
 - (d) subject to any overriding fiduciary or other duty to maintain confidentiality, the affairs of the LGA are undertaken in an open and transparent manner; and
 - (e) the LGA performs to its business plan and achieves or betters the financial outcomes projected in its budget.
- 5.1.3. The Board of Directors may from time to time refer matters to GAROC for consideration.
- 5.1.4. The Board of Directors will receive, consider and respond to any report and recommendations provided to the Board of Directors by GAROC.
- 5.1.5. The Board of Directors will periodically review the performance of GAROC.

5.2. GAROC

- 5.2.1. GAROC will fulfil its functions under these Terms of Reference in a timely, objective and professional manner consistent with the 'LGA Strategic Management Framework'.
- 5.2.2. GAROC may, through the Chief Executive and at the LGA's expense, seek external legal, financial or other advice on matters within its functions or concerning these Terms of Reference.



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5.3. Chief Executive

- 5.3.1. The Chief Executive will make available to GAROC information of the LGA which is relevant to the functions of GAROC.
- 5.3.2. The Chief Executive will ensure that administrative support and other resources are made available to GAROC as included in the GAROC approved annual business plan and budget to enable GAROC to discharge its obligations under these Terms of Reference.
- 5.3.3. Resources made available to GAROC will include resourcing by the LGA Office or external resources considered appropriate by the Chief Executive acting in consultation with GAROC.

6. Functions of GAROC**6.1. LGA Object**

- 6.1.1. The object of the LGA is to achieve public value through the promotion and advancement of the interests of local government by:
 - (a) advocating to achieve greater influence for local government in matters affecting councils and communities;
 - (b) assisting member councils to build capacity and increase sustainability through integrated and coordinated local government; and
 - (c) advancing local government through best practice and continuous improvement.
- 6.1.2. GAROC will assist in the achievement of the LGA's object by:
 - (a) supporting the activities of the LGA at a regional level;
 - (b) promoting communication between Members and between Members and the LGA;
 - (c) advocating in respect of matters which affect the GAROC Regional Grouping;
 - (d) encouraging engagement of Members within the GAROC Regional Grouping with GAROC and the LGA; and
 - (e) participating in policy development and implementation.

6.2. Consideration and referral of Member items of business

- 6.2.1. Any Member of the GAROC Regional Grouping may raise an item of business for the consideration of the Board of Directors or a General Meeting with GAROC. The item of business must be clearly described in writing, including an indication as to whether the impact of the item is confined to the Member or has broader implications for the local government sector.
- 6.2.2. GAROC will consider each item of business raised with GAROC by a Member.

- 6.2.3. A Member may be invited by GAROC to address a meeting of GAROC in respect of the proposed item of business.
- 6.2.4. Where considered appropriate by GAROC on the basis of the nature, scope and impact or potential impact of the item on the local government sector, GAROC will refer the item to either the Board of Directors or a General Meeting.
- 6.2.5. GAROC will inform the Member which has raised the item of business as to whether or not the item will be referred to the Board of Directors or a General Meeting.
- 6.2.6. Where an item of business is not referred to the Board of Directors or a General Meeting, GAROC may provide assistance or guidance to the Member in respect of progressing the matter.

6.3. Proposals for policy development

- 6.3.1. GAROC may develop proposals for policy positions for consideration at a General Meeting either in response to an issue raised by a Member within the GAROC Regional Grouping or independently.
- 6.3.2. A policy position developed by GAROC will be referred to the Board of Directors for consideration and determination as to whether or not the position should be put for consideration and adoption to a General Meeting.

6.4. Election to Board of Directors

- 6.4.1. GAROC will elect 3 members of GAROC (each of which must be a Council Member with relevant business and governance experience) to the Board of Directors.
- 6.4.2. In addition to Directors elected under clause 6.4.1, the chairperson of GAROC will be a Director.
- 6.4.3. The term of office as a Director of the 3 persons elected to the Board of Directors by GAROC and the chairperson of GAROC will commence after the Annual General Meeting of the year in which the person is elected and shall be for 2 years or until a casual vacancy in that office occurs.
- 6.4.4. Persons elected under clause 6.4.1 are eligible for re-election for subsequent terms.

6.5. Strategic and annual business planning

- 6.5.1. GAROC will develop, in consultation with the Members of the GAROC Regional Grouping, a 4 year strategic plan for regional advocacy, policy initiation and review, leadership, engagement and capacity building in the GAROC Region. The strategic plan will be reviewed and updated annually by GAROC by June each year.
- 6.5.2. GAROC will develop, in consultation with the Members within the GAROC Regional Group, an annual business plan for the next financial year by June each year.



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- 6.5.3. The strategic plan and annual business plan for the next financial year will be presented to the Board of Directors for approval by June each year.

6.6. Other functions

GAROC will undertake any other functions:

- 6.6.1. of GAROC set out in the Constitution; and
- 6.6.2. delegated by the Board of Directors to GAROC.

7. Budget

- 7.1.1. GAROC will by June each year develop and adopt a budget to cover anticipated expenses of activities under the strategic plan and annual business plan during the next financial year. After adoption by GAROC, the budget will be provided to the Board of Directors for consideration and approval.
- 7.1.2. GAROC will provide a financial report to the Board of Directors no later than September providing a true and correct record of the expenditure of GAROC against the annual budget.
- 7.1.3. The chairperson of GAROC will meet with the Audit Committee of the LGA or the LGA's external auditor on request to discuss the GAROC financial report.

8. Committees

GAROC may establish committees consisting of any person with relevant experience, skill or expertise for any purpose and determine the terms of reference for such committees.

9. Meetings of GAROC

9.1. Resolution of the Board of Directors

Requirements under this clause 9 may be altered, supplemented or replaced by resolution of the Board of Directors.

9.2. Frequency of meetings and venue

- 9.2.1. GAROC will meet at least once in each 2 month period at such times and places as shall be determined by the Chief Executive.
- 9.2.2. Any member of GAROC or the Board of Directors may convene additional meetings of GAROC.
- 9.2.3. Notice of a meeting of GAROC will be provided in writing to members of GAROC by the Chief Executive no less than 7 days prior to the meeting providing the date, time and place of the meeting and the proposed business to be conducted at the meeting.

9.3. Chairperson

- 9.3.1. The chairperson of GAROC will be a Council Member appointed by GAROC.
- 9.3.2. The chairperson will be the official spokesperson for GAROC.



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- 9.3.3. If the chairperson of GAROC is absent from a meeting of GAROC then the members attending the GAROC meeting will appoint a chairperson for the purposes of that meeting.

9.4. Decision making

- 9.4.1. All questions arising at a meeting of GAROC shall be decided by a simple majority vote of the members of GAROC present and voting on each question.
- 9.4.2. The Chair of the meeting has a deliberative vote and, if there are equal numbers of votes on any question, a casting vote.

9.5. Meeting procedure

The meeting procedures determined by the Board of Directors from time to time will apply to meetings of GAROC.

9.6. Attendance

- 9.6.1. Meetings of GAROC will be closed to the public.
- 9.6.2. GAROC may invite any person to attend its meetings.

9.7. Minutes

- 9.7.1. Minutes will be kept of all GAROC meetings including a record of the actions of GAROC.
- 9.7.2. Within 48 hours of a GAROC meeting, the chairperson will review and confirm the draft minutes. The draft minutes will then be circulated to GAROC members for comment and if necessary amendment before being certified as correct by the chairperson.

9.8. Quorum

The quorum for a meeting of GAROC is one half of the members of GAROC, plus 1 member of GAROC (provided that at least 1 member elected by each Regional Grouping of Members must be present except for a Regional Grouping of Members with no representation on GAROC).

9.9. Performance assessment

GAROC will assess its performance against:

- 9.9.1. the strategic plan and annual business plan each quarter; and
- 9.9.2. these Terms of Reference annually.

9.10. Reporting

- 9.10.1. A Director elected by GAROC will provide a verbal report to the Board of Directors on key matters being considered by GAROC at each Board of Director's meeting at which the minutes of GAROC are to be considered by the Board of Directors.

- 9.10.2. Any matter relevant to regional advocacy, policy initiation and review, leadership, engagement and capacity building in the GAROC Region considered to be of significance to the corporate governance, strategic direction and leadership of the LGA will be reported by GAROC to the Board as soon as practicable after GAROC has considered the matter.
- 9.10.3. GAROC will provide an annual report to the Board of Directors by September each year summarising:
- (a) the discharge of GAROC's responsibilities and functions under these Terms of Reference and against the strategic plan and annual business plan;
 - (b) the activities of GAROC during the financial year;
 - (c) items of business referred to the Board of Directors or a General Meeting during the financial year; and
 - (d) items being considered by GAROC which have not been reported to the Board of Directors and the intended actions in respect of those matters.

10. Access to information

- 10.1.1. GAROC is entitled, acting through the Chief Executive, to access any information or discuss matters with staff of the LGA Office.
- 10.1.2. A copy of the agenda for a GAROC meeting, reports to be considered by GAROC and minutes of GAROC meetings certified under clause 9.7.2 will be available to all Directors.
- 10.1.3. Subject to confidentiality requirements as determined by the Board of Directors or GAROC, a copy of the GAROC agenda, reports and minutes certified under clause 9.7.2 will be published on the LGA website for review by Members.

11. Administration

- 11.1. Subject to clause 11.2, an administrator appointed to administer the affairs of the Member may exercise the rights and satisfy the obligations of the administered Member under these Terms of Reference.
- 11.2. An administrator is ineligible to be a member of GAROC.

12. Transitional provisions

12.1. Interpretation

- 12.1.1. Transitional arrangements associated with these Terms of Reference are set out in this clause 12.
- 12.1.2. In this clause 12:



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"Commencement Date" means the date on which both of the following criteria have been satisfied (regardless of the order in which they are satisfied):

- (a) these Terms of Reference have been adopted by resolution passed at a General Meeting of which at least 30 days' notice has been given to Members; and
- (b) the Minister has approved the amendments to clauses 4.2, 4.3 and 4.4.

"Previous Terms of Reference" means the terms of reference for GAROC in operation immediately prior to the Commencement Date.

"Transitional Period" means the period between the Commencement Date and the Annual General Meeting in 2020.

- 12.1.3. The term of office of each member of GAROC appointed prior to the Commencement Date will expire at the Annual General Meeting in 2020 or when a casual vacancy arises under clause 4.7.2.
- 12.1.4. If a leave of absence is granted under clause 4.7.1 in respect of a member of GAROC during the Transitional Period, a replacement member of GAROC will be appointed for the period of the leave of absence by resolution of the majority of Members comprising the Regional Grouping of Members specified in the schedule to the Previous Terms of Reference.
- 12.1.5. If a casual vacancy arises under clause 4.7.2 in respect of a member of GAROC during the Transitional Period, another Council Member will be appointed to serve as a member of GAROC for the balance of the membership term by resolution of the majority of Members comprising the Regional Grouping of Members specified in the schedule to the Previous Terms of Reference.



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Schedule: List of Regional Groupings of Members within the GAROC Regional Grouping

Regional Grouping of Members	Members
North	Gawler Playford Salisbury Tea Tree Gully
West	Charles Sturt Holdfast Bay Port Adelaide Enfield West Torrens
South	Marion Mitcham Onkaparinga
East	Adelaide Hills Burnside Campbelltown Norwood Payneham & St Peters Prospect Unley Walkerville



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**10.4 VOLUNTARY MEMBERSHIP TO PROSPECT ARTS
ACTION NETWORK AND CITY WIDE PUBLIC ART ROUNDTABLE****File Number:** IC22/375**Author:** Farlie Taylor, Director City Strategy, Culture & Community**Responsible Executive:** Farlie Taylor, Director City Strategy, Culture & Community**EXECUTIVE SUMMARY**

The Prospect Arts Action Network (PAAN) plays a pivotal role in guiding arts in our community and the Newmarch Gallery exhibition program. The City Wide Public Art Roundtable's (CWPAR) purpose is to oversee and guide the development of public art across the City. The opportunity exists for Council Members to join either of the two (2) groups on a voluntary and non-remunerated membership basis under the relevant Terms of Reference requirements.

This is consistent with the previous Council Members voluntary positions in both groups ceasing at the end of the previous Council term.

The PAAN is an advisory group and not a decision-making group for the purpose of supporting the management, functions and programming of the Newmarch Gallery. The practical assistance provided by PAAN will include assisting staff with the functions of the Gallery by advocating for the benefit of (local) artists and communities as part of Gallery initiatives, attending PAAN meetings and consultations, actively supporting Gallery events and activities, providing community arts feedback on Gallery operations; and encouraging community arts access and diversity within Gallery programs and initiatives. PAAN members attend and participate in a minimum of six (6) meetings (per calendar year) and support Gallery Exhibition launches a minimum of four (4) times per year. PAAN also participate on Gallery selection and award panels.

The City Wide Public Art Roundtable (CWPAR) is also an advisory group and not a decision-making group that assists Council by providing guidance and aesthetic advice on public art opportunities while overseeing and guiding the development and placement of public art throughout our City. Membership may include Elected Members, representatives from PAAN, Arts South Australia, local practicing artists, and community and / or businesses representatives. The role of the CWPAR is to advocate and support quality public art outcomes within the City of Prospect. CWPAR members attend and participate at a minimum of four (4) meetings (per calendar year). CWPAR also advise and assess public art Project Briefs and submissions.

RECOMMENDATION**That Council:**

- 1. Having considered Item 10.4 Voluntary Membership to Prospect Arts Action Network and City Wide Public Art Roundtable receives and notes the report.**
- 2. That Cr and Cr be appointed as members of the Prospect Arts Action Network (PAAN) for duration of their term of Council.**
- 3. That Cr and Cr be appointed as members of the City Wide Public Art Roundtable for duration of their term of Council.**

DISCUSSION

City of Prospect has a rich cultural legacy. Since the 1970's Prospect has supported a strong local arts sector through the Prospect Gallery exhibition program and small and large and community led public art projects.

To enable this, Council invited people with skills and experience from the community to create advisory groups to provide advice and comment. The advice resulting from these groups is taken

into consideration and informs the decision making process for the development and implementation of the annual Gallery exhibition program as well as public art commissions and initiatives.

PAAN and CWPART have individual Terms of Reference and in the case of both groups, neither currently include the requirement to appoint Council Members to its membership. It is acknowledged that this has occurred in the past and is considered by each group as valuable membership.

Maintaining a two-advisory group approach with clear Terms of Reference and annual program plans for both Gallery exhibitions and public art outcomes has ensured that the advice received will inform the good management of the Prospect Gallery and Council's Public Art Program. The revised Terms of Reference for both groups in 2015 provided robust discussions and point of views, leading to the programs being responsive to the expectations of the community and local artists to deliver on Council's Strategic Plan to 2020.

PAAN's Terms of Reference outlines that members may include local artists, residents and / or Council Members (**Attachment 1**). In 2018 the members included; eight members of the community, two (2) Elected Members and two (2) council staff (Manager Arts and Events, Gallery and Public Art Coordinator).

CWPART's Terms of Reference outlines that members may include local artists, residents and / or Elected Members (**Attachment 2**). In 2018 this included five members of the community, the Mayor David O'Loughlin, Cr Alison DeBacker and two (2) council staff (Manager Arts and Events, Gallery and Public Art Coordinator).

This report provides the opportunity for up to two (2) Council Members to sit on either of the two (2) Art groups.

City of Prospect Voting

Suspension of Meeting procedures – (Code of Practice Meeting Procedures - Regulation 20)

If there are more than two Members that may wish to nominate for these positions, Council may seek to suspend meeting procedures to enable votes to be cast and a nominee chosen.

During suspension of meeting procedures, a member will not have a conflict of interest at this time to enable the opportunity for members to nominate and speak to their nomination.

Voting Procedures for nomination on in/external positions – (Code of Practice Meeting Procedures - Regulation 7.6)

If there are more Members than positions available, Council will follow its own supplementary provisions, which will enable a secret ballot and voting process. During this ballot and voting process, a member will not have a conflict of interest at this time. Members can therefore nominate and vote for themselves.

City of Prospect Conflict of Interest

Once the ballot and counting process has been completed as explained above, with Elected Member nominees determined as a result and meeting procedures resumed, the Elected Members determined to be the final nominees will need to consider whether they have a conflict of interest before a motion is moved in the meeting.

Given these positions are not paid, it is governance's recommendation that an Elected Member will not have a material conflict of interest.

Information to assist Elected Members determine whether they have a conflict of interest or not including the type of conflict in a matter, is available via the Local Government Association's Conflict of Interest Guidelines.

Relevance to Core Strategies / Policy

Community Plan: Towards 2040

► Connected & Caring

FY 20/21 Measures

CC1.7 Foster new connections through community programs to support the community to recover from COVID-19

► Active & Engaged**FY 20/21 Measures**



AE1.8 Promote Payinthe as a place for meeting, organising and celebrating a broad range of non-Council activities and support those activities

PP2.8 Collaborate with the Prospect Local History Group and invest in improving the curation, relevance and digitisation of the local history collection

► Creative & Innovative**FY 20/21 Measures**

CI1.1 Deliver a Public Art Program (including through grants) to improve key public areas throughout the city for Prospect residents, businesses and visitors

ATTACHMENTS

1. Prospect Arts Action Network (PAAN) Terms of Reference [↓](#) 
2. City Wide Public Art Roundtable (CWPAR) Terms of Reference [↓](#) 

City of Prospect Gallery

Prospect Arts Action Network

Terms of Reference

(adopted 23 May 2017)

Definitions

- **'Council'** refers to City of Prospect.
- **'Gallery'** refers to Prospect Gallery
- **'PAAN'** refers to the Prospect Arts Action Network of the Prospect Gallery which is the subject of these Terms of Reference.
- **'Gallery Coordinator'** refers to the Council staff person responsible for the effective and efficient running of the Gallery and its programs and is responsible to the Manager Arts Gallery and Events.
- **'Manager'** refers to the Manager Arts, Gallery and Events to whom the Gallery Coordinator reports.
- **'Advice'** refers to views (both individual and collective) provided to the Gallery Coordinator and the Manager Arts, Gallery and Events. The receipt of advice from the Prospect Arts Action Network (PAAN) does not imply a directive to the Gallery Coordinator or the Manager to act upon that advice, but rather take into high consideration such advice when acting or implementing.
- **'Consultation'** and **'consult'** refers to the process by which advice and comment is sought. The process of consultation, or its findings, does not imply a commitment from Council to act upon that advice or comment but rather take it into important consideration.
- **'Consensus'** refers to general agreement or accord resulting from an open exchange of opinions and discussion where the group agrees and consents that the advice developed and offered is to be respected.

Preamble

City of Prospect has a long tradition of community activities and events for the enjoyment of local residents, engagement of local businesses and to foster community pride and City creativity. It is regarded as a leader in community engagement and development through innovative and creative events and activities.

The City famously embraces its community, its history, and the creativity of its people. It offers a welcoming and vibrant atmosphere that is demonstrated through an annual program of arts, events and festivals that are eagerly anticipated and where the whole City comes to celebrate.

In 2014/15 the Gallery Advisory Group reviewed their role, name and objectives and it was during this process that the GAG became the Prospect Arts Action Network to more accurately reflect:

- that the group is an action based network, actively developing new gallery initiatives;
- the changing expectations of contemporary artists and the community;
- people of all ages and backgrounds;
- its aim to connect people with the arts and enhance their creative experiences;
- a creative and vibrant artistic buzz;

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- high levels of participation;
- an ability to respond to artistic opportunities of any genre;
- a wide range of art activities available at various times; and
- a socially responsive and supportive network for our creative community.

Council Vision

People, Place, Prosperity – Great Prospects

PEOPLE – Know, Empower, Celebrate, Educate and Activate our Community

PLACE – Loved Heritage, Leafy Streets, Fabulous Places

PROSPERITY – More Jobs, More Investment, More Activity, More Vibrancy

PAAN is acknowledged as playing an important role in assisting Council to meet its Strategic Plan aims.

History

The original Gallery Advisory Group was recognised in item 3.3.3 (3) of the Council Policy Manual, March 2007.

‘A Prospect Gallery Advisory Group comprising the Mayor, three (3) members of Council, four (4) members of the Friends of the Prospect Gallery and the current Artist In Residence will assist the Community Arts Manager in implementing Gallery policy and programs.’

1 Purpose

- 1.1 PAAN is an advisory group and not a decision making group for the purpose of supporting the management, functions and programs of the Prospect Gallery.
- 1.2 PAAN in support of the Prospect Gallery and its programs, is one of the ways that community members can become practically involved in community arts initiatives and provide ideas and community representative advice on the ongoing operation of the Prospect Gallery as well as practical assistance to the Gallery Coordinator.
- 1.3 Membership of PAAN is voluntary and as such is not remunerated.
- 1.4 The practical assistance provided by PAAN will include assisting staff with the functions of the Gallery by:
 - advocating for the benefit of (local) artists and communities as part of Gallery initiatives;
 - attending PAAN meeting and consultations;
 - actively supporting Gallery events and activities;
 - providing community arts feedback on Gallery operations; and
 - encouraging community arts access and diversity within Gallery programs and initiatives.
- 1.5 PAAN will act as informed advocates for the positive promotion of the Gallery and its programs.
- 1.6 PAAN members will be provided with opportunities to gain skills and knowledge that encourages the development of community arts leaders.
- 1.7 PAAN is an opportunity to discuss relevant Gallery issues with other members of PAAN and Gallery staff, and to provide advice and support to staff for how the Gallery may respond to those issues.
- 1.8 PAAN will endeavour to represent to the Gallery, a cross section of the Prospect arts community.
- 1.9 PAAN members will show a commitment to cultural diversity and practically assist staff to work towards the Gallery being inclusive for all the community regardless of race, gender, age, sexual orientation, cultural values and abilities.
- 1.10 PAAN is one of the ways that Council staff may consult with community arts practitioners in the development of programs and initiatives for the Gallery.
- 1.11 All of the members of PAAN are registered Council Volunteers whose role is specific to that defined within these Terms of Reference.

2 Prospect Arts Action Network will:

- 2.1 Provide positive promotion of the Gallery and its programs to other user groups within the community, including workshops and school groups.
- 2.2 Maintain a commitment to a positive, mutually beneficial working relationship between PAAN and the Gallery Coordinator and Council's Elected Members and staff.
- 2.3 Attend and participate at a minimum of six (6) meetings (per calendar year) of PAAN, as arranged by the Gallery Coordinator or Manager.

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- 2.4 Attend and support Gallery Exhibition launches a minimum of four (4) times per year and be available in the Gallery when possible to support and value-add to the visitor/viewer experience.
- 2.5 Active involvement in the development of annual Gallery exhibitions and programs
- 2.6 Active involvement and contribution to Projects initiated by Prospect Arts Action Network.
- 2.7 Active involvement in the development of an Artist in Residence program when offered.
- 2.8 Active involvement in the marketing and distribution of information promoting Gallery exhibitions, new initiatives and programs;
- 2.9 Receive, review and provide advice regarding applications for the annual Gallery exhibition program, new initiatives and bi-annual exhibitions such as the Community Show.
- 2.10 Participate on Gallery selection and award panels as available.
- 2.11 Provide positive promotion of the Gallery to other groups within the community, including school groups.
- 2.12 Perform all duties with due regard to these Terms of Reference.
- 2.13 PAAN will review its membership on an as needs basis to ensure appropriate cross arts and community representation.

3 PAAN Responsibilities of the Gallery Coordinator

- 3.1 The Gallery Coordinator will act as Executive Officer of PAAN.
- 3.2 The Gallery Coordinator is responsible to the Manager Arts, Gallery and Events.
- 3.3 This Executive Officer position shall:
 - attend, arrange and give notice of meetings, prepare reports and outline, keep notes and perform PAAN related administrative duties as they relate to Gallery Exhibitions and programs;
 - liaise with Council staff in addressing issues and questions relating to PAAN;
 - organise orientation activities for new PAAN members as required;
 - provide a link between PAAN and relevant external organisations and the local community;
 - cancel meetings if required in consultation with the Manager Arts, Gallery and Events;
 - maintain a database of PAAN members, artists, community and arts organisations with accurate contact details;
 - keep statistics and report back to PAAN and Council as required;
 - ensure that relevant recommendations and advice received from PAAN is recorded; and communicated to Manager Gallery Arts and Events.
 - provide monthly reports to the Manager Arts, Gallery and Events outlining the activities of the Gallery program and PAAN.
- 3.4 If the Executive Officer is unable to attend a meeting or event, the Manager Arts, Gallery and Events will appoint a replacement to undertake the required tasks in their absence.

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4 PAAN Membership

- 4.1 PAAN Membership numbers are not fixed. Membership will consist of members of the local and arts community plus the current Artist in Resident (AIR) incumbent when relevant. PAAN membership may include local artists, residents and /or Elected Members.
- 4.2 Membership will not be based on representation of a specific organisation or interest group.
- 4.3 PAAN membership will be sought on the basis of clear arts and community interest and understanding as well as a demonstrated skills and commitment to the positive development and profile of the Prospect Gallery and its programs.
- 4.4 The majority of PAAN members will be local practising artists.
- 4.5 A balanced representation will be sought that reflects the cultural diversity present within the City of Prospect including the newer and older residents of the area.
- 4.6 In response to reviews of PAAN membership, the Gallery will call for expression of interests to join PAAN through appropriate means. PAAN may nominate individuals who have demonstrated an interest in and / or a commitment to the operations of the Gallery for consideration.

5 Advisory Process

- 5.1 PAAN shall reach its advice by consensus.

6 Conflict of Interest

- 6.1 PAAN members will declare any conflict of interest when advising on proposals / projects that they are a beneficiary of and as such, will exclude themselves from any discussion or advice relating to said proposal or project.

7 Unresolved Issues

- 7.1 If PAAN finds that an issue cannot be resolved within the Terms of Reference, the matter will be referred to the Manager Arts, Gallery and Events.

8 Procedures

- 8.1 PAAN will meet a minimum six (6) times per calendar year.
- 8.2 Meetings will normally be held monthly at the Thomas Street Centre. Alternative locations and additional meetings can be called, or a monthly meeting cancelled if required.
- 8.3 Meetings will be called by the Gallery Coordinator, as Executive Officer or Manager.
- 8.4 Meetings will be chaired by the Manager, Arts Gallery and Events or nominee.
- 8.5 PAAN will communicate and participate in meetings in a manner that is sensitive to the needs of others.
- 8.6 PAAN will strive to achieve effective and time managed meetings.
- 8.7 If it is decided by consensus that a member of PAAN has acted in any way that is contrary to these Terms of Reference or acts in a way that purports the Gallery in a negative way; that person will no longer be a member of PAAN or able to participate in meetings or initiatives in any capacity as a PAAN member.

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- 8.8 Council, through the Manager, Arts Gallery and Events and in consultation with PAAN; reserves the right to change, at any time, the content of these Terms of Reference or any of the functioning and purpose or membership of PAAN.

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City of Prospect City Wide Public Art Roundtable

Terms of Reference

1. Objective

People, Place, Prosperity – Great Prospects

PEOPLE – Know, Empower, Celebrate, Educate and Activate our Community

PLACE – Loved Heritage, Leafy Streets, Fabulous Places

PROSPERITY – More Jobs, More Investment, More Activity, More Vibrancy

- 1.1. On 10 November 2010, The City Wide Public Art Advisory Board was endorsed by Council, and comprised of skilled and highly motivated people.
- 1.2. The newly named and City Wide Public Art Roundtable's Term of Reference continues "To assist Council by providing advice and oversee and guide the development and placement of public art throughout our City"

2. Membership

- 2.1. The Roundtable invites people to the membership who will have relevant and /or significant demonstrated experience in one or some of the following areas;
 - 2.1.1. public and/or community art practice
 - 2.1.2. public art policy, urban planning/design
 - 2.1.3. national or international art perspectives
 - 2.1.4. local community/business connections
 - 2.1.5. Membership may consist of: Elected Members representatives from the Prospect Arts Action Network (PAAN)
 - 2.1.6. Arts South Australia representatives
 - 2.1.7. local practising artists
 - 2.1.8. community and /or businesses representatives

3. The Role

- 3.1. The Role of the City Wide Public Art Roundtable is to:
 - 3.1.1. oversee and guide the development of a City Wide public art program;
 - 3.1.2. provide sound and informed advice on the development of the program;

- 3.1.3. provide local guidance and aesthetic advice on public art opportunities within City of Prospect boundaries;
 - 3.1.4. advise on and assess public art Project Briefs and submissions;
 - 3.1.5. provide advice regarding a range of public art initiatives for Council consideration;
 - 3.1.6. monitor the progress of public art within the City of Prospect; and
 - 3.1.7. advocate for and support quality public art outcomes within the City of Prospect.
- 3.2. The positions will be appointed as voluntary. The Roundtable will be reviewed for each term of Council, which expires November 2018.
- 3.3. The Roundtable will be convened by the Director Community & Planning, City of Prospect or nominee, Manager Arts, Gallery and Events.

4. Meetings

- 4.1. The Roundtable will meet at least quarterly and will provide to Council an annual public art plan as part of the annual budget process.

10.5 PAYINTHI KUMANGKA STEERING GROUP APPOINTMENTS**File Number:** IC22/376**Author:** Farlie Taylor, Director City Strategy, Culture & Community**Responsible Executive:** Farlie Taylor, Director City Strategy, Culture & Community**EXECUTIVE SUMMARY**

The Payinthe Kumangka Steering Group ("Steering Group") leads City of Prospect's journey of reconciliation in partnership with Councillors, Kaurna members and our community. The Steering Group was formed in August 2021 to lead Council's efforts in developing a Makarrata (or similar) agreement between City of Prospect and the Kaurna People of the Adelaide Plains, the traditional custodians of the land on which City of Prospect is located. A Makarrata refers to 'coming together after a struggle', and at its core, is a reconciliation process and signifies moving forward together as one.

After adopting the Uluru Statement from the Heart and displaying it in our Kaurna-named Payinthe building, Council is now committed to investigate options and the process for progressing a treaty (makarrata, agreement, however described) with Kaurna people.

The Payinthe Kumangka Steering Group agreed Terms of Reference (**Attachment 1**) outline the membership as follows:

- Six KYAC nominated members
- Three Council-appointed representatives*

*Please note that out of cultural respect for Kaurna members the Mayor is included in the three Council representatives, reflecting equality with the KYAC Chairperson, to demonstrate two senior leaders being equal on the Steering Group (eg: Mayor and Chair of KYAC). The membership is for the term of Council (4 years).

RECOMMENDATION**That Council:**

1. **Having considered Item 10.5 Payinthe Kumangka Steering Group Appointments receives and notes the report.**
2. **Appoint to Payinthe Kumangka Steering Group membership Mayor Matt Larwood, Cr [Name], and Cr [Name] for the term of Council.**
3. **Delegates to the Chief Executive Officer the ability to update the existing Terms of Reference (Attachment 1) to reflect the membership above and any other minor amendments that do not conflict with the intent of Council.**

DISCUSSION

City of Prospect has embarked on a journey of reconciliation to increase its support and relationship with the local and broader First Nations community. Council is well positioned to connect people in our community through its available networks, engagement strategies, recognition events and celebrations to promote and foster reconciliation.

Council's journey of reconciliation has seen it support many facets and platforms both formally and informally to grow its knowledge, relationships and respect through a variety of opportunities including:

- Statement of Reconciliation and National Sorry Day Acknowledgement;
- Reconciliation Action Plan – Reflect
- Reconciliation Action Plan – Innovate
- Community Forum – discussions around Uluru Statement of the Heart.

Council has now focused its energy towards the Payinthe Kumangka Steering Group.

The Payinthe Kumangka Steering Group was established to provide strategic direction and leadership to progressing a Makarrata (or similar agreement) between Kurna people and City of Prospect; ensure the voice of Kurna people is heard in an ongoing, fair, and truthful relationship with the whole community represented within the City; and provide cultural advice and expertise to Council on all matters relating to the interest of Kurna people.

In practical terms, the Steering Group is intended to:

- Provide strategic direction and leadership to:
 - investigate options and the process for progressing a Makarrata (or similar agreement) between Kurna people and City of Prospect.
- Coordinate activities to:
 - fulfil the commitments made within the Payinthe Kumangka Charter of Engagement.
 - ensure the voice of Kurna people is heard in an ongoing, fair, and truthful relationship with the whole community represented within the City.
- Provide cultural advice and expertise to Council on all matters relating to the interest of Kurna people, including:
 - use of Kurna language
 - land use
 - capital projects

The Payinthe Kumangka Steering Group agreed Terms of Reference outline the membership as follows:

- Six KYAC nominated members
- Three Council-appointed representatives*

*Please note that out of cultural respect for Kurna members the Mayor is included in the three Council representatives, reflecting equality with the KYAC Chairperson, to demonstrate two senior leaders being equal on the Steering Group (eg: Mayor and Chair of KYAC). The membership is for the term of Council (4 years).

It is noted that Kurna representatives have expressed their desire for gender diversity to be reflected in the appointees to the committee. To this degree, Council are invited to consider the merits of gender diversity in choosing their appointments to the Steering Group.

Elected Members appointed to the Steering Group would actively participate and provide advice on Council's reconciliation journey.

City of Prospect Voting

Suspension of Meeting procedures – (Code of Practice Meeting Procedures - Regulation 20)

If there is more than one Member that may wish to nominate for this position, Council may seek to suspend meeting procedures to enable votes to be cast and a nominee chosen.

During suspension of meeting procedures, a member will not have a conflict of interest at this time to enable the opportunity for members to nominate and speak to their nomination.

Voting Procedures for nomination on in/external positions – (Code of Practice Meeting Procedures - Regulation 7.6)

If there are more Members than positions available, Council will follow its own supplementary provisions, which will enable a secret ballot and voting process. During this ballot and voting process, a member will not have a conflict of interest at this time. Members can therefore nominate and vote for themselves.

City of Prospect Conflict of Interest

Once the ballot and counting process has been completed as explained above, with an Elected Member nominee determined as a result and meeting procedures resumed, the Elected Member determined to be the final nominee will need to consider whether they have a conflict of interest before a motion is moved in the meeting.

Given this position is not paid, it is governance's recommendation that an Elected Member will not have a material conflict of interest.

Information to assist Elected Members determine whether they have a conflict of interest or not including the type of conflict in a matter, is available via the Local Government Association's Conflict of Interest Guidelines.

Relevance to Core Strategies / Policy**Community Plan: Towards 2040****► Proud of our past, excited by our future****2 to 5 year timeline**

- PP2.4 Continue our reconciliation journey through means such as development of the next Reconciliation Plan, by progressing 'truth telling' and other ideas aligned to the adopted Uluru Statement of the Heart
- PP2.5 In close liaison with the Kaurna people, form a 'Treaty' (or similar agreement) that recognises the City's desire for a closer and more meaningful partnership with our

ATTACHMENTS

1. Existing Payinthe Kumangka Steering Group Terms of Reference [↓](#) 

Payintha Kumangka



Steering Group Terms of Reference

17/08/2022

City of Prospect Reference – CR22/46419

Payintha (Prospect) ['to seek,
look for, examine; be
thinking']

Kumangka ['examining together']



Contents

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6. [Steering Group Guidelines](#)
7. [Working Groups](#)
8. [No Delegation of Powers](#)
9. [Definitions](#)

[Appendix 1](#): Charter of Engagement

1. Purpose

The Payinthe Kumangka Steering Group has been established to:

1.1. Provide strategic direction and leadership to:

- investigate options and the process for progressing a Makarrata (or similar agreement) between Kurna people and City of Prospect.

1.2. Coordinate activities to:

- fulfill the commitments made within the Payinthe Kumangka Charter of Engagement.
- ensure the voice of Kurna people is heard in an ongoing, fair, and truthful relationship with the whole community represented within the City.

1.3. Provide cultural advice and expertise to Council on all matters relating to the interest of Kurna people, including:

- use of Kurna language
- land use
- capital projects

2. Composition

The Payinthe Kumangka Steering Group shall comprise up to eleven (11) members. The members shall include:

2.1. Six (6) KYAC Appointed Representatives.

2.2. Three (3) Council Appointed Representatives.

2.3. Two (2) ex officio Council appointed staff representatives, as appointed by the CEO.

3. Open to the Public

The processes and undertakings of Payinthe Kumangka Steering Group will be open and transparent.

3.1. All meetings of Payinthe Kumangka Steering Group will be open to anyone from the public to attend and observe meeting discussion.

- 3.2. Other than members, anyone attending Payinthe Kumangka meetings will not be able to participate within the discussions unless invited to do so.
- 3.3. Agenda and Minutes taken from Payinthe Kumangka meetings will be made available to the public through the Payinthe Kumangka webpage.

4. Membership Terms

- 4.1. Steering Group members will be appointed for a period of two years.
- 4.2. The meetings will be Co-Chaired (alternating) between Cr. Allen Harris and KYAC Secretary Tania Taylor.
- 4.3. In the absence of Co-Chairperson Cr. Allen Harris, Cr. Kristina Barnett will act as his proxy.
- 4.4. In the absence of Co-Chairperson KYAC Secretary Tania Taylor, KYAC Appointed Representative Lynette Crocker will act as her proxy.
- 4.5. Members can be removed at the discretion of their nominated body.
- 4.6. Members can be reappointed at the discretion of their nominated body.

5. Meetings

- 5.1. A quorum of four members (not including staff) is required for each meeting. One of those four members must be a Board Member of KYAC and one other must be a Councillor or Mayor of City of Prospect.
- 5.2. A minimum of four (4) meetings will be held per financial year and will be scheduled for two (2) hours unless prior agreement is made to extend a meeting for a specific purpose.
- 5.3. Meetings will be held at Payinthe, or alternatively by suitable electronic or video-conferencing means, unless otherwise agreed to be held at an alternative community-based venue. The CEO will determine venue and method of meeting in consultation with the chairpersons.

Not less than one of these four annual meetings will be held 'on country' as determined by KYAC Appointed Representatives.

- 5.4. The annual calendar of meetings will be distributed to members by the City's relevant Administration Officer.

- 5.5. Meetings may only be called by the CEO, in consultation with either of the Payintha Kumangka Steering Group Chairpersons.

6. Steering Group Guidelines

- 6.1 The purpose of the meetings and the way in which members conduct themselves in the meetings and their engagement in related activities will be guided by the intent and content of the Charter of Engagement (included as **Appendix 1** to these Terms of Reference).
- 6.2 The agendas, discussion and outcomes of the Steering Group are to be focussed on delivering on the intent of the Charter of Engagement through a range of methods such as regular Steering group meetings, research, presentations to Council or other bodies, seeking external advice, and hosting regular workshops and forums to encourage broader community participation.
- 6.3 To guide its work, the Steering Group will establish a strategic plan and review the plan regularly to measure performance and guide future activity.
- 6.4 The Steering Group may recommend a review and update of the Charter of Engagement or these Terms of Reference at any time.

7. Working Groups

- 7.1. The Payintha Kumangka Steering Group may recommend appointment of Working Groups to investigate specific issues and report back to the Payintha Kumangka Steering Group at each meeting.
- 7.2. Working groups must not take any action or make any recommendations without approval of the Payintha Kumangka Steering Group.
- 7.3. Working groups can include people who are not Payintha Kumangka Steering Group members as long as this has been approved by the Payintha Kumangka Steering Group.

8. No Delegation of Powers

- 8.1. Council has the discretion to review the role or re-organisation or disbandment of the Steering Group.
- 8.2. KYAC has the discretion to review the role or re-organisation or disbandment of the Steering Group
- 8.3. Steering Groups act in an advisory capacity only and have no delegated authority.

8.4. The Steering Group must not:

- enter into contractual relationships on behalf of the Council or City of Prospect.
- enter into contractual relationships on behalf of KYAC.
- issue a media release on behalf of the Payinthe Kumangka Steering Group, City of Prospect or KYAC.
- use the City of Prospect's or KYAC's Crest or Logo for external purposes.

9. Definitions

In these Terms of Reference:

9.1. Council means City of Prospect.

9.2. Local Government means the City of Prospect.

9.3. KYAC means Kurna Yerta Aboriginal Corporation.

10.6 APPOINTMENTS TO ACCESS AND INCLUSION COMMUNITY ADVISORY GROUP**File Number:** IC22/377**Author:** Farlie Taylor, Director City Strategy, Culture & Community**Responsible Executive:** Farlie Taylor, Director City Strategy, Culture & Community**EXECUTIVE SUMMARY**

City of Prospect's *Disability Access and Inclusion Plan 2021–2025* (DAIP) was developed to demonstrate Council's commitment to improving the participation of all people who live with or experience disability across a range of areas and to enjoy the rights and opportunities provided to all citizens to reach their full potential.

Legislative requirement under the *Disability Inclusion Act 2018*, Council's DAIP included stretch targets, commitments and a journey forward to create not only an accessible but fully inclusive community.

Subsequently, Council determined to create a community advisory group, involving residents, to directly provide feedback on access and inclusion challenges and opportunities. The '*Access and Inclusion Advisory Group*' (the Group) was formed and has been active since March 2022, meeting bi-monthly which continues to attract new members who are passionate to drive access and inclusion in the community.

The purpose of this report is to seek interest from two Elected Members (in addition to the Mayor) to participate as members of the Group, which will operate during the term of the City of Prospect's Disability Access and Inclusion Plan 2021-2025.

RECOMMENDATION**That Council:**

1. **Having considered Item 10.6 Appointments to Access and Inclusion Community Advisory Group receives and notes the report.**
2. **Appoints Mayor Matt Larwood, Cr [Name] and Cr [Name] as the Elected Member representatives on the Access and Inclusion Advisory Group.**
3. **Delegates to the Chief Executive Officer the ability to update the existing Terms of Reference (Attachment 1) to reflect the membership above and any other minor amendments that do not conflict with the intent of Council.**

DISCUSSION

In order to 'future proof' how Council prioritises and appropriately considers requirements of the DAIP, an *Access and Inclusion Community Advisory Group* (the Group) was established as an essential element to meeting the DAIP's objectives (Action 4.1).

The Group is crucial to understanding the local needs of people living with disabilities and a critical link to Council making decisions that are effective and relevant to the DAIP's (community) priorities and to meet Inclusive SA's vision for the State to be:

- Inclusive
- Accessible
- A place where everyone is treated fairly; and
- A place where everyone is treated with respect.

Since March 2022 the Group has met bi-monthly and provided feedback on key projects including:

- Broadview Community and Sports Hub redevelopment. The Group successfully lobbied to have the project include an accessible automatic sliding door on entry and provided feedback on lift and door locations and possible hearing loop included.
- Open Space projects (Peppermint Gums, Main North Road Pocket Park).
- Supporting the hearing-impaired community on best practices for inclusion.
- General feedback on priorities for Council, including online easy read programs.
- Supporting Access and Inclusion training for staff, which resulted in immediate changes to position descriptions creating inclusive opportunities.
- Commenced discussions around disability employment support.

In addition, internal work has progressed to undertake a gap analysis to inform Council's approach to implementing the DAIP.

Expressions of interest have been received from staff to develop an internal Access and Inclusion Advocates Group, where staff from all teams will work on implementing the DAIP and championing actions across the organisation.

Quarterly reporting is provided to Council to ensure the implementation of the DAIP continues and Council is informed of progress.

The Action Plan can be found [here](#).

Terms of Reference

To guide the Group, Terms of Reference (**Attachment 1**) were developed and supported by the group, where membership consists of individuals who have a lived experience of disability whether personally or through a caring and support role (either personally or within a relevant organisation).

The Community membership of the Group consists of residents who live with disability and share their concerns, both personally and professionally.

City of Prospect Voting

Suspension of Meeting procedures – (Code of Practice Meeting Procedures - Regulation 20)

If there are more than two Members that may wish to nominate for a position, Council may seek to suspend meeting procedures to enable votes to be cast and a nominee chosen.

During suspension of meeting procedures, a member will not have a conflict of interest at this time to enable the opportunity for members to nominate and speak to their nomination.

Voting Procedures for nomination on in/external positions – (Code of Practice Meeting Procedures - Regulation 7.6)

If there are more Members than positions available, Council will follow its own supplementary provisions, which will enable a secret ballot and voting process. During this ballot and voting process, a member will not have a conflict of interest at this time. Members can therefore nominate and vote for themselves.

City of Prospect Conflict of Interest

Once the ballot and counting process has been completed as explained above, with Elected Member nominees determined as a result and meeting procedures resumed, the Elected Members determined to be the final nominees will need to consider whether they have a conflict of interest before a motion is moved in the meeting.

Given this position is not paid, it is governance's recommendation that Elected Members will not have a material conflict of interest.

Information to assist Elected Members determine whether they have a conflict of interest or not including the type of conflict in a matter, is available via the Local Government Association's Conflict of Interest Guidelines.

Relevance to Core Strategies / Policy

- Local Government Act 1999
- Disability and Inclusion Act 2018
- Disability Discrimination Act 1992
- The Disability Services (Rights, Protection and Inclusion) Amendment Act 2013
- Equal Opportunity Act 1984
- Development Act 1993
- United Nations Convention on the Rights of Persons with Disabilities
- State Disability Inclusion Plan (DIP) 2019-2023
- State DIP Vision 2019-2023
- Universal Design
- Eastern Health Authority Draft Regional Public Health and Wellbeing Plan 2020-2025
- Community Engagement and Consultation Policy

Community Plan: Towards 2040**► Active & Engaged****FY 20/21 Measures**

AE1.8 Promote Payinthe as a place for meeting, organising and celebrating a broad range of non-Council activities and support those activities

► Inclusive & Diverse**FY 20/21 Measures**

ID1.1 Complete Disability Access & Inclusion Plan

2 to 5 year timeline

ID2.1 Implement the findings of the Disability Access & Inclusion Plan

ID2.7 Develop and implement a process to actively seek the views of groups often missed in consultation activities

► Creative & Innovative**2 to 5 year timeline**

CI2.8 Create thought-leadership platforms (digital and in person) to discuss and debate important social, environmental and ethical topics

► Responsible & Sustainable**FY 20/21 Measures**

RS1.6 Complete Broadview Oval / Yarnta Tutu yarta Concept Drawings as guided by the Masterplan and stakeholder involvement as part of our sustainable built environment

2 to 5 year timeline

RS2.8 Support transport innovations with an eye to a sustainable future

ATTACHMENTS

1. Community Advisory Group Terms of Reference [↓](#) 

Access and Inclusion Advisory Group – Terms of Reference

Purpose

To ensure that the City of Prospect appropriately reflects the priorities and actions arising from its Disability Access and Inclusion Plan, we are seeking expressions of interest from individuals to be part of the Council's new Access & Inclusion Advisory Group (the Advisory Group),

The role of the Advisory Group is to provide strategic, expert and independent advice to Council on the implementation, monitoring and review of the City of Prospect's Disability Access and Inclusion Plan, including providing advice and review of policies, strategies, projects and plans with the aim to advance the inclusion of people with disability.

Term and Membership requirements

The Advisory Group will operate during the term of the City of Prospect's Disability Access and Inclusion Plan 2020-2025.

The size of the Advisory Group will be no more than 10 members (including three Elected Members).

The Advisory Group will consist of individuals who have a lived experience of disability whether personally or through a caring and support role (either personally or within a relevant organisation).

Preference will be given to City of Prospect residents/organisations.

The organisations represented should include, but not limited to (a) an organisation with a focus on working with Aboriginal and Torres Strait Islander people with disability, (b) an organisation with a focus on working with young people with disability, and (c) an organisational with a focus on working with culturally and linguistically diverse people with disability. This reflects the priorities outlined in the *Disability Inclusion Act 2018 (SA)*.

Scope

The Access and Inclusion Advisory Group will:

1. Provide advice and feedback to Council relating to the implementation of key priorities and actions of the Disability Access and Inclusion Plan;
2. Provide advice and feedback to Council on policy or strategy development and review, across key areas relevant to people with a disability;
3. Provide advice to Council on how to identify issues that are relevant to people with a disability; and
4. Identify further opportunities within the Disability Access and Inclusion Plan.

Council will:

1. Consult the Access and Inclusion Advisory Group regarding the development of strategies aligned to the Disability Access and Inclusion Plan;
2. Provide a reasonable amount of time for feedback and advice;
3. Report back to the Access and Inclusion Advisory Group on how their input has been incorporated and what actions or outcomes have been achieved as a result; and
4. Support the Access and Inclusion Advisory Group to present to Council meetings when relevant to key actions have been considered and implemented.

5. Consult the Group/seek feedback from the Group on other Council projects and plans open for community consultation

Disability Access and Inclusion Plan (DAIP) Advisory Group 2022

No.		Title/Organisation
1	lived experience	Community Representative
2	lived experience	Community Representative
3	lived experience	Community Representative
4	lived experience	Community Representative
5	lived experience	Community Representative
6	lived experience	Community Representative
7	lived experience	Community Representative
8	Advocate	Lecturer in Disability & Inclusion, Flinders University
9	Advocate	Community Project Manager, NDIS Baptcare
10	Advocate	Social and Community Facilitator, STAR Inc.
11		CoP Mayor
12		CoP Elected Member
13		CoP Elected Member
-		CoP Elected Member (proxy rep)
-		CoP Elected Member (proxy rep)

10.7 URBAN CORRIDOR GROWTH REPORT DECEMBER 2022**File Number: IC22/407****Author: Julie Thomas, Senior Investment Attraction Officer****Responsible Executive: Chris White, Chief Executive Officer****EXECUTIVE SUMMARY**

In 2019 Council expressed a desire to progressively shift some of the rate burden from households to commercially rated properties and subsequently set a target to increase commercial, corridor development and retail sector rates income by 1% each year.

This report provides a progress update to this target and also a forecast for the next two years of rates growth. It also discusses supply and demand drivers which may affect future Urban Corridor development forecasts, policy, and strategy.

There have been approximately 119 new rateable properties constructed in the Urban Corridor Zones (UCZ) recently creating an estimated incremental rate value of \$222,861.

Eleven (11) projects are currently under construction, estimated to create 110 new rateable properties in 2023 with an estimated rate value of at least \$148,170 applying the Council's minimum rate of \$1,347 per annum.

There are 20 UCZ developments projects in Development Planning & Approval stages which could create an estimated 487 rateable properties, with an estimated rate value of at least \$655,989 (applying the Council's current minimum rate of \$1,347 per annum).

The current economic conditions, and particularly an escalating cost of construction, is expected to result in many of these projects being delayed or mooted for some time. To this point, and given Council's stated objectives, it is considered important for Council to address the significant time and cost barriers for developments where possible to stimulate development.

High interest rates and increase in capital costs also is also expected to stifle development in the coming 12 months.

With the feasibility of many planned projects being challenged, there is opportunity for development sites to be exchanged to more savvy investors. The role of Council's Investment Attraction department will be important in connecting these opportunities with the right people.

RECOMMENDATION**That Council:**

- 1. Having considered Item 10.7 URBAN CORRIDOR GROWTH REPORT DECEMBER 2022 receives and notes the report.**
- 2. Confirm Council's intent to pursue an ongoing target of 1% growth in assessable properties within City of Prospect for the coming term of Council, regardless of land use classification.**
- 3. Notes that recent economic factors affecting cost of construction may impact rates growth in urban corridor areas in the future.**
- 4. Notes that future reporting in relation to rates growth will be incorporated as a component of the budget process, noting recent changes in *Regulation 6(2) of the Local Government Financial Management Regulations 2011 (SA)* regarding treatment of growth as a component of general rates.**

DISCUSSION**BACKGROUND**

A Council resolution was passed on 25 June 2019 which noted Council's desire to progressively shift the rate burden from households to the commercial and corridor development sectors, and requested the CEO provide the following:

- a) an increase to commercial corridor development and retail sector rate income, to the degree of a 1% rates shift to these sectors each year (off a 2015/2016 base of 17%), with staff to report to Council twice yearly on progress to date, and forecast progress for the next two years based upon probability analysis of development applications under assessment, approved or under construction.
- b) That each Annual Business Plan include and respond to this analysis.
- c) That Council's economic development plan and activities be focussed on achieving this strategic target, including taking direct action in response to trends revealed in the forecast progress reports that deviate from the target.

Subsequent engagement with Elected Members in both workshops and Council Meetings clarified that the intention of members was for this 1% shift to include new residential assessments arising from subdivisions (primarily strata subdivisions of multi-unit dwellings). This was based on the medium-to-high density residential and/or mixed-use nature of most sites available for infill redevelopment in Prospect. In other words, the practical effect of the target was to seek 1% growth in new assessments each year, regardless of land use classification.

City of Prospect's Urban Corridor zones (UCZ) encompass Prospect Road, Main North Road, Churchill Road, Devonport Terrace, and adjoining side streets in this western UCZ precinct.

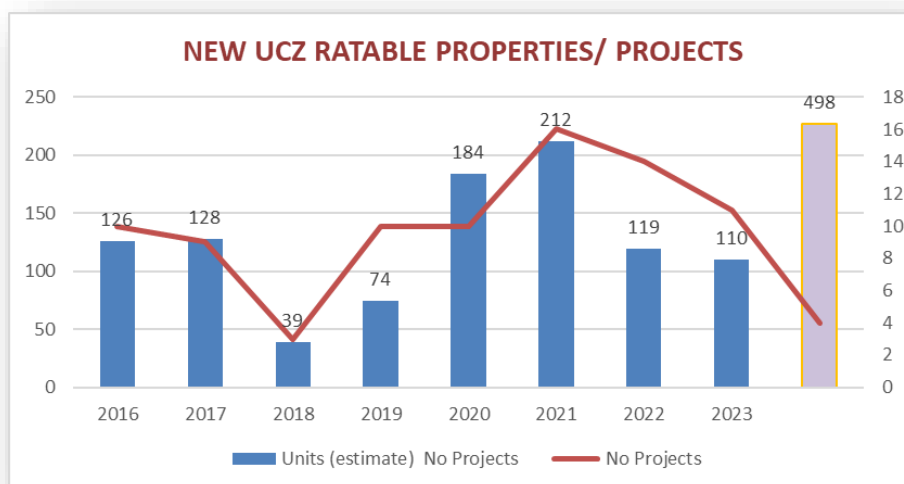
City of Prospect undertook modelling in December 2019 to determine how much new supply is required to attain to produce the 1% of net revenue growth per annum from new dwellings in the Urban Corridor Zone (UCZ), and calculated that an additional \$210,000 in rates per annum (or approximately 164 net additional apartments) could achieve this.

RATES GROWTH AGAINST THE BASE YEAR

According to Council's valuation records in the 2015/2016 base year, 17% of City of Prospect's rateable properties were classified as Commercial (for land use purposes). In 22/23 it is expected that approximately 19% of rateable properties will be Commercial (for land use purposes), reflecting a 2% growth in the number of commercially rated properties over the seven-year period from the base year.

As noted in the introduction, however, this does not include residential infill assessments, which have grown significantly since 2015/16 and which were intended to be included by Council in the "Commercial" definition (for the purposes of evaluating growth in rateable assessments).

Unfortunately, historical residential rates data does not separate residential rates into zoning precincts to allow for easy analysis and reporting of actual rates growth in Urban Corridor developments growth against the base year. This makes reporting against this base year challenging. Despite this, between 2016 and 2023 it is estimated that approximately 992 rateable properties would have been constructed in Urban Corridor Zones within the City of Prospect, predominantly Mixed Use and Residential Apartments as per graph below;



RATES GROWTH AGAINST THE BASE YEAR

There have been 14 UCZ developments completed in the last year, creating 119 new rateable properties providing approximately \$204,633 in new rates to the city.

In the 22/23 rates year, five new commercial developments are expected to create \$64,706 net rate growth. This is largely attributed to the three commercial tenancies in the mixed-use development at 132 Prospect Road which was previously not rateable as Council land as per table below;

COMPLETED 22/23	number of projects	Units	net rate growth
Net rates growth completed	14	119	\$204,807
Net residential rate growth	11	114	\$140,101
Net commercial rate growth	3	5	\$64,706
% Commercial rates growth			32%

UCZ DEVELOPMENTS UNDER CONSTRUCTION

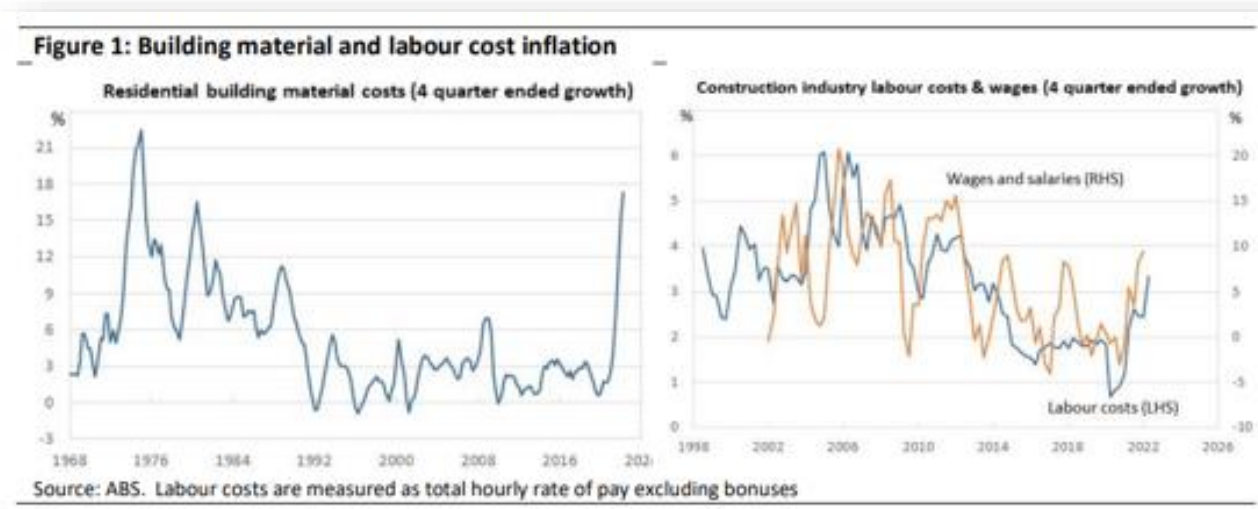
There are currently eleven projects currently under construction which are expected to add approximately \$248,000 in additional rates income in 23/24 as per table below;

UNDERCONSTRUCTION 23/24			min rate	
Net Rates growth completed	11	110	1347	\$ 148,170
Net residential rate growth	10	109	1347	\$ 140,101
Net commercial rate growth (ALDI)	1	1		Retail showroom
% Commercial rates growth				0%

INFLATIONARY CONSTRUCTION COSTS

The biggest challenge to UCZ development growth in the current market is the dramatic inflationary cost of construction over the last twelve to 18 months. Caused by a combination of high construction demand from Covid fiscal stimulus, global supply chain pressures and wage growth, most construction materials have increased by at least 10%, with Timber and Steel increasing by 25% and 40% respectively.

Despite global supply chain pressures starting to ease over the past six months, the uncertainty in material costs has driven Building Contractors to add larger margins on their contracts to allow for price volatility (NHFIC Nov 2022) as per Figure 1 below:



FUTURE DEVELOPMENT ACTIVITY

There are 20 UCZ developments projects in Development Planning & Approval stages which could create an estimated 487 rateable properties, with an estimated rate value of at least \$655,989 (applying the Council's minimum rate of \$1347 PA).

The biggest risk to the existing and future pipeline of apartment projects is the cost of construction, which has increased significantly (20-40%) and may delay or obstruct developments in this pipeline. Access to debt is becoming more difficult and the cost of land across UCZ has increased significantly to further reduce margins and feasibility of developments.

The current economic conditions and particularly cost of construction means many of these projects will be delayed or mooted for some time. It is therefore considered important for Council to reduce time and cost barriers to developments where possible to stimulate development.

MARKET INFLUENCES ON DEMAND

While interest rate pressures may discourage development investment generally, the well documented housing affordability crisis may also encourage a shift towards greater demand for affordable housing apartments in the future.

MARKET OPPORTUNITIES




With many planned project's investment feasibility being challenged under the current circumstances, there is opportunity for development sites to be exchanged to more savvy investors and Council's Senior Investment Attraction officer remains very active in connecting these opportunities with the right people in a manner consistent with the vision of Council.

FUTURE REPORTING OF GROWTH

In 2021/22, the State Government made changes to the way councils are required to report on rate increases. These changes mandated a new method of considering the growth in rates assessments, as compared to (or combined with) baseline revenue growth.

These changes require growth to be a central discussion point with elected members and the community in the budget process, and reported publicly via the "Council Solutions" platform – allowing comparison with other councils.

ATTACHMENTS

1. How supply and demand are affecting building cost inflation, National Housing Finance and Investment Corporation 04/10/2022 [↓](#) 
2. Suburb Statistics Report Prospect 18/11/2022 RP Data [↓](#) 
3. State of the Construction Industry, Economic Issues No. 55 March 2022, SA Centre for Economic Studies University of Adelaide [↓](#) 



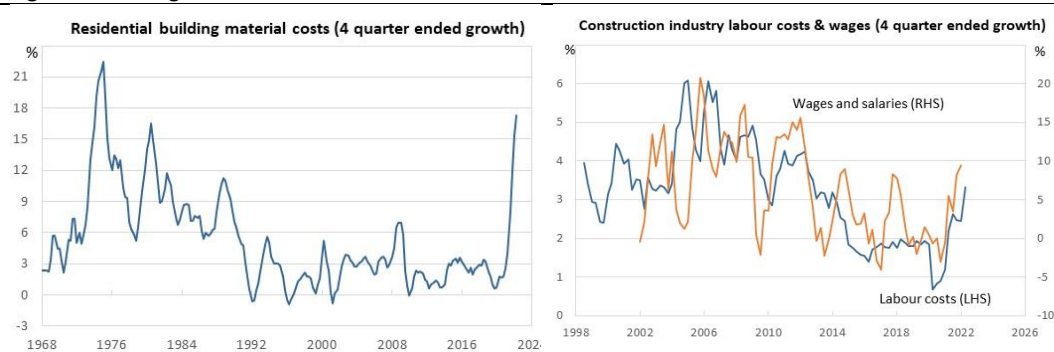
How supply and demand are affecting building cost inflation

The construction industry has seen strong demand on the back of fiscal and monetary stimulus during the early stages of the pandemic. Fiscal stimulus began being withdrawn at various stages during 2021 and this year monetary policy began unwinding. The pandemic has also seen disruptions to global supply chains which have impacted the supply of building materials to the Australian construction industry.

The result of strong demand and limited supply of building materials has been strong growth in building material costs, which are seeing their fastest pace of growth since the 1970s (Figure 1 – LHS). The cost of labour has increased as well, but at a slower pace (Figure 1 – RHS).

This paper unpacks the demand and supply-driven components of building material cost inflation to help assess how construction cost inflation may evolve as higher interest rates slow demand.

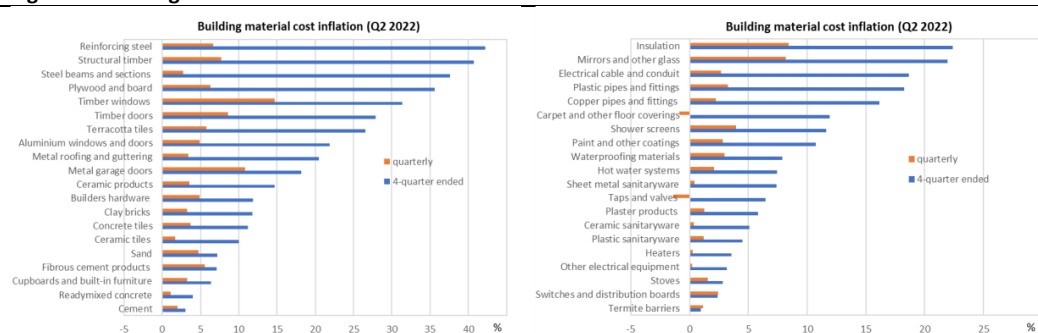
Figure 1: Building material and labour cost inflation



Source: ABS. Labour costs are measured as total hourly rate of pay excluding bonuses

Structural timber, plywood, steel reinforcement and structural steel costs have all increased by more than 25% over the past year (Figure 2). It's too early to tell whether cost pressures have peaked, given the strong increase in products such as metal garage doors, timber doors and windows, insulation, structural timber, plywood and mirrors in the June quarter.

Figure 2: Building material cost inflation



Source: ABS.

Timber, metal and ceramic products are the main materials used in residential construction and the cost of each of these items rose strongly over the past year (Figure 3). Steel recorded the greatest price increase (42%) but it is used less intensively.

**Figure 3: Materials used in house building weights and inflation in Q2 2022**

Material	% Contribution	4-qtr ended inflation (%)	Quarterly inflation (%)
Timber, board and joinery	27.4	24.2	7.0
Other materials	17.6	12.0	2.8
Other metal products	16.5	18.4	3.9
Ceramic products	12.7	14.7	3.5
Plumbing products	6.6	10.8	2.1
Concrete, cement, and sand	6.3	4.3	1.4
Steel products	5.8	39.1	4.0
Electrical equipment	2.9	11.7	2.4
Cement products	2.6	9.5	4.5
Installed gas and electric appliances	1.8	4.2	1.3

Source: ABS. See appendix for more detail.

Estimating the supply-driven and demand-driven components of material cost inflation

An Economic Letter by Adam Hale Shapiro of the San Francisco Federal Reserve Bank quantifies and tracks Personal Consumption Expenditure (PCE) inflation by spending category.¹ The categories in the PCE basket (approximately 100 items) are grouped into:

- **Demand-driven categories** – where an unexpected change in price moves in the same direction as the unexpected change in quantity.
- **Supply-driven categories** – where an unexpected change in price and an unexpected change in quantity move in the opposite direction.

In Shapiro's methodology, it's important to isolate the *unexpected* components of the changes in prices and quantities.

Prices and quantities generally increase around a longer-term trend, which doesn't represent a short-term shift in demand or supply. Furthermore, price and quantity growth in line with an existing trend reflects longer-run factors such as technological change, the relationship between the cost-of-living adjustments and wages, or even demographic factors.

Applying the methodology to Australian building material cost inflation

The following procedure is used to estimate the demand and supply-driven components of building material cost inflation:

- Calculate the quarterly growth of the components of the ABS building material cost index shown in Figure 2.
- Calculate the quarterly growth in the ABS real residential construction work done. This is a proxy for the change in all quantities, which implicitly assumes that the weights of each component of the cost index are consistently applied to the materials used in the quarterly growth in work done. One shortcoming is that the ABS weights are fixed weights last

¹ <https://www.frbsf.org/economic-research/publications/economic-letter/2022/june/how-much-do-supply-and-demand-drive-inflation/#:~:text=Inflation%20drivers%20over%20the%20pandemic%20period&text=During%20the%20pre%20pandemic%20period,April%202022%20rate%20of%206.3%25.>

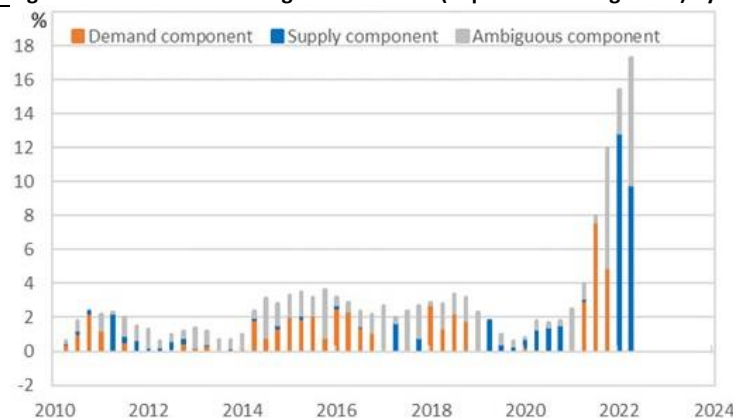


updated in 2003. The composition of materials used in residential construction industry may change over time and this may affect the quantities estimated. For example, if significantly more apartments are being built, then the proportion of materials such as structural timber may be less.

- Calculate price and quantity growth expectations using ARIMA modelling on the growth of each component. A +or – 10% error threshold is applied to the expectations and observations within this range of expectation are considered ambivalent and neither driven by supply nor demand. An ARIMA (3,3) model was used to calculate price and quantity expectations, optimised using least squares and the maximum likelihood function.
- Calculate the difference between the growth in both price and quantity and their respective expectations (within the error band). Growth in price and quantity outside the expectations error band is significant. Where price growth or quantity growth is within the band of expectations, the price growth is neither demand nor supply driven and classified as ambiguous.
- If price and quantity growth are significant and both positive or both negative, then price growth is defined as being demand driven. If price and quantity growth are significant but one is positive and the other negative, then price growth is defined as being supply driven.

The results of the analysis are shown in Figure 4. Around 83% of the material cost inflation during the 2022 fiscal year was driven by supply constraints, so cost pressures may persist even as higher interest rates slow demand. In contrast, during the early stages of the pandemic, demand was the major driver of cost inflation, accounting for 75% of cost inflation in the 2021 fiscal year.

Figure 4: Residential building material costs (4 quarter ended growth) by cause



Source: ABS, NHFIC.

Over the longer-term demand has impact price increases more than supply. During the period of the analysis, 4-quarter ended material cost growth averaged 2.7%, with 0.6ppts driven by supply issues and 1.0ppts due to demand. The remaining 1.1ppts were ambiguous and in line with expectations.

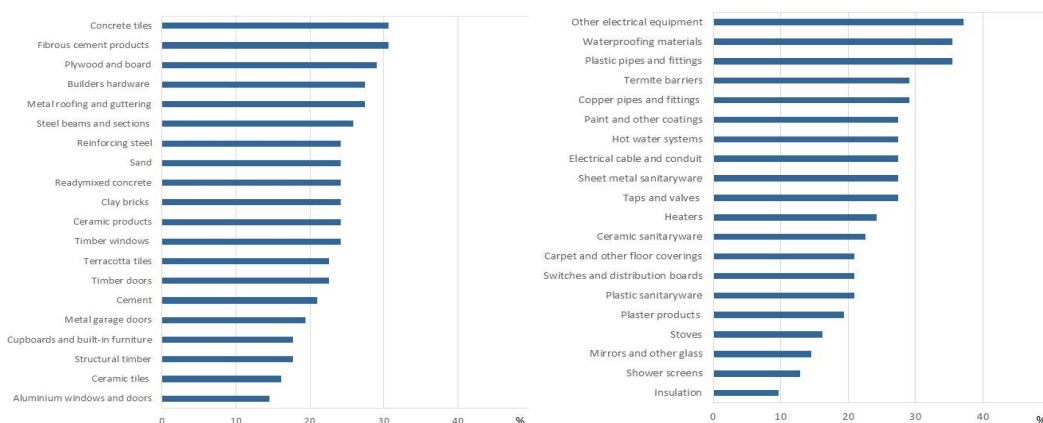
Australian industry structure is dominated by duopolies and oligopolies, which may increase the proportion of price movements due to supply. For example, in Hardware, Bunnings is the major



player. In plasterboard, the industry consists of BGC, CSR Gyprock, Etex (Siniat), Knauf and Winstone Wallboards. Similarly, only BlueScope Steel supplies rolled steel sheet, and only Liberty One Steel supplies structural steel and reinforcing steel for reinforced concrete. Hanson, Holcim, Boral, CSR Barro group and Hy-tech are the main redi-mix concrete suppliers in different geographic markets.

At least 30% of price movements in Other electrical equipment, waterproofing materials, plastic pipes, concrete tiles and fibre cement products are driven by supply (Figure 5). While only 15% of price movements in insulation, shower screens, mirrors and other glass, ceramic tiles, aluminium windows and structural timber are supply driven.

Figure 5: Percentage of cost growth driven by supply: 1997: 2022



Source: ABS, NHFIC.

Changes in the margin charged by builders and developers can be estimated using ABS data on construction industry labour and building material costs. The margin has increased sharply since mid-2021 on the back of strong demand and increasing costs after a period between 2018 and 2021 when there was downward pressure on margins (Figure 6).

Figure 6: Residential construction costs and the homeowner purchase price (Q1 2001 = 100)



Source: ABS, NHFIC. * assumes 40% contribution from labour and 60% from materials. Doesn't include design and development costs such as the cost of development application, architectural design, engineering design.



Appendix

Figure 3: Materials used in house building weights

Material	% Contribution	Material	% Contribution
Timber, board and joinery	27.4	Plumbing products	6.6
Structural timber	11.2	Plastic sanitaryware	0.9
Timber windows	2.8	Sheet metal sanitaryware	0.9
Plywood and board	2.2	Plastic pipes and fittings	0.9
Timber doors	4.3	Ceramic sanitaryware	1.5
Cupboard and fittings	6.9	Shower screens	2.4
Other materials	17.6	Concrete, cement and sand	6.3
Mirrors and other glass	3.5	Cement	0.5
Termite barriers	0.4	Pre-mixed concrete	5.5
Carpet and other floor coverings	3.1	Sand	0.3
Waterproofing materials	0.2	Steel products	5.8
Paint and other coatings	3.6	Steel beams and sections	3.7
Plaster products	3.8	Steel doors frames	0.0
Insulation	3.1	Steel house frames	0.0
Other metal products	16.5	Reinforcing steel	2.1
Metal garage doors	0.9	Electrical equipment	2.9
Aluminium windows and doors	6.5	Switchboards and distribution boards	1.8
Taps and valves	1.3	Electrical cable and conduit	0.5
Metal roofing and guttering	3.5	Other electrical equipment	0.7
Builders hardware	3.6	Cement products	2.6
Copper pipes and fittings	0.7	Concrete bricks	0.0
Ceramic products	12.7	Concrete tiles	1.5
Clay bricks	10.3	Fibrous cement products	1.1
Terracotta tiles	1.2	Installed gas and electric appliances	1.8
Ceramic tiles	1.2	Stoves	0.9
		Heaters	0.2
		Hot water services	0.7

Source: ABS.



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Suburb Statistics Report

Prepared on 18 Nov 2022

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Area Profile

The size of Prospect is approximately 5 square kilometres.

It has 19 parks covering nearly 2% of total area.

The population of Prospect in 2011 was 13,008 people.

By 2016 the population was 13,288 showing a population growth of 2.2% in the area during that time.

The predominant age group in Prospect is 20-29 years.

Households in Prospect are primarily couples with children and are likely to be repaying \$1800 - \$2399 per month on mortgage repayments.

In general, people in Prospect work in a professional occupation.

In 2011, 65.4% of the homes in Prospect were owner-occupied compared with 65.1% in 2016.

Currently the median sales price of houses in the area is \$1,011,000.

Median Sales Price

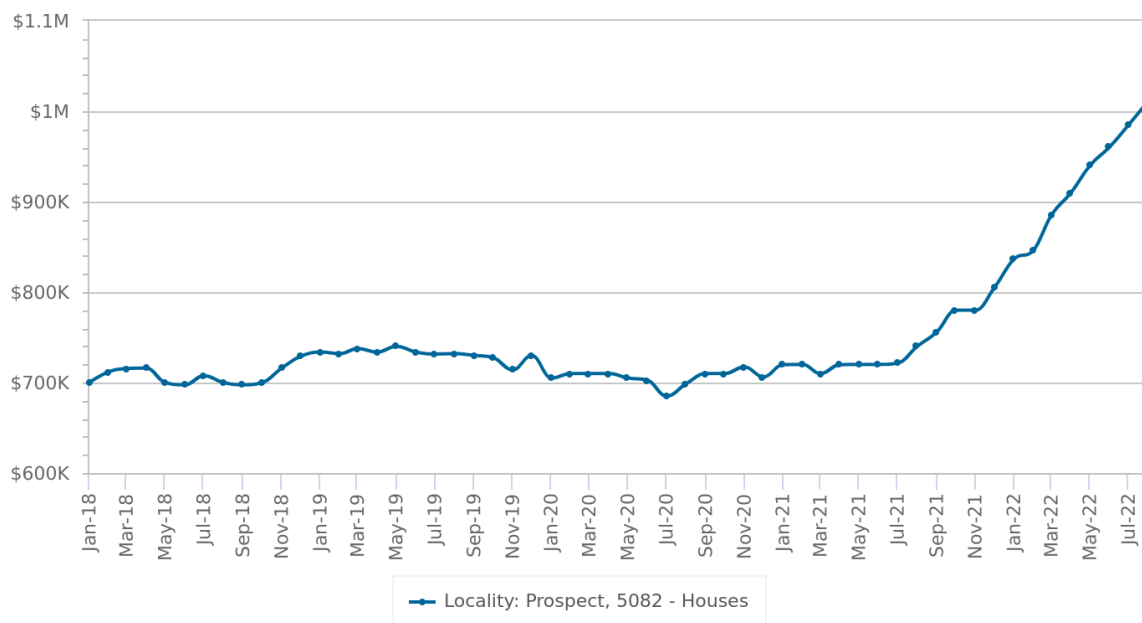
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
Period	Median Price	Median Price	Median Price	Median Price	Median Price
January	\$700,250	\$733,750	\$705,000	\$719,750	\$836,500
February	\$712,000	\$732,000	\$710,000	\$720,000	\$846,500
March	\$715,500	\$737,500	\$710,000	\$710,000	\$885,000
April	\$716,000	\$733,750	\$710,000	\$719,750	\$910,000
May	\$700,000	\$740,000	\$705,000	\$720,000	\$940,000
June	\$697,500	\$733,750	\$702,500	\$720,000	\$960,500
July	\$707,500	\$731,500	\$685,000	\$721,500	\$985,000
August	\$700,000	\$732,000	\$698,750	\$740,000	\$1,011,000
September	\$697,500	\$730,000	\$710,000	\$756,000	n/a
October	\$700,000	\$727,500	\$710,000	\$780,000	n/a
November	\$716,000	\$714,000	\$717,250	\$780,000	n/a
December	\$729,000	\$730,000	\$706,250	\$805,000	n/a

Statistics are calculated over a rolling 12 month period

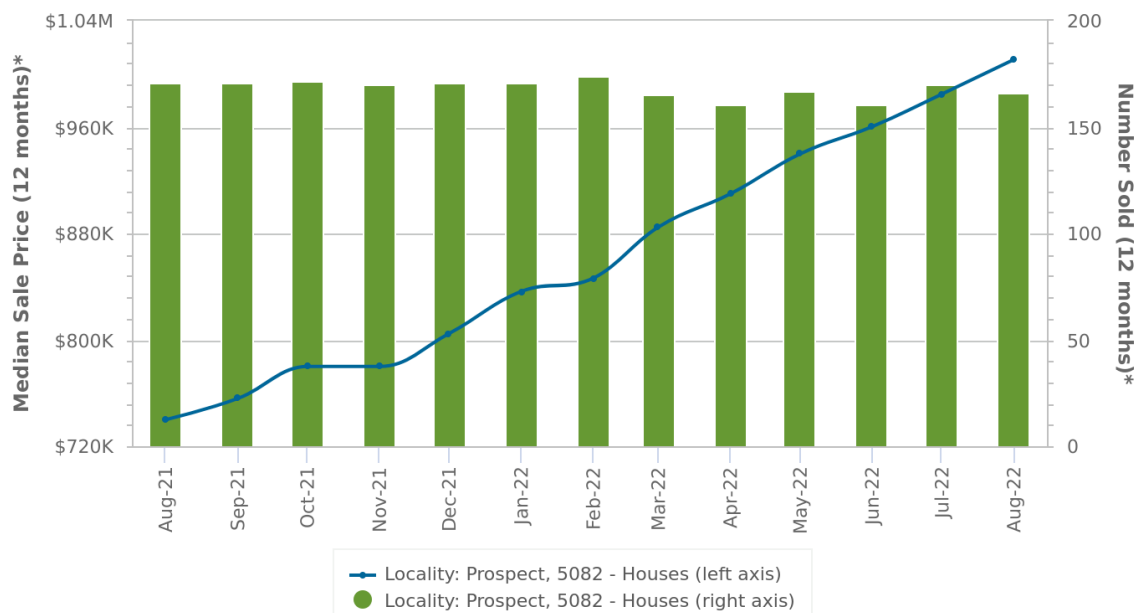


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Median Sales Price



Median Sales Price vs Number Sold





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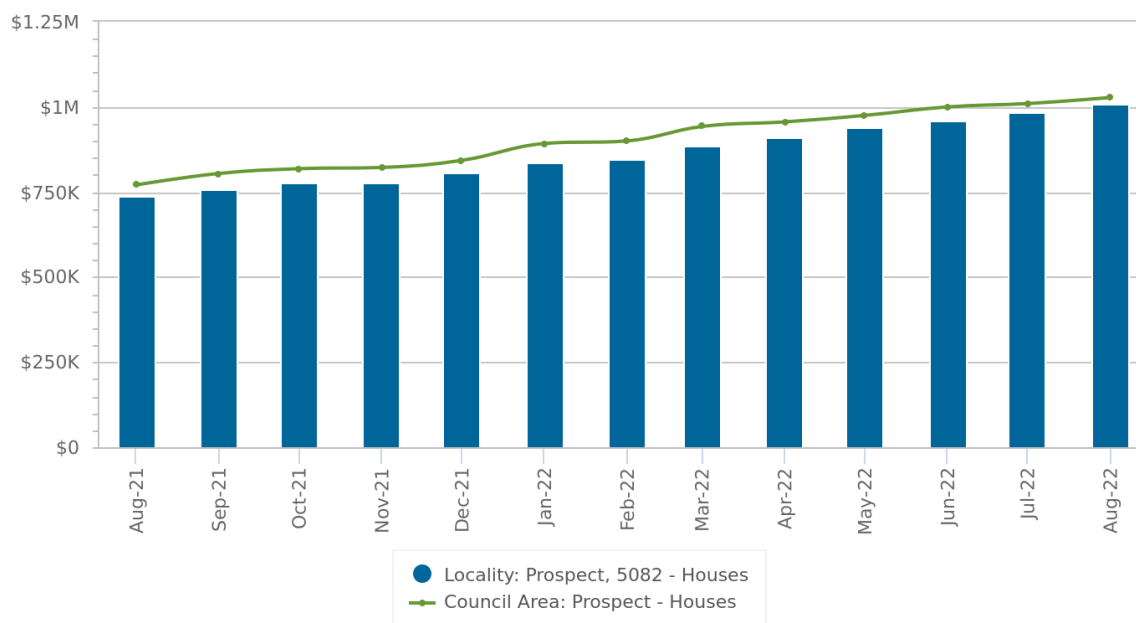
Recent Median Sale Prices

Recent Median Sale Prices (House)

Period	Prospect Median Price	Prospect Median Price
August 2022	\$1,011,000	\$1,027,500
July 2022	\$985,000	\$1,009,750
June 2022	\$960,500	\$1,000,000
May 2022	\$940,000	\$975,000
April 2022	\$910,000	\$956,000
March 2022	\$885,000	\$942,500
February 2022	\$846,500	\$900,000
January 2022	\$836,500	\$892,500
December 2021	\$805,000	\$843,000
November 2021	\$780,000	\$822,000
October 2021	\$780,000	\$818,500
September 2021	\$756,000	\$804,500

Statistics are calculated over a rolling 12 month period

Recent Median Sale Prices (House)



Statistics are calculated over a rolling 12 month period



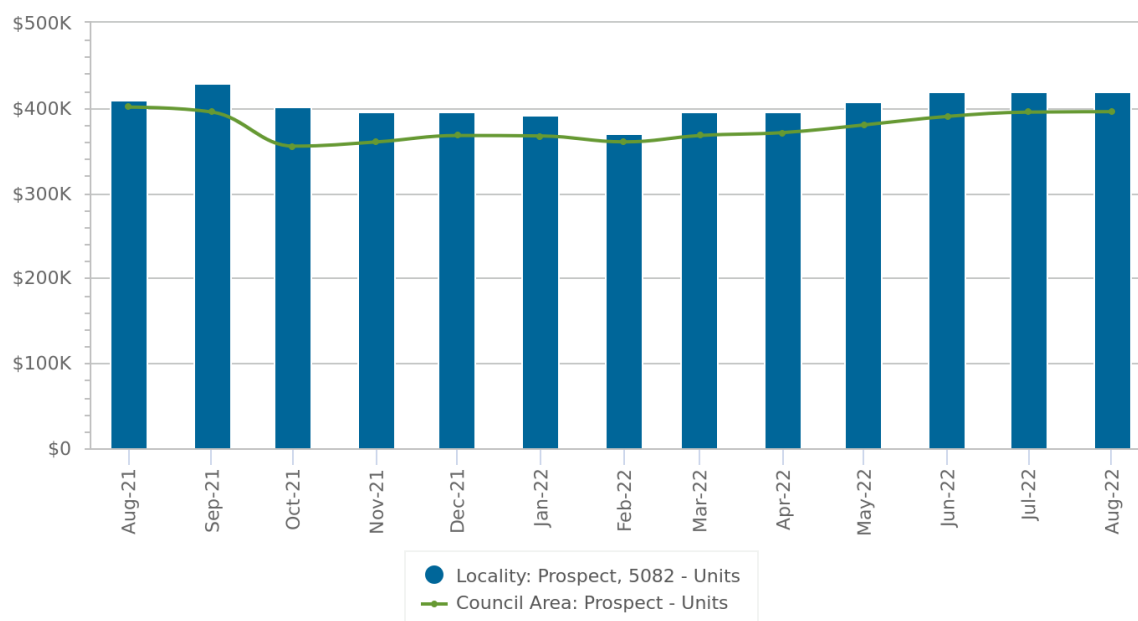
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Recent Median Sale Prices (Unit)

Period	Prospect Median Price	Prospect Median Price
August 2022	\$420,075	\$395,500
July 2022	\$420,000	\$395,000
June 2022	\$420,000	\$390,000
May 2022	\$407,750	\$380,000
April 2022	\$395,000	\$371,000
March 2022	\$395,000	\$367,500
February 2022	\$370,000	\$360,000
January 2022	\$392,500	\$367,000
December 2021	\$396,000	\$367,500
November 2021	\$395,500	\$360,000
October 2021	\$402,500	\$355,000
September 2021	\$428,750	\$395,000

Statistics are calculated over a rolling 12 month period

Recent Median Sale Prices (Unit)



Statistics are calculated over a rolling 12 month period



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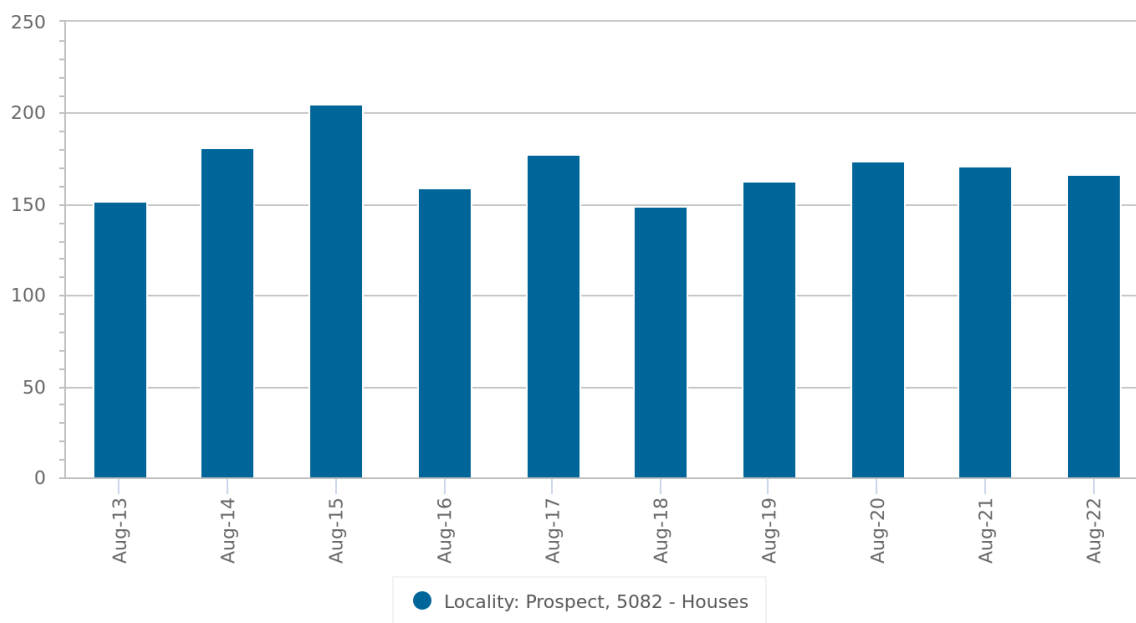
Sales Per Annum

Sales Per Annum (House)

Period Ending	Prospect Number
Aug 2022	166
Aug 2021	171
Aug 2020	174
Aug 2019	163
Aug 2018	149
Aug 2017	177
Aug 2016	159
Aug 2015	205
Aug 2014	181
Aug 2013	152

Statistics are calculated over a rolling 12 month period

Sales Per Annum (House)



Statistics are calculated over a rolling 12 month period



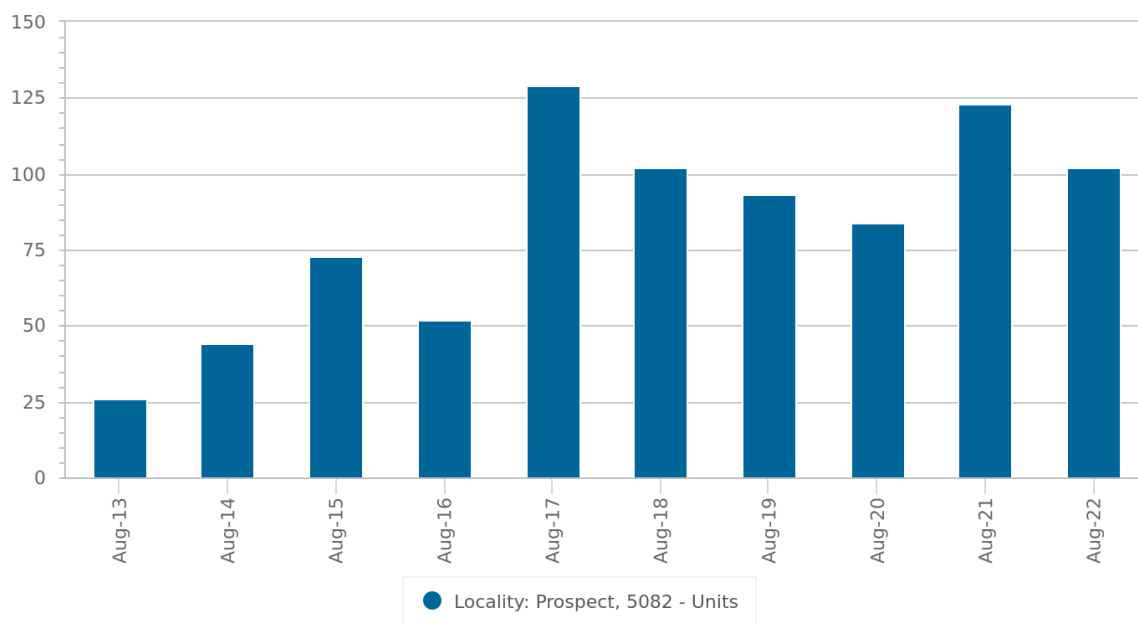
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Sales Per Annum (Unit)

Period Ending	Prospect Number
Aug 2022	102
Aug 2021	123
Aug 2020	84
Aug 2019	93
Aug 2018	102
Aug 2017	129
Aug 2016	52
Aug 2015	73
Aug 2014	44
Aug 2013	26

Statistics are calculated over a rolling 12 month period

Sales Per Annum (Unit)



Statistics are calculated over a rolling 12 month period



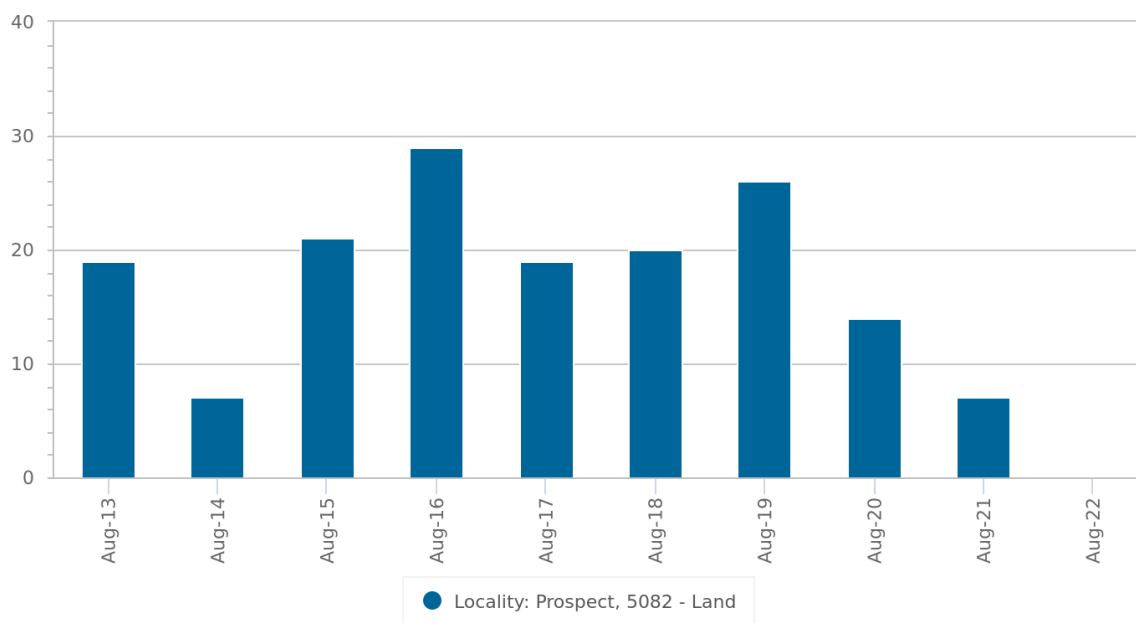
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Sales Per Annum (Land)

Period Ending	Prospect Number
Aug 2022	0
Aug 2021	7
Aug 2020	14
Aug 2019	26
Aug 2018	20
Aug 2017	19
Aug 2016	29
Aug 2015	21
Aug 2014	7
Aug 2013	19

Statistics are calculated over a rolling 12 month period

Sales Per Annum (Land)



Statistics are calculated over a rolling 12 month period



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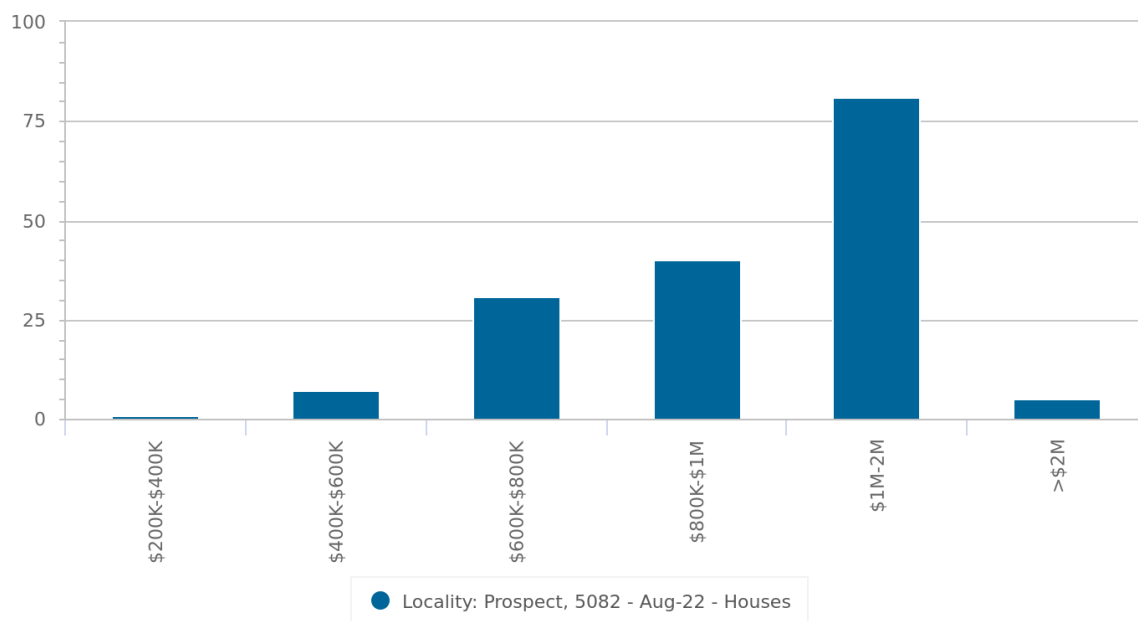
Sales By Price

Sales By Price - 12 months (House)

Price	Prospect Number
\$200K-\$400K	1
\$400K-\$600K	7
\$600K-\$800K	31
\$800K-\$1M	40
\$1M-\$2M	81
>\$2M	5

Statistics are calculated over a rolling 12 month period

Sales By Price - 12 months (House)



Statistics are calculated over a rolling 12 month period



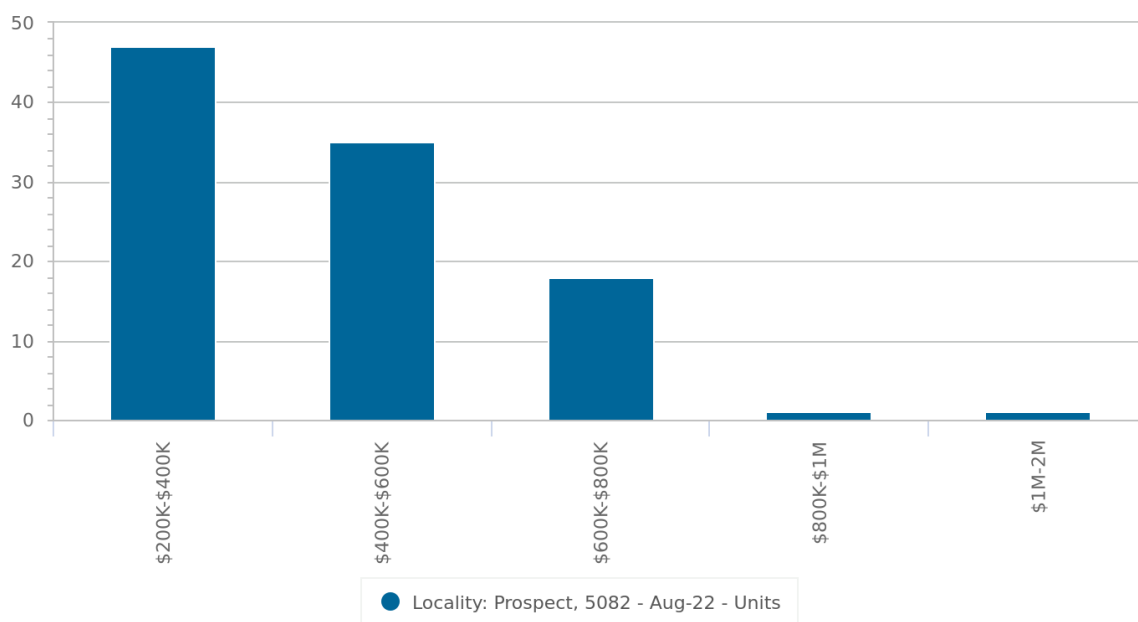
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Sales By Price - 12 months (Unit)

Price	Prospect Number
\$200K-\$400K	47
\$400K-\$600K	35
\$600K-\$800K	18
\$800K-\$1M	1
\$1M-\$2M	1

Statistics are calculated over a rolling 12 month period

Sales By Price - 12 months (Unit)



Statistics are calculated over a rolling 12 month period

Sales By Price - 12 months (Land)

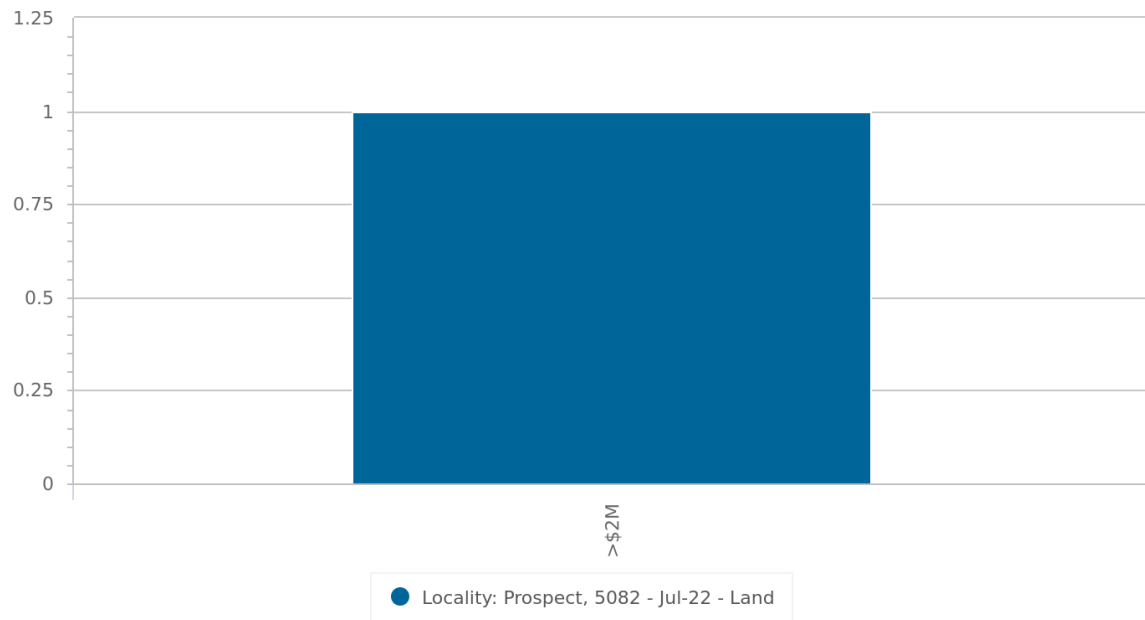
Price	Prospect Number
>\$2M	1

Statistics are calculated over a rolling 12 month period



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Sales By Price - 12 months (Land)



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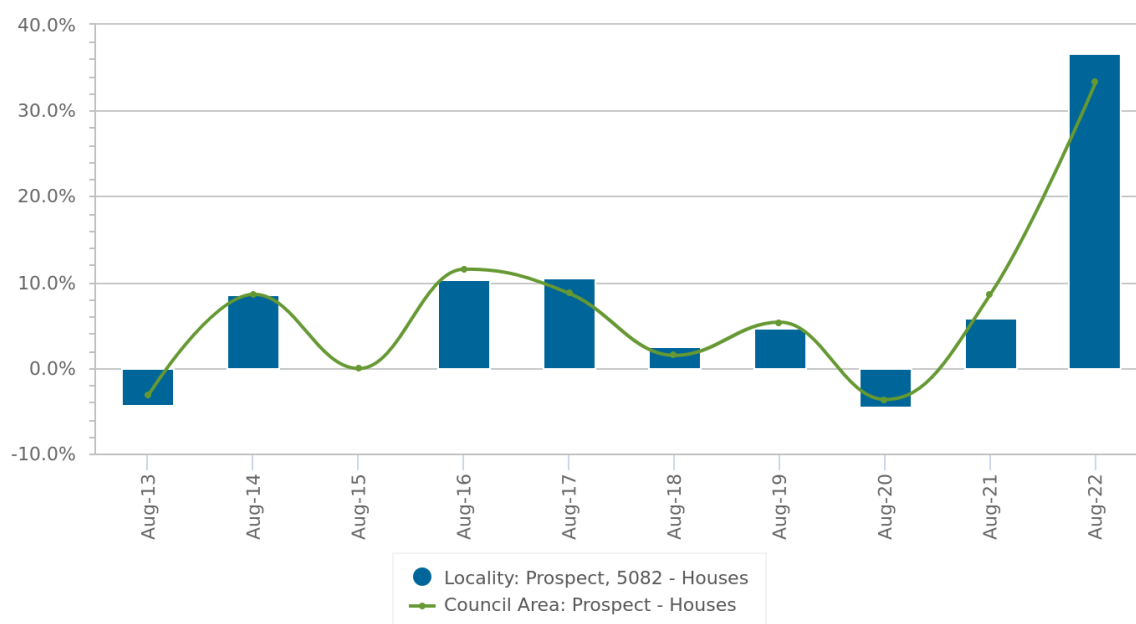
Change in Median Price

Change in Median Price (House)

Period	Prospect % Change	Prospect % Change
Aug 2022	36.62%	33.27%
Aug 2021	5.9%	8.59%
Aug 2020	-4.54%	-3.7%
Aug 2019	4.57%	5.32%
Aug 2018	2.56%	1.45%
Aug 2017	10.53%	8.66%
Aug 2016	10.27%	11.5%
Aug 2015	0%	-0.09%
Aug 2014	8.47%	8.57%
Aug 2013	-4.4%	-3.14%

Statistics are calculated over a rolling 12 month period

Change in Median Price (House)



Statistics are calculated over a rolling 12 month period



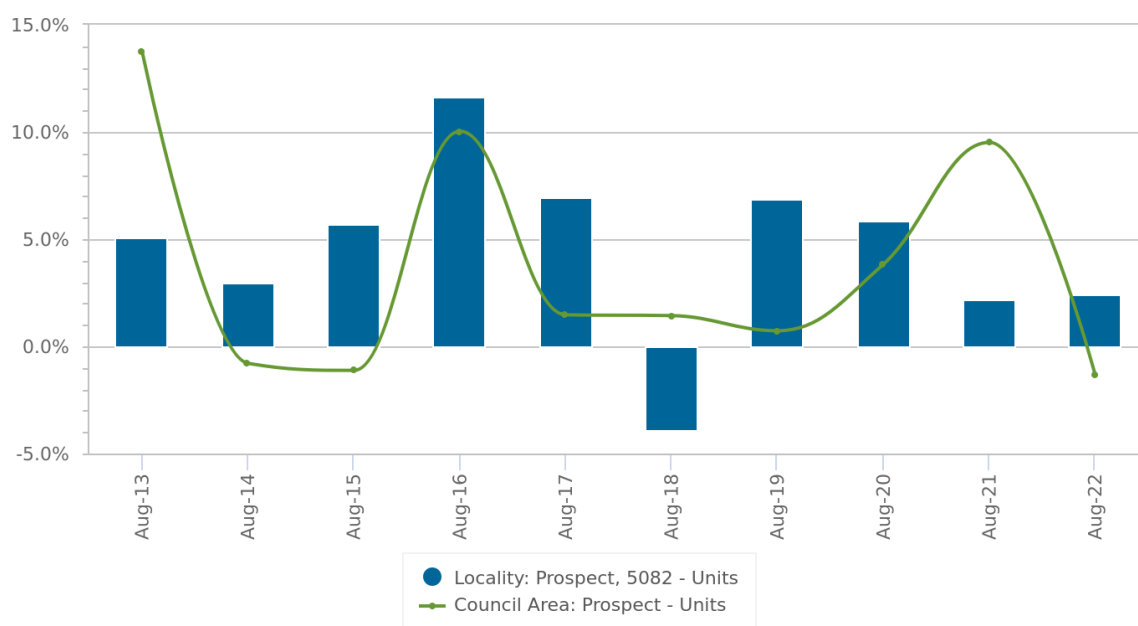
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Change in Median Price (Unit)

Period	Prospect % Change	Prospect % Change
Aug 2022	2.46%	-1.34%
Aug 2021	2.17%	9.51%
Aug 2020	5.88%	3.84%
Aug 2019	6.89%	0.73%
Aug 2018	-3.91%	1.43%
Aug 2017	6.96%	1.47%
Aug 2016	11.65%	10.03%
Aug 2015	5.73%	-1.12%
Aug 2014	2.99%	-0.79%
Aug 2013	5.09%	13.72%

Statistics are calculated over a rolling 12 month period

Change in Median Price (Unit)



Statistics are calculated over a rolling 12 month period



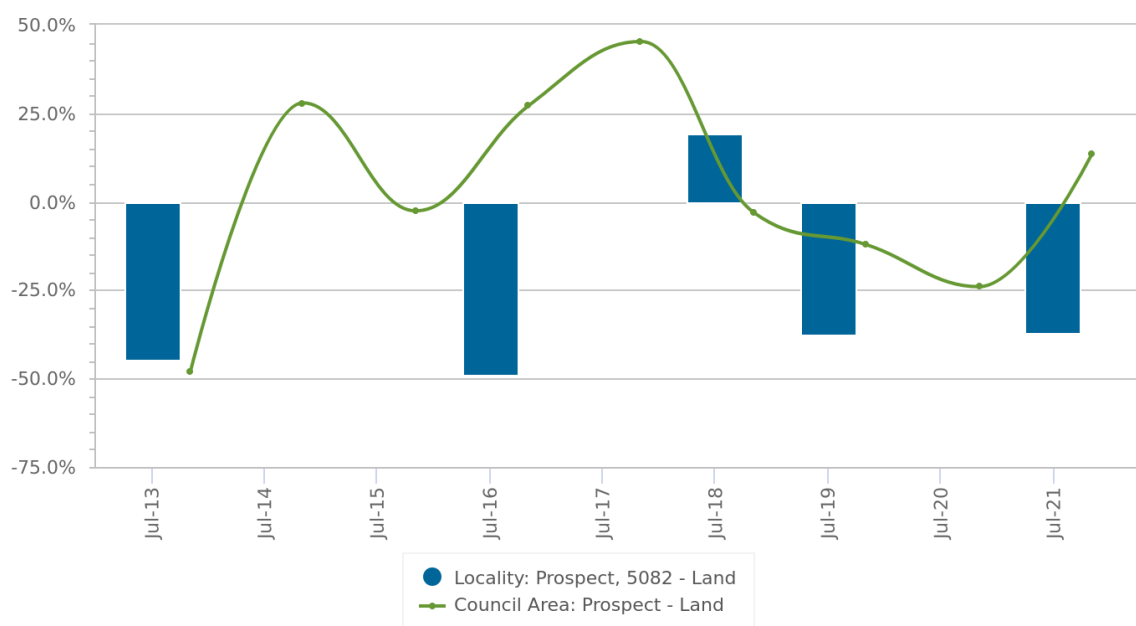
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Change in Median Price (Land)

Period	Prospect % Change	Prospect % Change
Jul 2021	-37.3%	13.45%
Jul 2020	0%	-24.04%
Jul 2019	-37.76%	-12.15%
Jul 2018	19.15%	-3.08%
Jul 2017	0%	45.26%
Jul 2016	-48.89%	27.09%
Jul 2015	0%	-2.61%
Jul 2014	0%	27.92%
Jul 2013	-44.72%	-48.11%
Jul 2012	0%	0%

Statistics are calculated over a rolling 12 month period

Change in Median Price (Land)



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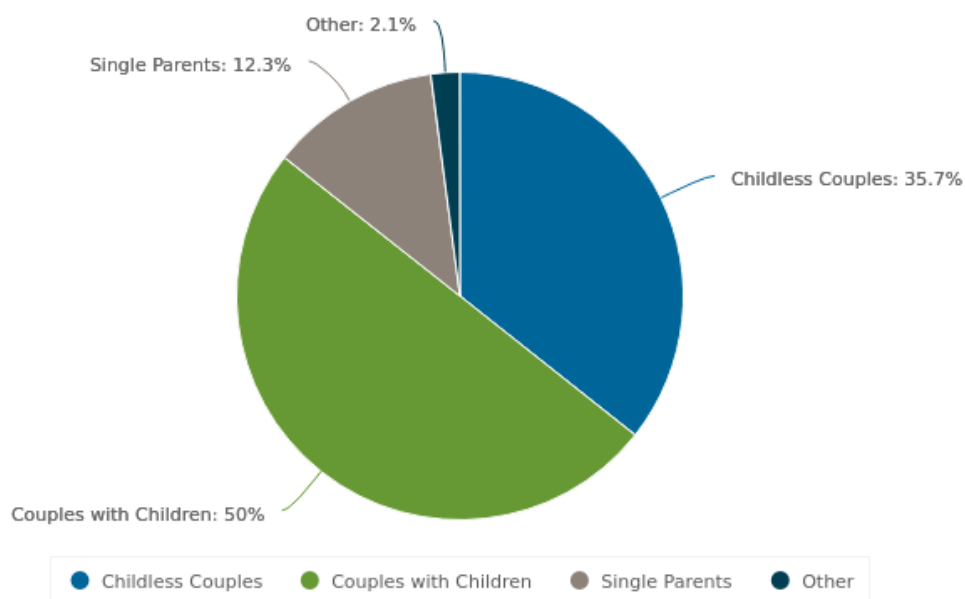
Household

Household Structure

Type	Percent
Couples with Children	50.0
Childless Couples	35.7
Single Parents	12.3
Other	2.1

Statistics are provided by the Australian Bureau of Statistics (ABS)

Household Structure



Statistics are provided by the Australian Bureau of Statistics (ABS)



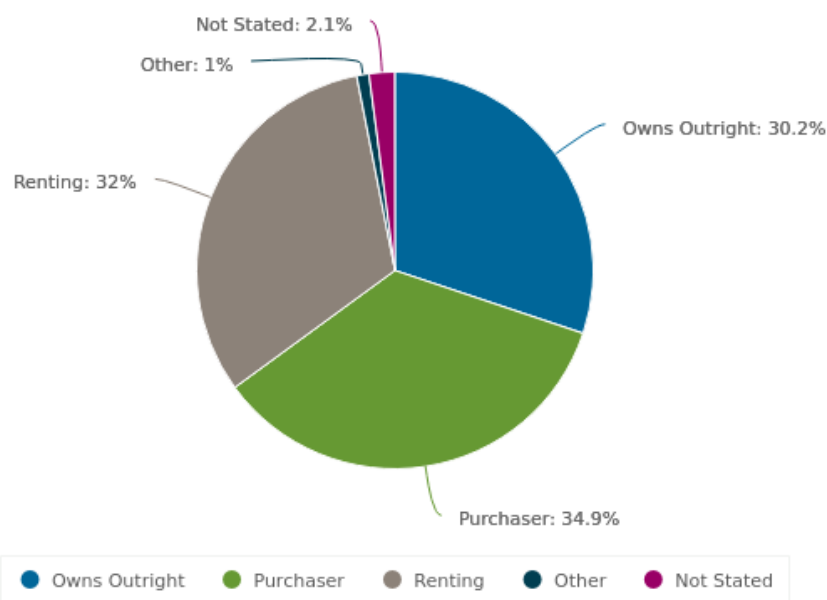
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Household Occupancy

Type	Percent
Purchaser	34.9
Renting	32.0
Owns Outright	30.2
Not Stated	2.1
Other	1.0

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Household Occupancy



Statistics are provided by the Australian Bureau of Statistics (ABS)



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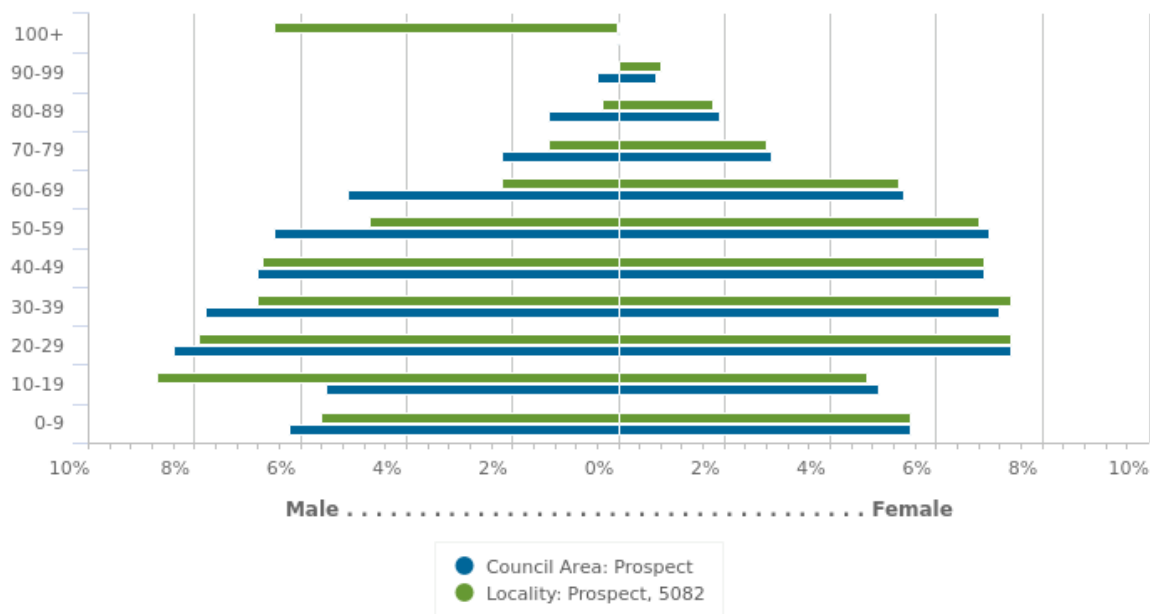
Age Sex Ratio

Age Sex Ratio

Age Group	Prospect		Prospect	
	Male %	Female %	Male %	Female %
0-9	6.5	5.5	6.2	5.5
10-19	5.6	4.7	5.5	4.9
20-29	8.7	7.4	8.4	7.4
30-39	7.9	7.4	7.8	7.2
40-49	6.8	6.9	6.8	6.9
50-59	6.7	6.8	6.5	7.0
60-69	4.7	5.3	5.1	5.4
70-79	2.2	2.8	2.2	2.9
80-89	1.3	1.8	1.3	1.9
90-99	0.3	0.8	0.4	0.7
100+	n/a	0.0	n/a	0.0

Statistics are provided by the Australian Bureau of Statistics (ABS)

Age Sex Ratio



Statistics are provided by the Australian Bureau of Statistics (ABS)



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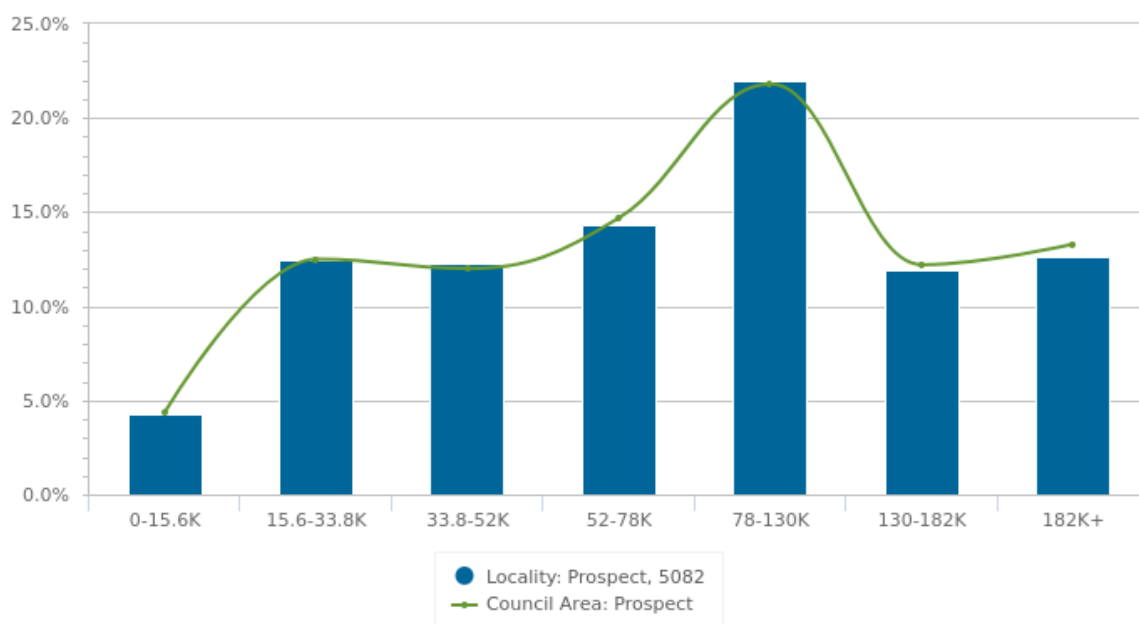
Household Income

Household Income

Income Range	Prospect %	Prospect %
0-15.6K	4.3	4.4
15.6-33.8K	12.5	12.5
33.8-52K	12.3	12.0
52-78K	14.3	14.7
78-130K	22.0	21.8
130-182K	11.9	12.2
182K+	12.6	13.3

Statistics are provided by the Australian Bureau of Statistics (ABS)

Household Income



Statistics are provided by the Australian Bureau of Statistics (ABS)



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Economic Issues

State of the Construction Industry

South Australian
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THE UNIVERSITY
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Economic Issues

No. 55

State of the Construction Industry

Authors:

South Australian Centre for Economic Studies
University of Adelaide

March 2022

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Executive Director's Note

Welcome to the fifty fifth issue of *Economic Issues*, a series published by the South Australian Centre for Economic Studies as part of its Corporate Membership Program. The scope of Economic Issues is intended to be broad, limited only to topical, applied economic issues of relevance to South Australia and Australia. Within the scope, the intention is to focus on key issues – public policy issues, economic trends, economic events – and present an authoritative, expert analysis which contributes to both public understanding and debate. Papers will be published on a continuing basis, as topics present themselves and as resources allow.

In this paper we examine the current state of the construction industry in South Australia. We review a range of indicators that provide insight into the recent performance of the construction sector. Among the performance indicators considered include construction activity levels, economic footprint and contribution in terms of gross value added and employment, recent price trends for the outputs and inputs of the construction sector, business counts, and number of construction companies entering external administration. The composition of the construction sector is also considered, as are movements in the estimated demand and supply for housing over recent years.

The COVID-19 pandemic has exerted a considerable impact on the construction industry. Demand for housing rose considerably in response to people being forced to spend more time at home, while various stimulus measures were enacted to support construction activity in the face of considerable economic uncertainty. The resulting increase in demand combined with pandemic induced supply disruptions has generated considerable inflationary pressures within the construction sector over the past year, particularly within residential building. The pandemic also appears to have temporarily changed the nature of demand for new housing, generating a shift from higher density living to detached housing.

The author of this paper is Anthony Kosturjak, Senior Research Economist, SACES. The views expressed in the report are the view of the author.

Assoc Professor Michael O'Neil
Honorary Research Fellow
SA Centre for Economic Studies
March 2022

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State of the South Australian Construction Industry

1. Introduction

The construction industry is a major element of the South Australian economy. The Australian Bureau of Statistics (ABS) estimates that the construction sector accounted for 6.8 per cent (\$8.0 billion) of Gross State Product in 2020/21 – a contribution exceeded only by the healthcare and social assistance sector (10 per cent).¹ With such a large footprint the construction industry is naturally a major source of employment. In 2021 it employed approximately 74,800 people, which is equivalent to 8.6 per cent of the total workforce in South Australia, making it the fourth largest employing sector.²

Beyond direct contributions to economic activity, the construction cycle has an important bearing on broader economic growth. Changes in activity levels within the construction sector have significant flow on effects through the supply chain to other sectors, including manufactured inputs (e.g. wood products, structural metal products, iron and steel, polymer products, cement etc.), professional and technical services, financial and insurance services, transport services, rental, hiring and real estate services, household furnishings etc. Moreover, housing investment is an important transmission mechanism for monetary policy, with changes in the cash rate flowing through to lending to the housing market.³

Over the last five years the construction sector has endured some considerable shifts in conditions and sentiment. Several years ago, a sense of unease had set in. A number of construction companies within South Australia had collapsed, most noticeably civil engineering firm York Civil, which entered voluntary administration in August 2018.⁴ At the national level around the same time house prices were trending downwards, which combined with large additions to housing supply in some cities and a downturn in building approvals suggested that dwelling investment had peaked. The arrival of COVID-19 in early 2020 delivered a significant shock, greatly increasing uncertainty. In response, a series of policy measures were enacted to support building activity, including home building subsidies, monetary stimulus and public sector infrastructure investment. Meanwhile, demand for housing rose as people were forced to spend more time at home. This sudden increase in demand together with pandemic induced supply chain disruptions is now generating considerable inflationary pressures within segments of the construction industry, especially housing.

In light of the shock delivered by the pandemic, it is an opportune time to take stock of the state of the construction industry in South Australia. This paper presents various indicators that track the performance of the construction sector. These indicators include activity levels and composition, employment, housing demand and supply balance, forward indicators of construction activity, price movements, and corporate insolvencies. In many instances long term historical data is presented so that recent trends can be placed within their historical context.

2. Activity Levels

2.1 Construction Work Done

Total construction work done in South Australia was valued at \$14.5 billion in 2021, equivalent to 6.5 per cent of all construction work done in Australia (\$221.6 billion).

Figure 2.1 shows the quarterly value of construction work done in real seasonally adjusted terms for South Australia and Australia since the turn of the millennium. There have been some notable shifts in construction activity for South Australia over the period shown, with activity growing solidly through the 2000s, stabilising and then declining between 2010 and 2015, growing strongly again from mid-2016 to mid-2018, then falling moderately over the next several years before surging to a new record level in 2021. Construction activity at the Australian level has followed a similar pattern over this period, with the main differences being that construction nationally managed to grow for longer before peaking in 2013, and has not performed as strongly over recent years. The earlier upswing in construction activity was sustained for longer at the national level due primarily to the resources boom, which provided a large boost to engineering construction in the resource rich states, especially Western Australia.

Overall construction activity in South Australia rose strongly in 2021, reaching a new record level in the December quarter – see Figure 2.1. The pace of growth did slow in the second half of the year, which suggests that construction activity may be approaching a peak. Forward indicators of activity considered later in this paper suggest that construction activity should be maintained around its recent strong level in the short term.

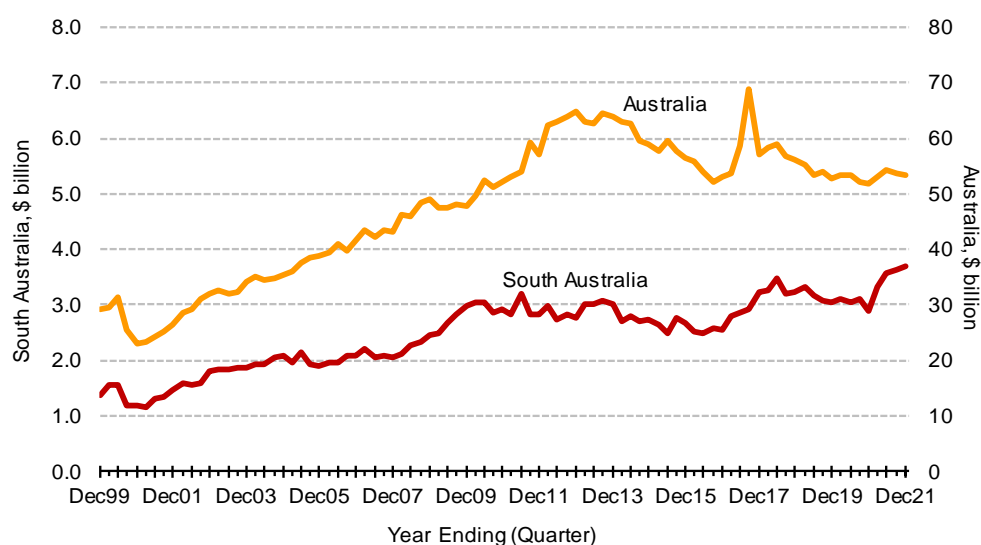
Inspection of Figure 2.1 shows that there is a reasonable degree of synchronicity in construction activity patterns between South Australia and Australia. This outcome reflects that construction cycles in Australia are to a significant degree driven by broad underlying factors, not only state specific factors such as differentials

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in population growth, structural differences in the economy, and public sector investment plans. Such broad underlying factors would include the national business cycle, shifts in interest rates, changes to national taxation arrangements, and other national policy measures that affect demand for housing and non-residential building (e.g. First Home Owner Grant / First Home Owners Boost, Building the Education Revolution, large increase in skilled and student migration under the Howard Government).

The other notable feature to emerge from Figure 2.1 is that overall construction work done in South Australia has generally kept pace with national trends over the long term in spite of slower population and economic growth. Over the two decades to the December quarter 2021 the volume of construction work done rose by 151 per cent, whereas nationally it rose by 103 per cent over this period. This relative parity remains even when one excludes the recent large rise in construction activity for South Australia. For example, construction work done over the two decades to the December quarter 2020 – i.e. the most recent low in the construction cycle for South Australia – rose by 144 per cent compared to 125 per cent nationally.

Figure 2.1: Construction Work Done
South Australia and Australia – Chain Volume Measures, Seasonally Adjusted Series



Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

Sectoral Trends

Overall activity levels in the South Australian construction sector are particularly sensitive to shifts in engineering construction, which can fluctuate significantly over the medium term, especially with the approval of large one-off projects – see Figure 2.2. Engineering activity shifted to a higher level around the time of the Global Financial Crisis (GFC) as a series of major public sector projects were implemented to address infrastructure constraints and support economic activity (which in large part explains why construction activity has kept pace with national activity). These projects include the Adelaide Desalination Plant, Adelaide oval redevelopment and various transport infrastructure projects, especially those comprising Adelaide's North-South Corridor, which commenced with the Gallipoli Underpass in 2007 and the more substantive Northern Expressway in late 2008. The private sector also contributed to the strong growth in engineering construction in the years following the GFC through large increases in work done for 'heavy industry', principally 'mining', and 'electricity generation, transmission etc. and pipelines'.

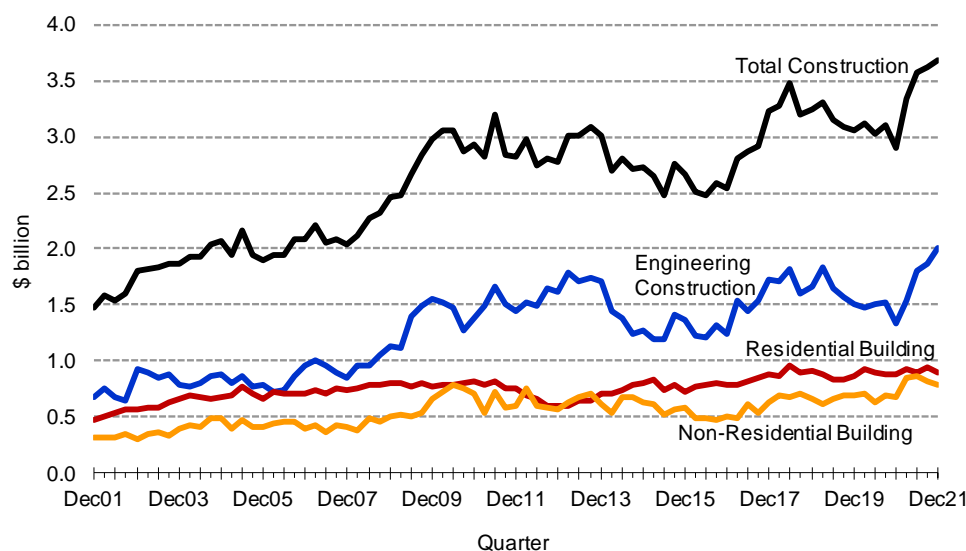
A large rebound in engineering construction emerged in early 2017 as the next major phase of public sector transport projects moved into construction (e.g. Torrens Road to River Torrens, Northern Connector and Darlington Upgrade) and private sector investment in 'electricity generation, transmission etc. and pipelines' surged in response to high energy prices. Overall activity levels within the sector then experienced a gentle decline from mid-2018 to the end of 2020, mainly in response to the boom in renewable energy projects passing through and the initial roll out of the National Broadband Network (NBN) moving toward completion. Over the last year engineering construction has picked up strongly once again in response to a sharp rise in work done for 'heavy industry' (driven, in part, by commencement of a major smelter maintenance program at BHP's Olympic Dam mine) and a rebound in investment in energy infrastructure.

South Australian residential building activity has had a modest upward trend since the early 2000s, notwithstanding a noticeable downturn in 2012. Residential building has generally been supported by modest but persistent population growth, driven primarily by overseas migration; real interest rates for housing loans remaining near historically low levels; ongoing preferential tax treatments for housing assets; and slow but steady increases in house prices, which provides home owners with increased equity to finance home modifications or even new home construction, and encourages investors to engage in home construction. In the years leading up to the pandemic some of these factors became less supportive, with population growth slowing between 2012 and 2017, residential property prices flattening off, and financial conditions becoming less accommodative as financial institutions and regulators tightened lending standards to mitigate financial risks posed around household lending (arising primarily in the eastern capitals). With the arrival of the pandemic some of these underlying forces shifted dramatically, generating an unexpected housing boom. Even though population growth slowed to a crawl as border closures cut off overseas migration, overall demand for housing increased as lockdowns forced people to spend more time at home. Meanwhile, the ability to invest in housing was supported by interest rates falling to ultra-low levels (see Figure A1 in Appendix A), provision of considerable income support, and spending being diverted from curtailed activities, while the Australian Government's temporary HomeBuilder grant program provided direct stimulus to residential building.

As shown later in this paper, the boom in residential building has so far manifest more in terms of a surge in forward work schedules and large price increases for housing construction and existing housing rather than a surge in building activity. The volume of residential building work done rose by a modest 1.7 per cent through the year to the December quarter 2021. It appears that capacity and supply constraints have restrained residential building growth amid pandemic supply disruptions and activity levels being maintained at or near record levels across the three forms of construction – see Figure 2.2.

Non-residential building has been relatively flat for most of the past decade, but has improved considerably over the past several years – see Figure 2.2. From 2011 to 2017, non-residential building was supported by the construction of the \$2 billion Royal Adelaide Hospital. There was little impetus from the private sector during this period with generally weak business conditions leading to low levels of business confidence and general stagnation in business investment. Over the past year non-residential building has risen strongly (up 16 per cent in real seasonally adjusted terms), although it has eased from its record level reached in the June quarter of 2021. This recent upswing was driven by a large program of facility upgrades within the education sector as part of the State Government's policy to move Year 7 into high school from 2022.

Figure 2.2: Construction Work Done by Sector
South Australia – Chain Volume Measures, Seasonally Adjusted Series



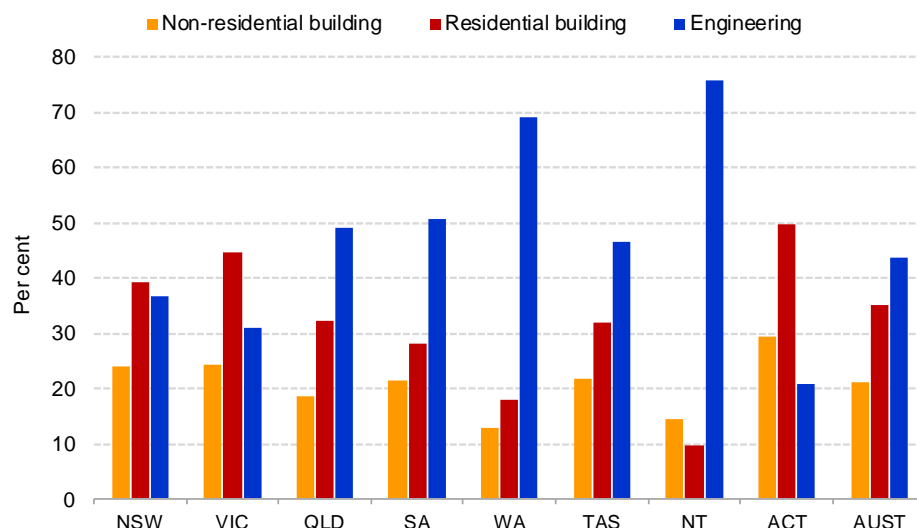
Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

*Economic Issues***Sectoral Differences Across States and Territories**

Figure 2.3 shows each sector's proportional share of total construction work done in the five years to 2021 by state and territory. The sectoral pattern for South Australia is broadly similar to the national pattern. The main differences are that residential building has accounted for a relatively smaller share of total construction work done in South Australia (28 per cent compared with 35 per cent nationally), while engineering construction has accounted for a relatively larger share of activity (51 per cent compared with 44 per cent nationally). The proportion of total work done attributable to non-residential building in the five years to 2020/21 was equivalent for South Australia and Australia (21 per cent respectively).

There are more pronounced differences in the structure of the construction sector across the other states and territories. Construction activity has been skewed towards residential building in Victoria (45 per cent) and New South Wales (39 per cent), which would reflect the strong population growth experienced by these states over the past decade, but also that they largely missed out on the engineering construction boom that was enjoyed by the energy and resource rich states and territories. On this note, engineering construction has been a relatively large driver of overall construction activity in the Northern Territory (76 per cent), Western Australia (69 per cent), and to a lesser degree, Queensland (49 per cent).

Figure 2.3: Value of Construction Work Done by Type, Proportion of Total States and Territories – 2017 to 2021, Current Prices



Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

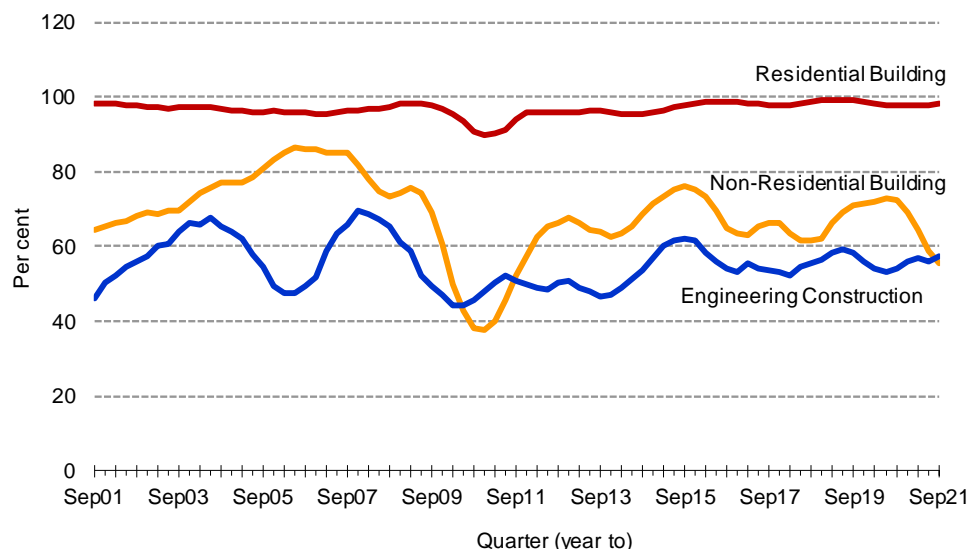
Private and Public Sector Activity

The degree of private versus public sector involvement is a significant differentiating factor in terms of driving demand across the various construction sectors. As Figure 2.4 shows, residential building is almost entirely driven by work done for the private sector, whereas non-residential building and engineering construction are heavily influenced by public sector activity. In the year to the September quarter 2021, the private sector was responsible for 98 per cent of residential building work done, 56 per cent of non-residential building work done, and 57 per cent of engineering work done. Non-residential building and engineering construction are consequently more sensitive to public sector initiatives and policy decisions, although the public sector does exert a significant influence on residential building through taxation, migration and planning policy, and the provision and withdrawal of stimulus measures.

The degree of private sector involvement has shifted significantly over the past 15 years. Prior to the GFC, the share of total construction work done for the private sector in South Australia was tracking quite closely to the national pattern – see Figure 2.5. However, this uniformity diverged after the GFC, with the private sector's share falling to a lower level, whereas it eventually rose to a higher level at the national level after the initial recovery. The decline for South Australia was brought about by reductions in the proportion of private sector work done on non-residential building and engineering construction, which both fell to lower levels compared to their pre-GFC peaks – see Figures A2 and A3 in Appendix A. It is important to note that the degree of private sector involvement in non-residential building is exaggerated to the extent that construction of the Royal

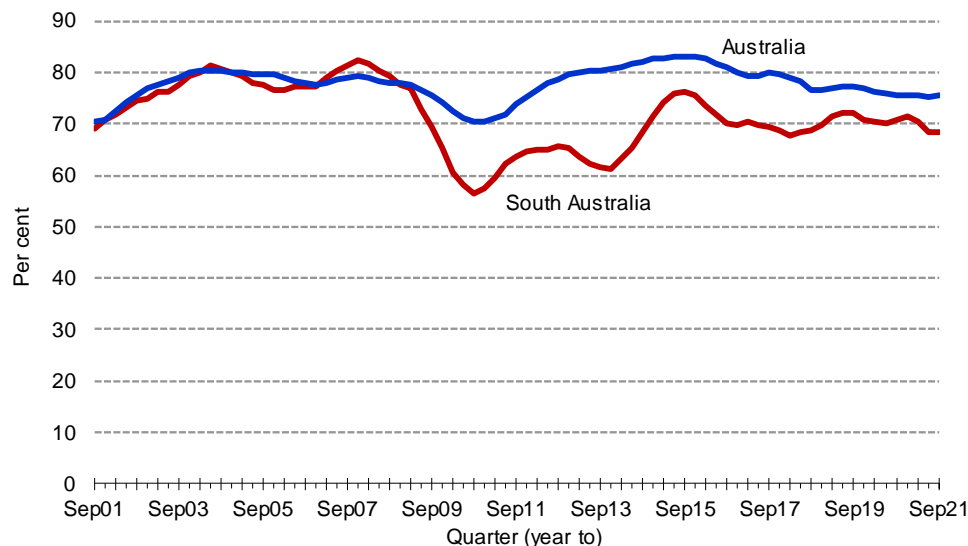
Adelaide Hospital was delivered under a Public Private Partnership model, meaning this massive project was technically classified to the private sector during the build phase.

Figure 2.4: Proportion of Residential, Non-residential and Engineering Work Done by the Private Sector^(a)
South Australia – Current Prices



Note: ^(a) Proportions are calculated based on moving annual totals of work done.
Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

Figure 2.5: Proportion of Total Construction Work Done by the Private Sector^(a)
South Australia and Australia – Current Prices



Note: ^(a) Proportions are calculated based on moving annual totals of work done.
Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

Several factors explain the decline in the private sector's share of overall construction activity for South Australia relative to Australia towards the end of the 2000s. Firstly, mining states enjoyed a larger ramp up in private sector engineering construction during the resources boom, whereas South Australia largely missed out on the mining investment boom, particularly once BHP Billiton cancelled its planned \$30 billion expansion of Olympic Dam in 2012. Secondly, South Australia endured generally weaker business conditions in the decade post the GFC, exacerbated by the closure of local passenger vehicle manufacturing. Thirdly, partly in response to these weaknesses, the public sector has provided greater support to construction activity in the

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post-GFC era, undertaking higher levels of engineering and non-residential building. The net effect of these factors is that construction activity in South Australia has been supported by increased levels of public sector investment over the past decade.

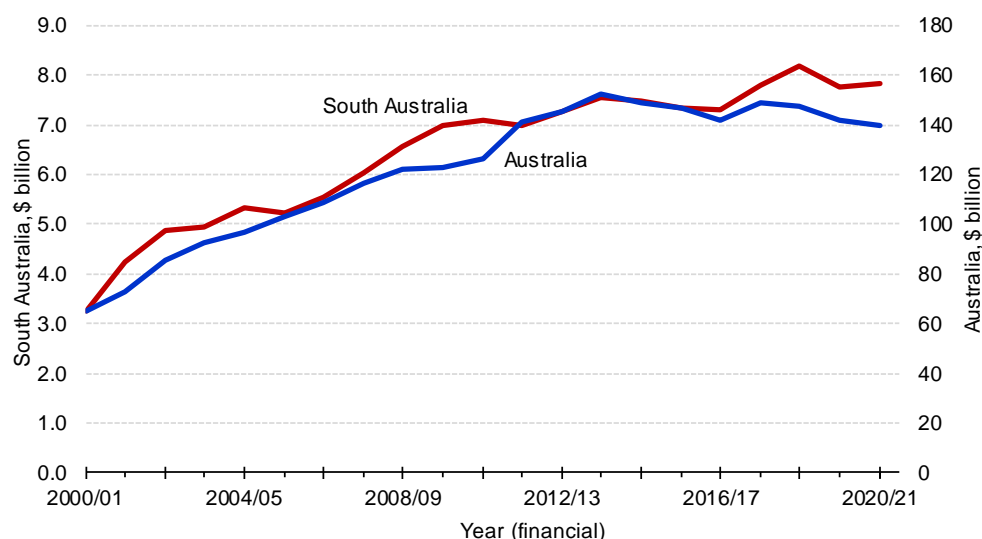
2.2 Gross Value Added

Estimates of construction work done can give a misleading picture of the contribution of construction activity to the local economy to the extent that “work done” includes imports, and there are large variations in import intensity over time or between projects. Such variations are unlikely to be of much economic significance for residential and non-residential building, but are of more import for certain forms of engineering. Such examples would include the importation of wind turbines and lithium-ion batteries as part of renewable energy projects, and from a broader national perspective, the importation of floating liquefied natural gas (LNG) facilities as part of offshore natural gas projects. Gross value added, which is a measure of the value of industry output less the value of intermediate consumption, removes the distortion caused by imports, and represents industry contributions to gross state/domestic product.

The total value added of the South Australian construction industry was \$8.0 billion in 2020-21, which is equivalent to 6.8 per cent of Gross State Product. In comparison, the Australian construction industry’s share of Gross Domestic Product was 7.0 per cent in 2020/21, indicating that South Australia’s construction sector is marginally smaller in relative terms.

Figure 2.6 shows how industry gross value added for the construction sector has evolved for South Australia and Australia over the past 20 years. Trends in construction sector gross value added for South Australia have roughly followed the pattern of overall construction activity over this period (see earlier Figure 2.1), with gross value added rising strongly up to 2009/10, levelling off for several years thereafter, before shifting to a higher level over the two years to 2018/19.⁵ Furthermore, construction gross value added for South Australia has grown in line with the corresponding national aggregate over the period considered, and held up better over recent years.

Figure 2.6: Construction Sector Gross Value Added
South Australia and Australia – Chain Volume Measures



Source: Australian Bureau of Statistics, National Accounts: www.abs.gov.au

In terms of more recent outcomes, South Australian construction industry gross value added rose modestly in 2020/21 (up 0.8 per cent in real terms), although not as robustly compared to construction work done (up 4.7 per cent). Beyond differences in scope between the two series, this differential may indicate that the recent strong rise in construction activity has partly leaked out through imports.⁶ The recent rebound in activity was partly driven by engineering construction related to ‘electricity generation, transmission etc. and pipelines’, which would include renewable energy projects. As noted above, such energy projects can have large import components related to turbines, solar panels, generators and battery storage.

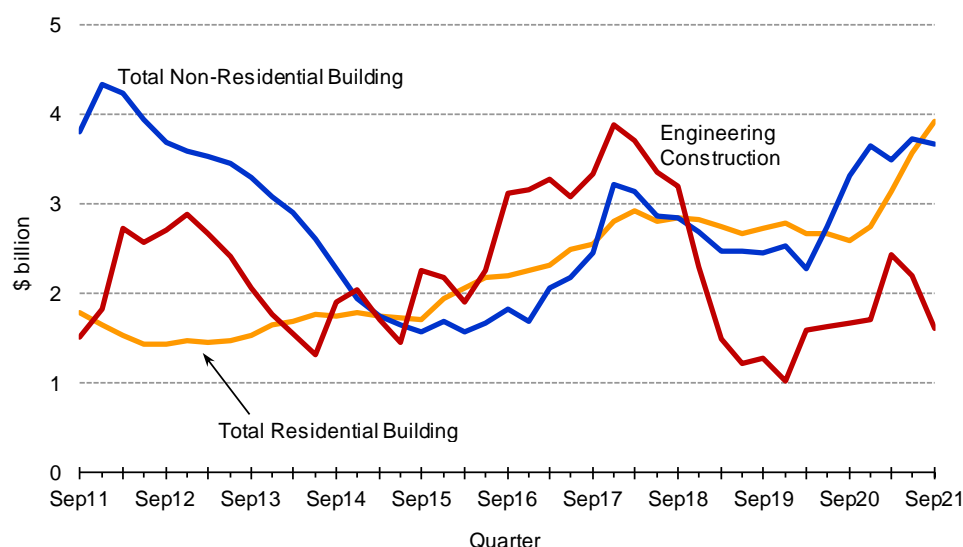
2.3 Forward indicators of activity

The ABS publishes a series of indicators which provide insight into how activity levels for key segments of the construction industry will likely evolve over the short to medium term. One key set of indicators for short-term movements are estimates of 'work in the pipeline' for building activity and 'work yet to be done' for engineering construction. Building 'work in the pipeline' comprises work still to be done for projects that have already commenced (so-called 'work yet to be done'), and work that has been approved but had not begun at the end of the survey reference period ('work not yet commenced').⁷ Estimates of building 'work in the pipeline' are consequently broader in the scope than engineering 'work yet to be done'. This is an important distinction since engineering construction often comprises large scale projects, and approval of one or two such large scale projects (e.g. mine or major road transport project) can have a marked and immediate impact on the level of outstanding engineering work.

The value of residential and non-residential building work 'in the pipeline' both surged through 2020/21 and were being maintained at robust levels by the end of September 2021 (the latest data at the time of writing), while engineering construction work 'yet to be done' eased through 2021 – see Figure 2.7. Together these results suggest that overall activity levels in the South Australian construction sector will be maintained at a firm level in the near term, notwithstanding some easing in prospective engineering construction activity.

Forward work schedules for engineering construction activity have contracted through the middle of 2021, which is a concern given the importance of engineering to supporting overall construction activity levels over recent years. Following the recent decline, the total value of work 'yet to be done' in the September quarter of 2021 was down 3.6 per cent (\$61 million) compared to a year earlier. This decline was driven by falls in outstanding work on 'bridges, railways and harbours' (down \$146 million or 31 per cent), 'heavy industry' (down \$50 million or 23 per cent), and 'water storage and supply, sewerage and drainage' (down \$23 million or 11 per cent). On the other hand the value of work 'yet to be done' has risen strongly in respect of 'roads, highways and subdivisions' (up \$145 million or 27 per cent).

Figure 2.7: Building Work in the Pipeline and Engineering Construction Work Yet to be Done
South Australia



Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

Looking ahead, commencement of the Torrens to Darlington (T2D) section of the North South Corridor will provide a sustained boost to engineering construction, with construction of the Stage One Southern Tunnel expected to commence in late 2023 (enabling works are currently in progress). There are also a range of potential private sector initiatives on the horizon, including Stage 1 of a multi-commodity deep water port at Cape Hardy, which would in turn help facilitate development of Iron Road's Central Eyre Iron Project (i.e. iron ore mine); a proposed green steel plant as part of Liberty Primary Steel's Whyalla Steelworks operations; and various renewable hydrogen projects as part of the state government's proposed Port Bonython Hydrogen Hub. While approval of one or more of these projects would provide a boost to engineering construction, there

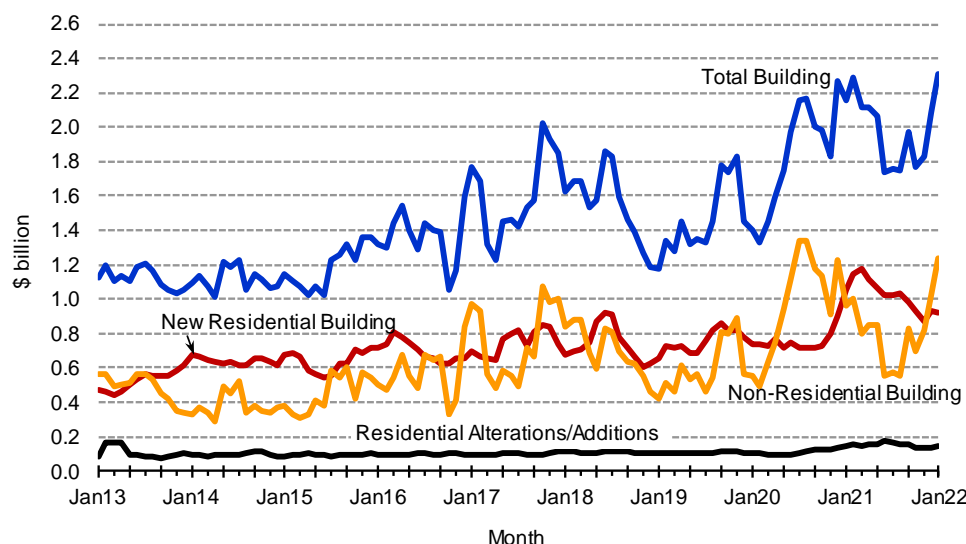
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is considerable uncertainty over if and when these projects may go ahead, with some projects being sensitive to developments in resource prices and financing.

Leading indicators indicate that non-residential building activity should remain at a healthy level in the near term. The value of non-residential building work in the pipeline was at a historically high level in the September quarter 2021, while the value of non-residential building approvals rose strongly over the summer period. The total value of approvals in the three months to January 2022 was up 28 per cent compared to a year earlier – see Figure 2.8. In addition to continued investment in education buildings (e.g. Morialta Secondary College), there are several major projects approaching that will provide support to non-residential building. Most significantly, construction of the \$1.95 billion new Women's and Children's Hospital is expected to commence in late 2022, while the \$400 million Central Market Arcade redevelopment will begin during the year. These initiatives follow start of construction on the new Aboriginal Art and Culture Centre in late 2021.

The outlook for residential building is quite bullish. Although the value of new residential building approved fell steadily through 2021, the level of approvals by the end of the year were still at a historically high level – Figure 2.8. Thus, while the value of residential building approved in the three months to January 2022 was down 21 per cent from their previous peak reached in the March quarter 2021, approvals were still a third higher compared to their previous decade average level. And with an existing large volume of outstanding work, these trends suggest that residential building will persist at a strong level through 2022.

Figure 2.8: Value of Building Approvals
South Australia – Moving Quarterly Totals, Seasonally Adjusted Series



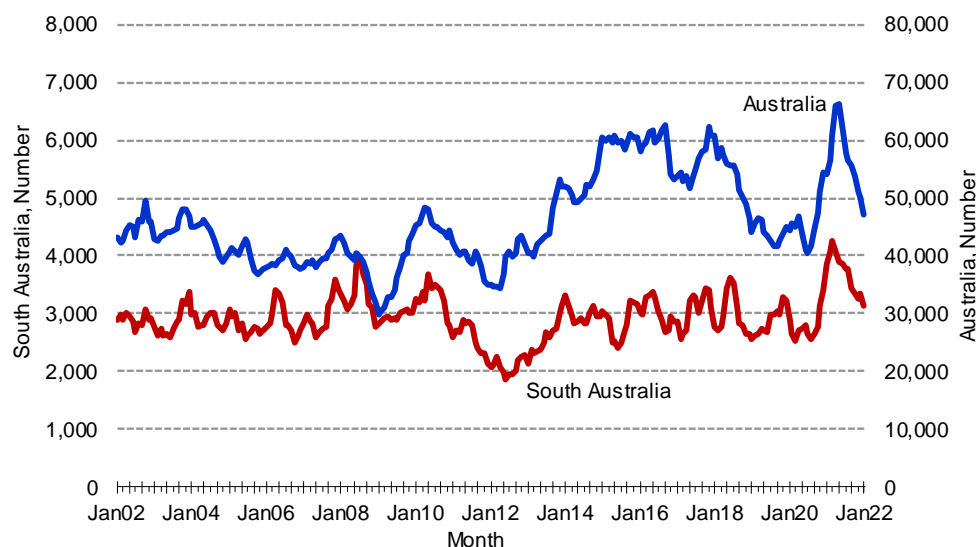
Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

The recent decline in residential building approvals is emphasised by data on the number of dwelling units approved.⁸ For the three months to January 2022, the number of dwelling units approved in seasonally adjusted terms was down 26 per cent from their peak reached in the three months to March 2021. Even with this large decline the number of approvals were still at a solid level in the recent January quarter – see Figure 2.9. Moreover, the recent fall in residential approvals largely reflects a bringing forward of activity generated by the Australia Government's HomeBuilder program which expired at the end of March 2021. The provision of this temporary home construction subsidy naturally generated a mini boom–bust pattern in approval activity, and there is consequently a risk of residential building activity weakening considerably once the current backlog of work is dealt with (implications for the future demand–supply balance are discussed further in section 2.4).

One of the most notable aspects of the pattern of dwelling unit approvals during the pandemic is a shift in demand toward houses from non-house dwellings such as terrace houses, flats, units and apartments. The total number of new houses approved in 2021 was up 52 per cent (4,236 units) compared to the number approved in 2019 (i.e. prior to the pandemic). In comparison, the number of new non-house dwelling units approved were down 31 per cent (1,055 units) between these years. Drilling down further reveals that the fall

in non-house approvals has been driven by a slump in apartment approvals. The number of approvals of new apartments fell by 52 per cent or 696 units between 2019 and 2021 – see Figure 2.10. It therefore appears that the pandemic has encouraged a shift in demand towards larger housing, perhaps reflecting a need for greater working for home capacity, and/or a desire for enhanced social distancing.

Figure 2.9: Number of Dwelling Units Approved
South Australia and Australia – Moving Quarterly Totals, Seasonally Adjusted Series

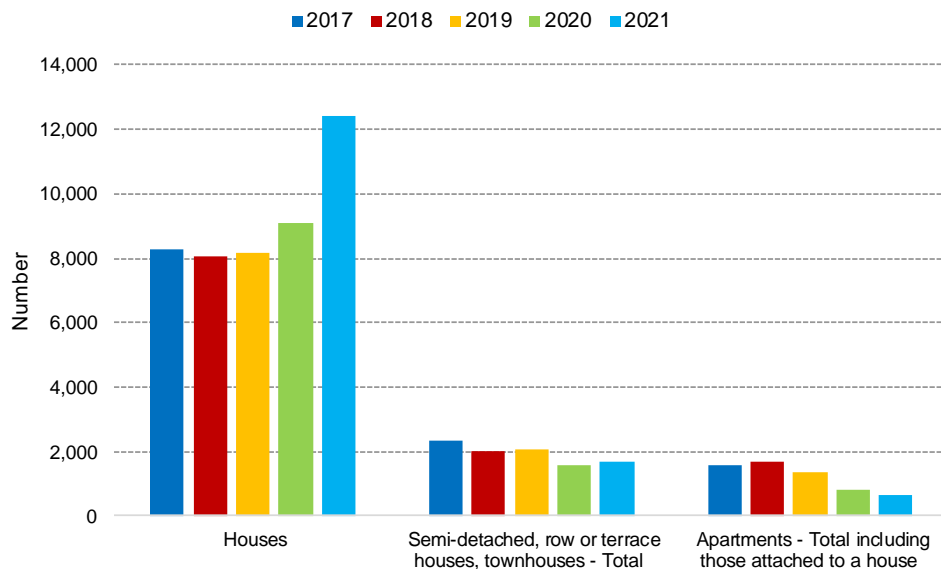


Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

The decline in non-house approvals over recent years may also reflect some earlier oversupply within the high-rise development sector. As Figure 2.11 shows, approvals of high-rise apartments (i.e. 9 storeys or more) in South Australia were at quite strong levels in 2017 and 2018, but fell sharply over subsequent years (they were down 97 per cent in 2021 compared to 2018). A similar pattern is evident at the national level over this period although approvals of high-rise apartments have not fallen anywhere near as far (down 27 per cent). It would appear that within South Australia demand has been slow to fill existing supply capacity within high-rise living, and been insufficient to stimulate further high-rise development. The pandemic would have magnified these pressures through its role in slowing population growth and preventing entry of overseas students whose comprise an important customer base for inner city living.

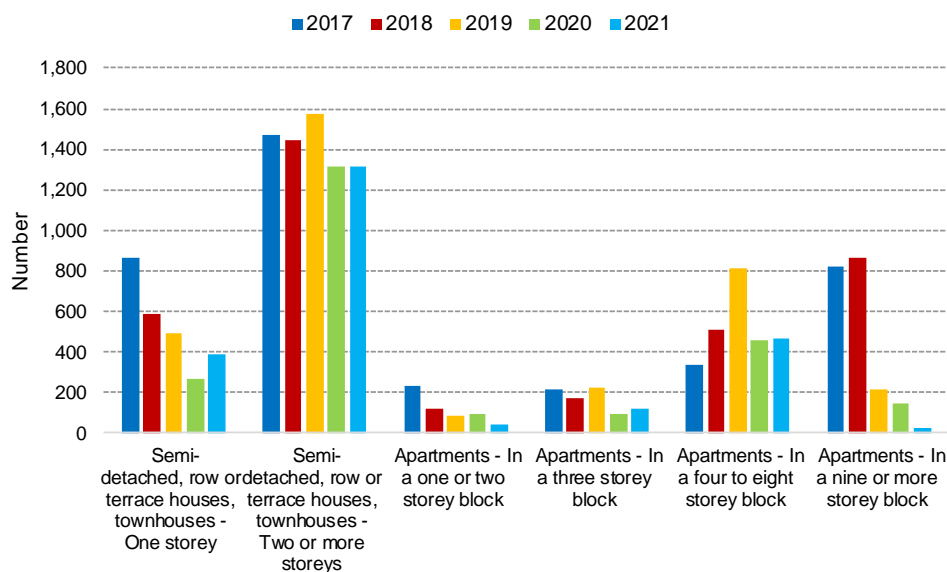
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Figure 2.10: Number of New Dwelling Units Approved by Type
South Australia – Annual Totals



Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

Figure 2.11: Number of New Dwelling Units Approved by Type and Storeys
South Australia – Annual Totals



Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

2.4 Housing supply–demand balance

Leading indicators reveal a surge in demand for housing in 2020/21, brought about by pandemic factors and the Australian Government's HomeBuilder program. The current boom will eventually pass, leading to a downturn in activity, whose severity will in turn depend, partly, on the extent to which there are any underlying supply and demand imbalances for housing. In order to shed further light on this issue, we have estimated the change in the stock and demand for residential dwellings based on existing published data sources. We briefly explain our methodology before analysing the results.

There are various possible approaches that can be used to estimate changes in the demand and supply of housing, which each invariably involving different trade-offs and drawbacks. For our purposes changes in the supply of housing have been estimated based on estimates of the total residential dwelling stock published by the ABS (2021) in *Residential Property Price Indexes*. One limitation with this approach is that the ABS only publishes estimates back to the September quarter 2011, limiting the historical reach of the series. Meanwhile, changes in the demand for housing have been based on ABS estimates of the change in the estimated resident population for South Australia (ABS 2021a). The population changes were converted to a household equivalent basis using the average household size as indicated by the Census of Population and Housing.⁹ This assumption will be misleading to the extent that the average household size for a newly constructed home differs from the average household size for existing homes. For example, if the actual household size for a newly constructed home is smaller (larger) than indicated by the census for all existing households, then our assumption will tend to underestimate (overestimate) the demand for housing. Another limitation is that demand for housing is not solely a product of population growth; changes in household size, investor appetite and additional housing from existing home owners (e.g. holiday homes) also affect demand, especially over the short term. However, modelling such secondary factors is challenging and beyond the scope of the current paper, while population growth remains the primary determinant of demand for housing over the long term.

Figure 2.12 shows the estimated annual change in the supply and demand for residential dwellings in South Australia over the nine years to 2020/21 based on the approach described above. In interpreting the data, one should focus on changes in the levels of supply and demand over time rather than the initial difference since we are unable to account for any pre-existing imbalance in the demand and supply for housing. For example, it could be the case that there was a shortfall in housing supply prior to 2012/13, meaning annual supply would need to exceed annual demand for an extended period in order to bring supply and demand back into equilibrium.

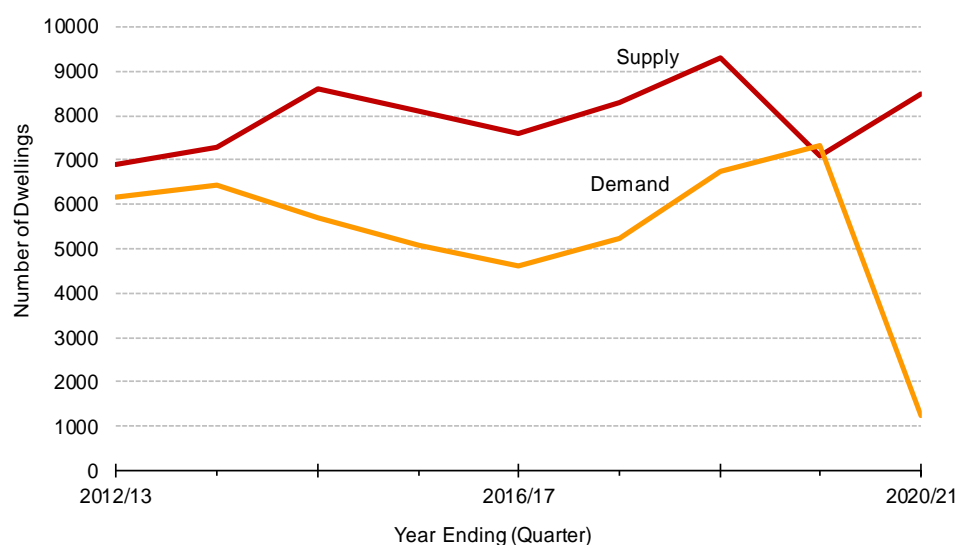
Looking at the results, a divergence in demand and supply trends for residential dwellings emerged after 2013/14. While demand for new residential dwellings (based solely on change in the population) fell from around 6,400 units in 2013/14 to around 4,600 units in 2016/17, the supply of residential dwellings was maintained at a consistent level over this period, at around 8,000 units per annum. Demand for residential dwellings picked up strongly over the two years to 2019/20, completely closing the annual gap between supply and demand from an excess of 3,000 units in 2017/18 to a small shortfall of 230 units in 2020/21.

The decline in demand for residential dwellings between 2013/14 and 2016/17 was brought about by an increase in net migration outflows from South Australia to interstate which depressed population growth. Net population losses stemming from net interstate migration rose from -3,890 people in 2013/14 to -6,778 people in 2016/17. It appears a significant deterioration in labour market conditions prior to and during this period encouraged people to relocate interstate in order to find employment or progress their careers. Such interstate migration losses decreased following a substantial recovery in labour market conditions, and completely reversed course during the pandemic as lockdowns and interstate border restrictions hampered interstate migration.

In spite of the turnaround in interstate migration flows, apparent demand for housing based on population change declined sharply during the pandemic in response to the national border closure preventing inward overseas migration. After gaining around 14,900 people through net overseas migration in 2019/20, the state actually lost almost 3,300 people in 2020/21. As a consequence of these net population shifts, the demand for residential dwellings is estimated to have fallen by 83 per cent in 2020/21, from 7,332 units to 1,236 units.

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Figure 2.12: Estimated Demand and Supply of Residential Dwellings^(a)
South Australia – Number of New Units Per Year



Note: (a) Demand estimated based on the change in population only. Other potential sources of demand (e.g. investor housing, holiday homes) not considered.

Source: SA Centre for Economic Studies calculations based on Australian Bureau of Statistics, *Residential Property Price Indexes, Eight Capital Cities*, and *Australian Demographic Statistics*: www.abs.gov.au

Even though demand for residential dwellings emanating from population growth slumped during the pandemic, overall housing demand increased significantly, demonstrated ultimately by robust growth in actual and prospective residential building activity and surging house prices. While part of this strength reflects a pulling forward of activity driven by the Australian Government's HomeBuilder program which provided a temporary subsidy to support residential building, other factors also spurred housing demand.¹⁰ By forcing people to spend more time living and working from home, lockdowns effectively increased demand for improved housing. And with households running up their savings balances and even cheaper borrowing emerging, their capacity and willingness to invest was enhanced, especially once the near-term economic outlook improved more quickly than expected. Meanwhile, with ultra-low interest rates suppressing returns from other forms of investment such as term deposits and government bonds, investors were increasingly drawn to the housing market. ABS data indicates that the number of new loan commitments for investor housing rose by 79 per cent over the two years to the December quarter of 2021, while loans for owner-occupier housing rose by 30 per cent over this period.¹¹

These supportive factors are now starting to dissipate as pandemic restrictions are unwound and a pick-up in inflation raises the prospect of official interest rates being raised sooner than expected. With additions to housing supply appearing to exceed demand from population gains over recent years, there is a risk that conditions in the residential building sector will weaken over the next several years. A sustained recovery in population growth will be needed to maintain demand for housing. While the reopening of the nation's border will enable a resumption in overseas migration, there remains a high degree of uncertainty regarding how strong the recovery in overseas migration will be given prospective changes in visitor attitudes and the potential for further COVID-19 outbreaks.

3. Employment

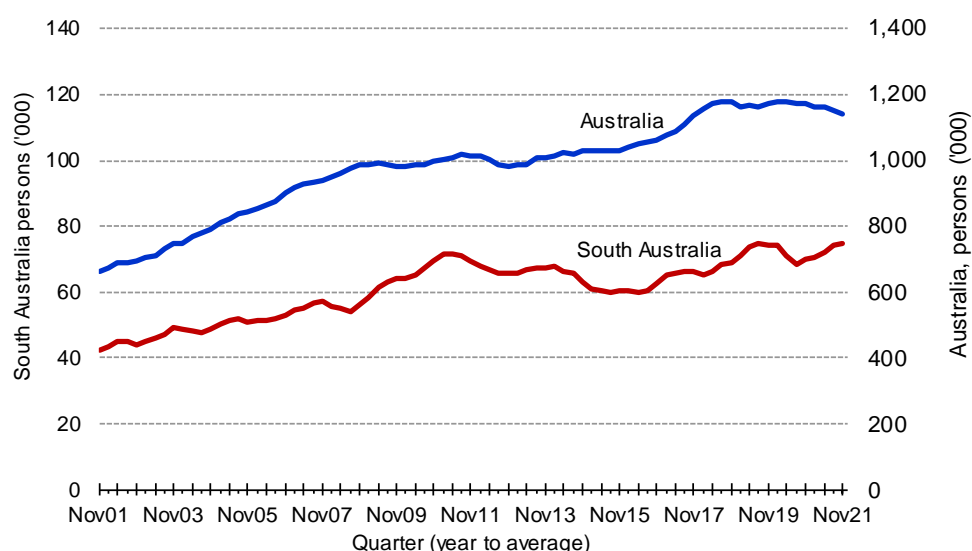
Employment levels in the construction sector are highly correlated with overall construction activity. As Figure 3.1 shows, employment in the South Australian construction sector declined between 2010 to 2015 in line with the easing in construction work done during this period, and then rose to a higher level over the three years to 2019 in response to construction activity returning to robust levels. Following a small dip in 2020 construction employment rose strongly through 2021 on the back of construction activity rising to new heights. The net effect of these movements is that total employment in construction has risen slightly over the past decade, from an earlier peak of around 71,400 in 2010/11 to a record 74,800 people in 2021. Although the construction

sector's share of total state employment has fallen slightly from 8.9 per cent to 8.6 per cent over this period, it remains at a higher level compared to pre-GFC standards.

With forward indicators pointing to a considerable volume of work still in the pipeline, especially for residential and non-residential building, it is likely that employment in the construction sector will remain at its current high level over the near term.

Given the close relationship between activity and employment levels for the construction sector, it is interesting the degree to which employment levels in the construction sector vary in response to fluctuations in construction. One can quantify this relationship in a simplistic fashion using a simple linear regression. Using quarterly data on work done and employment in the South Australian construction sector over the 20 years to the September quarter 2021, it is estimated that a \$1 million change in the volume of construction work done leads to a 15.7 person change in employment within the construction sector.

Figure 3.1: Construction Sector Employment
South Australia and Australia – Moving Annual Average



Source: Australian Bureau of Statistics, *Labour force*: www.abs.gov.au

4. Business Profile and Counts

The construction sector has a similar business profile to the overall state economy in terms of employment size, with a slight skew toward smaller employment sizes. Just under two-thirds (65 per cent) of construction businesses in South Australia at the end of June 2021 were non-employing businesses, which was only marginally above the average for all businesses in the market sector in South Australia (64 per cent). Approximately 27 per cent of construction businesses employed between 1 and 4 people, which was slightly above the average of 24 per cent for all businesses. The high degree of non-employing businesses within the construction sector reflects the high degree of self-employment within the industry, with many individuals working as independent contractors, often under sub-contracting arrangements.

Movements in the number of actively trading businesses in the construction sector provides another useful gauge of the health of the construction sector.

Table 4.1 shows counts of businesses in the construction sector for South Australia and Australia as at 30 June in each of the 5 years to 2020 based on regional data published by the ABS. (Unfortunately, more recent data published as part of the Counts of Australian Businesses series does not provide comparable historical time series data, though we consider these results further below.) The number of construction businesses in South Australia has grown steadily over recent years. Between 30 June 2016 and 2020, the total number of active construction businesses in South Australia rose by 9.6 per cent or 2,057 businesses. In comparison, the number of construction businesses at the national level rose by 10 per cent over this period.

*Economic Issues***Table 4.1: Counts of Actively Trading Construction Businesses**
South Australia and Australia

Year (at 30 June)	Number of business		Change (%)	
	South Australia	Australia	South Australia	Australia
2016	21,483	360,465	-	-
2017	22,219	373,599	3.4	3.6
2018	22,849	385,268	2.8	3.1
2019	23,439	394,496	2.6	2.4
2020	23,540	397,020	0.4	0.6

Notes: (a) Totals may differ from other tables and sources as some cells have been randomly adjusted or suppressed by the ABS to avoid the release of confidential data.

Source: ABS, Counts of Australian Businesses, Regional Statistics, Australia, Cat. No. 1410.1

More recent data from the *Counts of Australian Businesses* series indicates that the number of construction businesses has grown strongly during the initial stages of the pandemic. The total number of operating construction businesses in South Australia rose by 3.3 per cent or 771 businesses through the year to 30 June 2021, while the number of construction businesses at the national level rose by 4.2 per cent.

Table 4.2 shows counts of actively trading businesses by industry class and changes in the number of these businesses over the two most recent years. (Businesses are classified to sectors based on their main source of value added or income, and in practice may undertake activities across various sectors, such as residential and non-residential building.) Most sectors of the construction industry recorded increases in business numbers over the two years to 30 June 2021. The largest increases in proportional terms over this period were for 'other residential building construction' (up 10 per cent), 'other construction services not elsewhere classified' (up 8.3 per cent), 'glazing services' (up 7.7 per cent), 'plastering and ceiling services' (up 7.3 per cent), and 'hire of construction machinery with operator' (up 6.4 per cent). On the other hand, there have been declines in business numbers across a number of construction subsectors, including 'other building installation services' (down 4.8 per cent), 'fire and security alarm installation services' (down 4.0 per cent), 'other heavy and civil engineering construction' (down 3.3 per cent), and 'bricklaying services' (down 3.2 per cent).

One of the most notable features from Table 4.2 is that residential building contains a much larger number of businesses compared to non-residential building and especially engineering construction. There were 2,997 actively trading businesses in house construction and 1,158 in other residential building at 30 June 2021, compared to 904 businesses in non-residential building, 99 in road and bridge construction, and 415 in other heavy and civil engineering construction. The greater propensity of businesses in residential construction reflects that average project sizes tend to be smaller for residential building, especially compared to engineering projects. One consequence of this abundance of firms and small project sizes is that competitive pressures within the residential sector may be greater those in other sectors with fewer businesses.

Table 4.2: Counts of Actively Trading Construction Businesses by Sector
South Australia

ANZSIC Industry	No of businesses operating at 30 June 2021	Change over year to...	
		30 June 2020	30 June 2021
House Construction	2,997	74	92
Other Residential Building Construction	1,158	48	62
Non-Residential Building Construction	904	16	33
Road and Bridge Construction	99	-5	8
Other Heavy and Civil Engineering Construction	415	-10	-4
Land Development and Subdivision	849	-19	27
Site Preparation Services	1,028	-27	21
Concreting Services	796	1	1
Bricklaying Services	566	-4	-15
Roofing Services	361	3	-5
Structural Steel Erection Services	255	1	5
Plumbing Services	1,633	-35	37
Electrical Services	3,011	-27	81
Air Conditioning and Heating Services	469	-9	28
Fire and Security Alarm Installation Services	216	-8	-1
Other Building Installation Services	320	-8	-8
Plastering and Ceiling Services	1,087	43	31
Carpentry Services	2,618	-21	101
Tiling and Carpeting Services	1,329	20	36
Painting and Decorating Services	1,216	0	30
Glazing Services	196	9	5
Landscape Construction Services	1,222	6	48
Hire of Construction Machinery with Operator	100	0	6
Other Construction Services n.e.c.	1,364	56	48
Total	24,209	104	667

Notes: (a) Totals may differ from other tables and sources as some cells have been randomly adjusted or suppressed by the ABS to avoid the release of confidential data.

Source: ABS, Counts of Australian Businesses, including Entries and Exits, July 2017 to June 2021, Cat. No. 8165.0

5. Price Movements

5.1 Construction Costs

The ABS publishes producer price indices for the outputs of select sectors of the construction industry, including house construction, other residential building, non-residential building, and road and bridge construction. Trends in these price indices provide insight into potential price pressures faced by the respective construction sectors, as well as the affordability of building and construction outputs for households, business and government.

The evolution of price indices for South Australian construction sectors over the two decades to the December quarter 2021 are illustrated in Figure 5.1. One of the stark features of historical price movements for the construction sector is a marked slowdown in inflation for house construction, other residential building and non-residential building around the time of Global Financial Crisis in 2008-2009. For instance, the house price construction index for South Australia grew at an annual average rate of 4.3 per cent in the decade to the June quarter 2009, whereas over the subsequent decade it rose at an average rate of 1.0 per cent per annum. Similar slowdowns are observed for other residential construction and non-residential building indices. In

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contrast, the road and bridge construction price index has maintained a relatively steady rate of expansion, although the pace did moderate after the GFC, with the annual average growth rate slowing from 4.8 per cent to 3.0 per cent between the two decades.

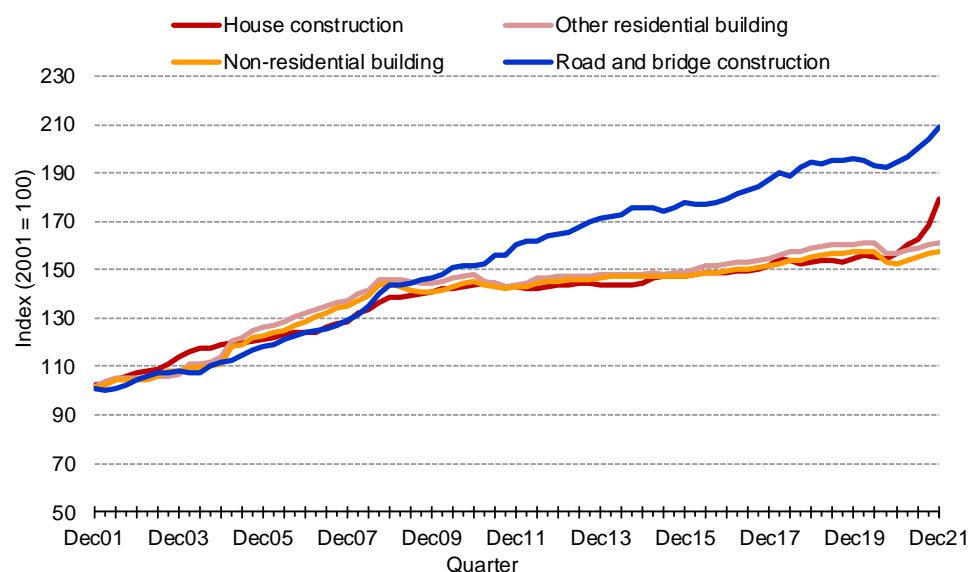
The relative differences in price movements between engineering and other forms of construction would be explained, in part, by the evolution of activity levels. As we saw earlier, activity levels for residential and non-residential building were relatively flat in the decade following the GFC, whereas engineering construction rose to buoyant levels. This would suggest that there has generally been greater space capacity in the residential and non-residential building sectors, which would put downward pressure on prices, whereas engineering construction has faced greater capacity constraints, putting upward pressure on prices. Meanwhile, the synchronicity in price movements for residential and non-residential building would in part reflect that there is a high degree of substitutability between these sectors given similarities in the nature of the work, which would in turn tend to enhance competitiveness and therefore price competition between these sectors. Further enhancing these pressures are the relatively larger number of businesses operating in residential and non-residential construction compared to engineering construction – refer section 4.

These divergent price patterns have a couple important implications. Firstly, they suggest that pressures on margins are greater within the residential and non-residential building sectors, so even a moderate downturn in building activity could be expected to have a significant impact on the financial viability of businesses within the sector. Secondly, investing in and maintaining transport infrastructure is an important source of cost pressure for state and local government in South Australia, which has implications for budgetary management. Indeed, the South Australia price index for road and bridge construction has risen at a faster rate compared to the corresponding national index over the last 15 years – see Figure 5.2. In comparison, price indices for other construction sectors have tended to rise at a slower rate compared to the corresponding national indices, especially for residential construction.

While prices for the outputs of the various construction sectors have tended to grow at fairly stable rates over time, the pandemic has seriously disrupted normal patterns. Prior to the pandemic prices across the various construction sectors were actually showing some weakness, but subsequent supply chain disruption, stimulus measures, and increased demand for housing has generated a sharp increase in construction costs. These inflationary pressures have been most apparent in housing, with the price index for house construction in South Australia rising by 15 per cent through the year to the December quarter 2021, which is the largest annual increase recorded by the current producer price index series, and well above the previous decade average rate of inflation (0.9 per cent per annum). There was also a sharp rise in prices for road and bridge construction through 2021 (up 7.3 per cent). In comparison, there were more moderate price increases for non-residential building (up 3.2 per cent) and other residential building construction (up 3.0 per cent), although both rose by strong degrees compared to their pre-pandemic trends.

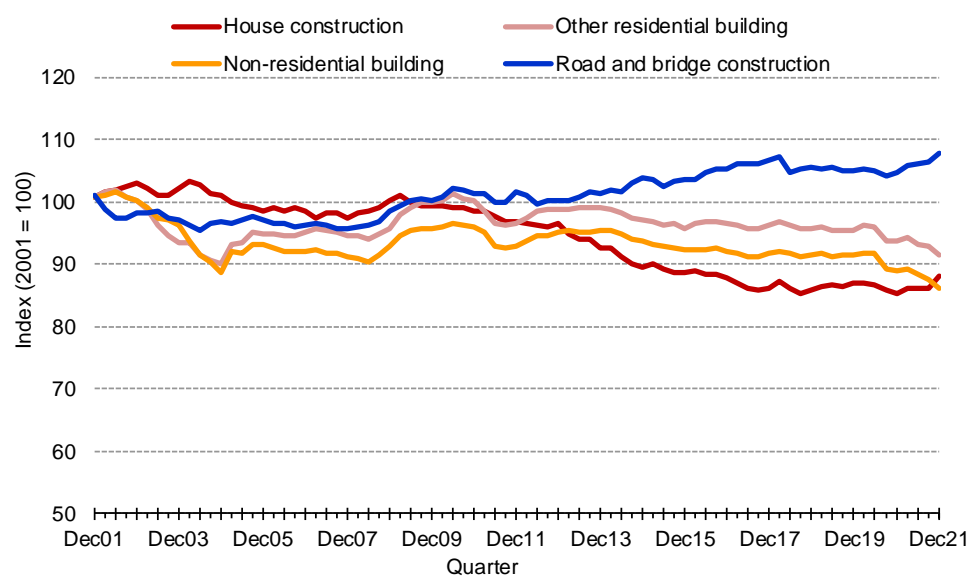
Although a surge in demand for housing has contributed to the sharp rise in house building costs, supply chain disruptions and a shortage of materials and labour have also played substantial roles. As data on price indexes for inputs to the house construction industry presented in Table 5.1 show, there were large increases in prices through the year to the December quarter 2021 for ‘steel products’ (up 23 per cent), ‘timber, board and joinery’ (up 23 per cent), ‘plumbing products’ (up 12 per cent), and ‘other metal products’ (up 11 per cent). These input price increases will present a challenge for those builders that have entered into fixed-price contracts, which is the most common form of engagement. With supply chain and labour shortages slowing the construction of new homes, the scale and speed of the input price increases may expose some home builders to financial distress.

Figure 5.1: Output Price Indexes for Construction Sectors
Adelaide



Source: Australian Bureau of Statistics, *Producer Price Indexes, Australia*: www.abs.gov.au

Figure 5.2: Relative Output Price Indexes for Construction Sectors
South Australia relative to Australia



Source: Australian Bureau of Statistics, *Producer Price Indexes, Australia*: www.abs.gov.au

*Economic Issues***Table 5.1: Change in Price Indexes for Inputs to the House Construction Industry**
Adelaide

	Annual average percentage change (to December quarter)					Annual average	
	2017	2018	2019	2020	2021	Five years to December quarter 2019	Two years to December quarter 2021
Timber, board & joinery	3.0	4.4	-1.0	1.8	22.6	1.6	11.7
Ceramic products	-1.3	5.1	1.5	1.4	8.0	2.0	4.7
Concrete, cement & sand	3.3	1.1	-0.2	-1.3	0.7	1.0	-0.3
Cement products	-2.8	7.9	2.1	1.5	6.0	1.8	3.7
Steel products	4.1	3.7	-0.6	-0.4	23.3	1.4	10.8
Other metal products	7.9	3.6	1.4	0.4	10.7	4.3	5.4
Plumbing products	1.6	3.9	1.4	-0.3	11.8	2.7	5.6
Electrical equipment	9.8	3.7	4.8	12.1	9.6	4.5	10.9
Installed gas & electrical appliances	0.0	2.1	1.2	0.7	3.1	2.7	1.9
Other materials	-0.4	4.8	0.6	1.4	5.0	1.9	3.2

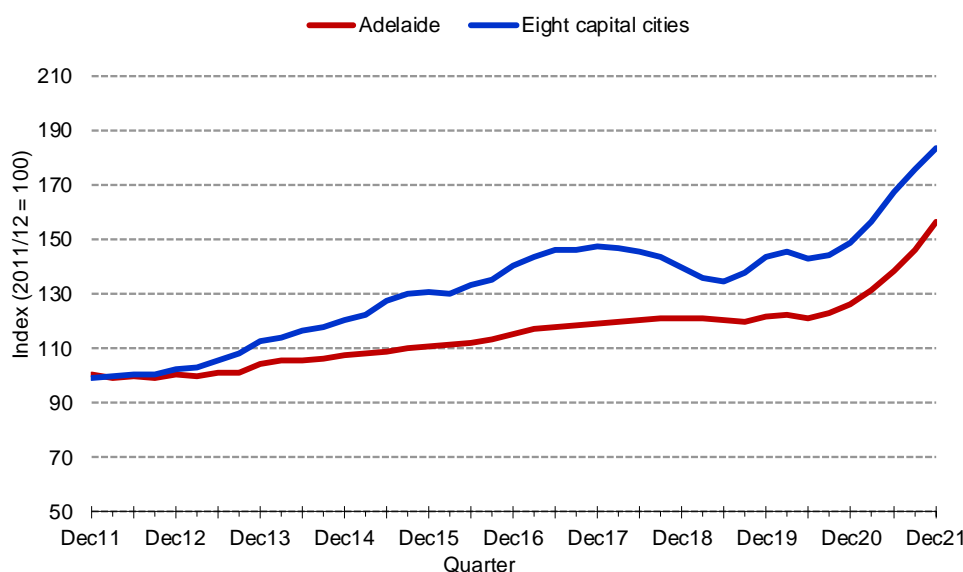
Source: Australian Bureau of Statistics, *Producer Price Indexes, Australia*: www.abs.gov.au**5.2 Residential Property Prices**

Movements in prices for residential properties, including establishing housing, have a bearing on the construction industry in several ways. Firstly, they influence investors' willingness to invest with large price increases tending to encourage greater investor activity. Secondly, price changes directly affect existing property owners' wealth, which in turn impacts their ability to finance property investment (e.g. by enabling the building of a larger property or borrowing against the increased equity to undertake renovations). Finally, large movements in property prices can also be symptomatic of episodes of chronic oversupply or undersupply in the housing market.

Figure 5.3 shows the evolution in residential property prices for Adelaide compared to the eight capital cities over the past decade as measured by ABS residential property price indexes. Before the pandemic residential property prices in Adelaide were growing at a slow but steady rate, whereas at the national level they exhibited more of a boom-bust cycle, with prices rising strongly between 2012 and 2017, and then falling noticeably through 2018 and early 2019. These national price patterns largely reflected developments in the eastern capitals, particularly the Sydney and Melbourne markets. Prices in these markets eased in response to various factors, including a downturn in investor sentiment, decreasing housing affordability which had reduced demand in some segments (e.g. first home buyers), and the emergence of an oversupply of apartment building – particularly in Sydney – due to an earlier surge in apartment building. Conditions in South Australia were more restrained through this period, with slow population and economic growth tending to temper housing market activity. In this sense the South Australian market appeared relatively stable.

Turning to more recent developments, residential property prices in Adelaide and across the other capital cities have surged during the pandemic. The Adelaide residential property price index rose by 24 per cent through the year to the December quarter 2021, while the weighted average for the eight capital cities also rose by 24 per cent. As we noted earlier, various factors have contributed to the boom in house prices, including various policy supports provided by government, people needing to work from home, households running up their savings balances amid constraints on spending, and low interest rates.

Figure 5.3: Residential Property Prices
South Australia and weighted average of Eight Capital Cities



Source: Australian Bureau of Statistics, *Residential Property Price Indexes: Eight Capital Cities, December 2021*: www.abs.gov.au

6. Companies Entering External Administration

Trends in companies entering administration provides insight into the state of the construction business cycle and its impact on business and employment stability. These data can also potentially provide evidence of the entrepreneurial ability of people in the construction sector and even episodes of corporate wrongdoing. For instance, in the past attention has been given to the role of 'phoenix developers' who have potentially engaged in criminal corporate behaviour.¹² However, it can be difficult to attribute changes in these indicators to specific factors beyond swings in the economic cycle given the potential role played by other causes (e.g. loss of key staff, relationship breakdowns, ill health).

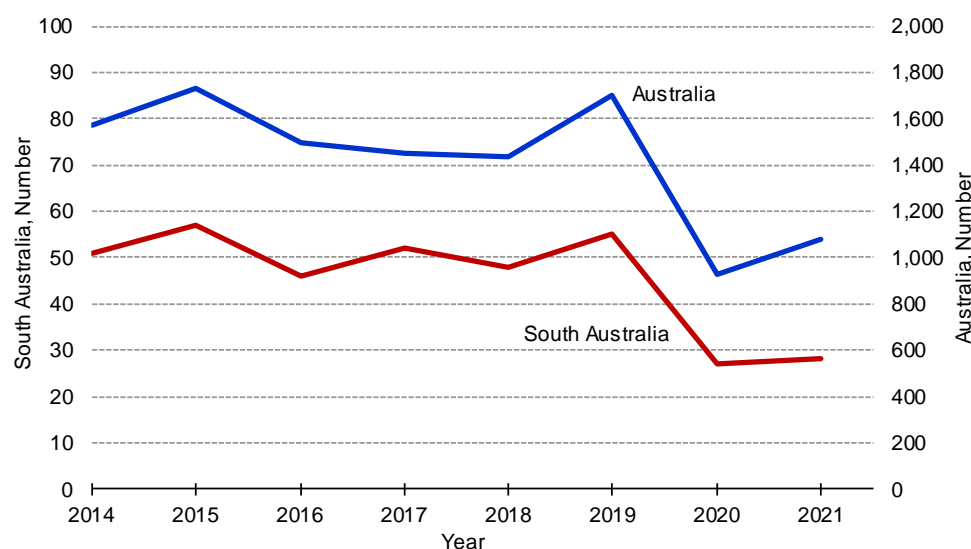
The Australian Securities and Investment Commissions publishes data on the number of companies entering into a form of external administration for the first time based on appointments documents lodged with the organisation.¹³ Data on the number of construction companies that have entered into external administration by calendar year for South Australia and Australia are illustrated in Figure 6.1.

The total number of South Australian construction companies entering into external administration fell sharply with the arrival of COVID-19. The total number of construction companies entering administration fell by 51 per cent (28 companies) in 2020, and remained at this low level in 2021. In comparison, the number of companies entering administration nationally also fell sharply in 2020 (by 46 per cent), but did increase modestly in 2021 (up 17 per cent). The recent deterioration for Australia as a whole is consistent with overall construction activity growing more slowly at the national level over the past year. It could also be indicative of recent input prices increases exerting greater financial stress on some construction firms.

The downshift in the rate of construction business failures over the past two years is part of a broader trend of reduced business closures during the initial stages of the pandemic. Governments implemented various support measures to maximise the survival of businesses during the original lockdown. Notable initiatives in this respect include the Australian Government's JobKeeper and Cash Flow Boost for Employers programs, and temporary payroll and land tax relief introduced by the South Australian Government. Some of these supports were more targeted at sectors such as hospitality that were directly exposed to restrictions that severely impeded certain forms of consumer spending. Of greater relevance to construction was the HomeBuilder program to support residential construction activity and government efforts to accelerate infrastructure spending. Adverse impacts on the construction sector were also significantly mitigated by construction being considered an essential service, which has mostly shielded the sector from operating restrictions.

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Figure 6.1: Number of Construction Companies Entering External Administration
South Australia and Australia



Source: Australian Securities and Investment Commission, *Australian insolvency statistics*: www.abs.gov.au

7. Conclusion

Activity has and should remain strong in the near term

Overall activity in the South Australian construction sector remained at a robust level in early summer. This strength has been broadly based, with activity levels being maintained at or near record levels for engineering, residential building, and non-residential building.

Looking ahead, forward indicators suggest that overall activity levels in the construction sector should remain at a robust level in the near term. There was a considerable volume of outstanding work for both residential and non-residential building in late 2021, while building approvals in January 2022 were at relatively high levels. On the other hand, the outlook for engineering construction is less encouraging. Forward work schedules for engineering eased through 2021 and the largest project on the horizon – the Torrens to Darlington (T2D) section of the North South Corridor – is not expected to begin major construction until late in 2023. While there are a number of private sector initiatives on the horizon that could provide a significant boost to engineering construction (e.g. deep-water port at Cape Hardy, green steel plant at Whyalla Steelworks, renewable hydrogen projects), there remains considerable uncertainty over whether these projects will ultimately proceed.

Demand for housing has surged in spite of headwinds

One of the surprises of the pandemic has been the surge in demand for housing. This surprise arises from the considerable economic uncertainty that arose during the initial stages of the pandemic and, more fundamentally, from a sharp slowdown in population growth stemming from the national border closure which impeded inward overseas migration. Demand for housing in South Australia based on changes in total estimated resident population is estimated to have fallen by 83 per cent in 2020/21, from around 7,300 units to 1,200 units. However, overall demand for housing rose strongly through the pandemic, demonstrated ultimately by strong growth in actual and planned residential building activity and a surge in house prices.

A number of factors explain this remarkable strength in demand for housing. With people being forced to spend more time living and working from home lockdowns greatly increased demand for improved and larger housing (building approvals data points to a shift in demand away from apartments towards houses). At the same time, people's ability to invest in housing was supported by interest rates falling to ultra-low levels, spending being diverted from curtailed activities such as travel, and provision of considerable income support and employment preservation measures. The low interest rate environment also encouraged investors to turn to the property

market in search of greater returns. Moreover, the Australia Government's temporary HomeBuilder grant program provided direct stimulus to home construction.

But the outlook for residential building is becoming uncertain as supportive factors unwind

These supportive factors have started to fade as pandemic restrictions and support measures have gradually unwound. Some slowdown in activity will be inevitable given the role of the HomeBuilder grant program in artificially bringing forward activity. It may also be compounded by the next monetary tightening cycle arriving sooner than expected given the recent emergence of inflationary pressures. The residential building sector consequently faces the prospect of a tricky adjustment period in the medium term. With short term supportive factors fading a sustained recovery in population growth will be needed to maintain underlying demand for housing at current levels. While the reopening of the nation's border will enable a resumption of overseas migration, there remains some uncertainty over how strong the recovery will be given the prospect of further COVID-19 outbreaks and potential changes in perceptions of Australia as a living and study destination.

Another major area of uncertainty relates to how interstate migration may affect demand for housing given the potential for positive and negative factors. Large price rises in eastern capitals which have eroded housing affordability and concerns over living in high population density cities amid a persistent infectious disease may encourage people to relocate to more affordable and less population dense areas such as regional areas and smaller capitals including Adelaide. On the other hand, reopening of state borders and a retreat from using lockdowns as a control measure could encourage a resumption of net interstate migration outflows from South Australia, the likes of which weighed on the state's population growth prior to the pandemic.

Any future policy measures should not exacerbate the boom bust construction cycle

As the data presented in this issues paper shows, the construction industry makes a sizeable contribution to the broader economy. To the extent that conditions do deteriorate within the construction sector there will arise a desire to provide some form of stimulus. In considering appropriate support measures, policy makers should steer away from policy options such as temporary first home subsidies and tax waivers that will simply pull construction activity forward and delay an inevitable decline. A more appropriate form of intervention would be to directly increase public sector building activity by increasing public investment in infrastructure, non-residential building such as hospitals and schools, and public housing. Such interventions represent one of the most effective ways that state government can directly influence economic activity in the short term, whilst delivering longer term benefits to the extent they establish long lasting infrastructure and assets with ongoing service values.

Input price increases are a major challenge for builders

One of the most immediate challenges posed by the housing boom and pandemic is considerable price inflation within the housing construction industry. The large increase in demand for housing coupled with pandemic induced supply chain disruptions has generated shortages of materials and skilled labour which have significantly raised the costs of home construction. Through 2021 the prices for key inputs to home construction in Adelaide such as timber, board and joinery and steel products rose by more than 20 per cent, while prices for inputs such as plumbing products and electrical equipment rose by around 10 per cent. Such large input increases will present a challenge for those builders who have entered into fixed price contracts for new home construction. They may also act to curb demand for housing in the short term.

A full appraisal of the state of the construction sector would consider additional factors

This paper has endeavoured to briefly assess the 'state' of the construction industry from an economic perspective in terms of general business conditions. There are various other important aspects of construction industry performance which could conceptually form part of a 'state of the industry' assessment. Relevant examples would include, but are not limited to, employment conditions, gender diversity, labour productivity, skill levels of the workforce including business management, potential skill shortages, participation in education and training, quality of building work done, customer satisfaction, and workplace health and safety. Any future state of the industry report should give consideration to exploring these aspects of construction industry performance.

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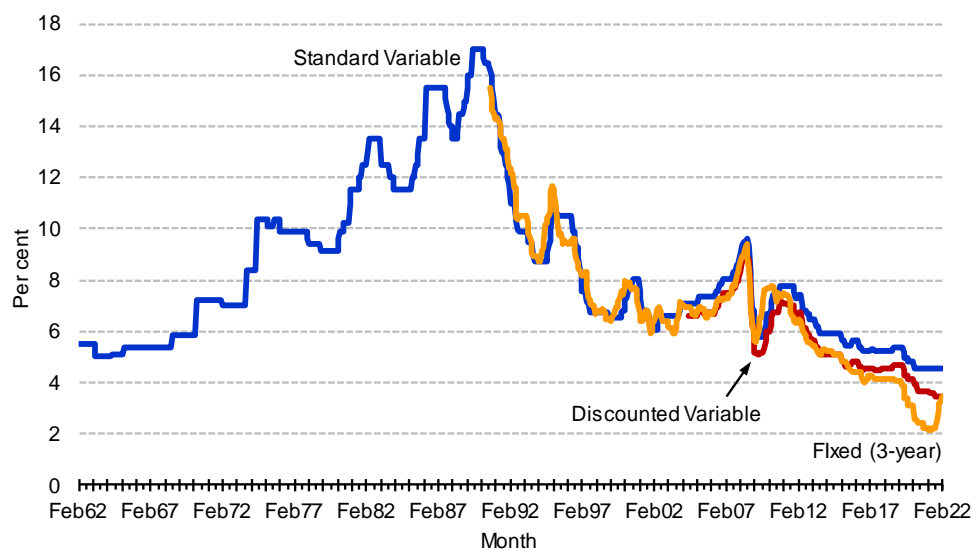
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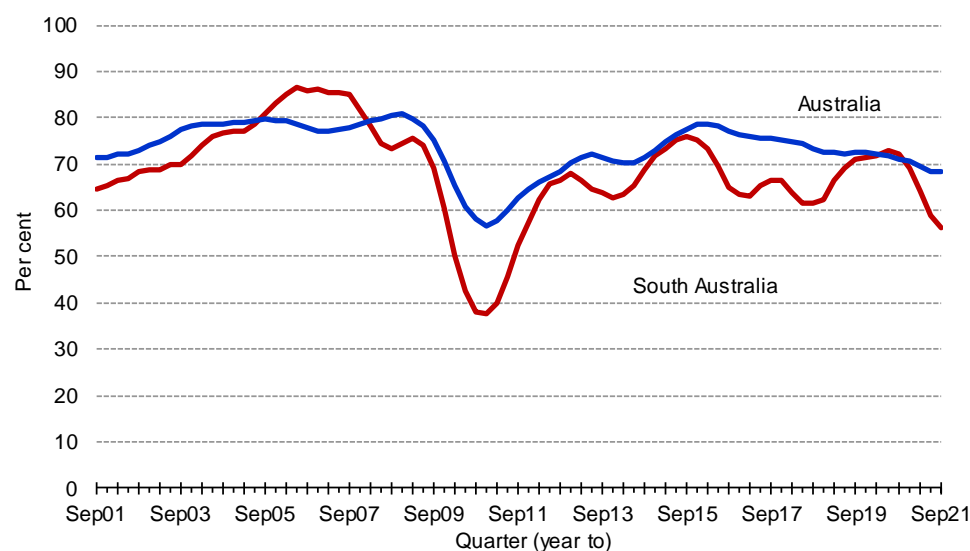
Appendix A - Supplementary Graphs

Figure A1: Australian Historical Lending Rates, Bank Housing Loans
Per cent per annum



Source: Reserve Bank of Australia, Interest Rates: www.rba.gov.au

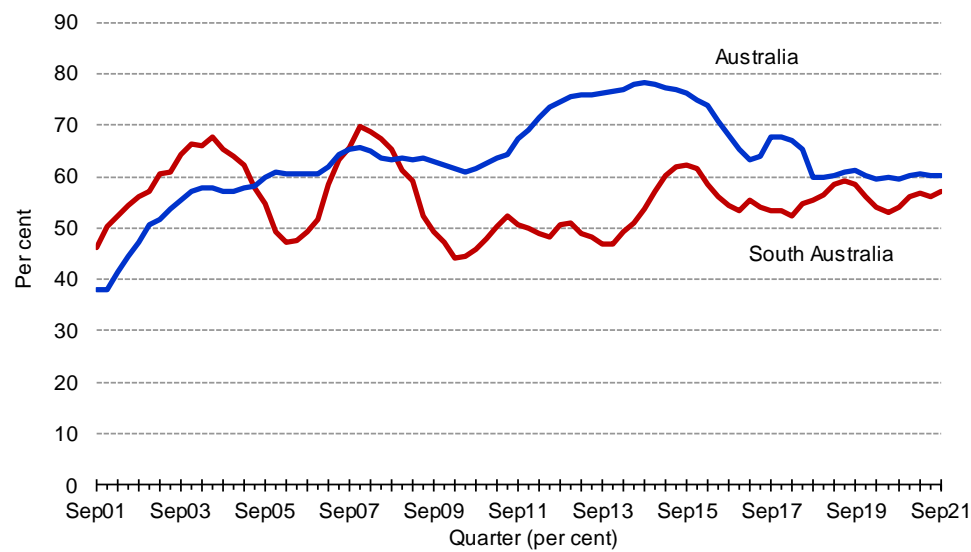
Figure A2: Proportion of Non-residential Work Done by the Private Sector^(a)
South Australia and Australia – Current Prices



Note: ^(a) Proportions are calculated based on moving annual totals of work done.
Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

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Figure A3: Proportion of Engineering Work Done by the Private Sector^(a)
 South Australia and Australia – Current Prices



Note: ^(a) Proportions are calculated based on moving annual totals of work done.
 Source: Australian Bureau of Statistics, Building and Construction: www.abs.gov.au

Endnotes

- ¹ Source: ABS, Australian National Accounts: State Accounts, 2020-21, Cat. No. 5220.0.
- ² Year average employment for the four quarters to the November Quarter 2021. Source: ABS, Labour Force, Australia, Detailed. Table 05. Employed persons by State, Territory and Industry division of main job (ANZSIC), Cat. No. 6291.0.55.001.
- ³ In an econometric analysis of compositional responses of Australian Gross Domestic Product to domestic monetary policy, Jamaldeen (2013) finds that new dwelling investment is the most sensitive component to cash rate shocks, although changes in other forms of investment ultimately make a greater contribution to contractions in aggregate investment. More specifically, an unanticipated monetary policy increase of 34 basis points is estimated to reduce new dwelling investment by around 0.6 per cent after one year.
- ⁴ The Advertiser, 'South Australian construction and civil engineering firm York Civil enters voluntary administration', August 6, 2018. Available: <https://www.adelaidenow.com.au/news/south-australia/south-australian-construction-and-civil-engineering-firm-york-civil-enters-voluntary-administration/news-story/0f9fd556a8510371fec8ca845ef794de>
- ⁵ It is important to note that construction sector gross value added and work done are not only not directly comparable due to differences in concept, there are also not directly comparable due to differences in scope and coverage. Estimates of construction work done, which are derived from the Building Activity Survey and Engineering Construction Survey, exclude certain forms of construction activity that are in principle captured by the estimates of gross value added derived from the National Accounts. These exclusions include building work which falls below the minimum threshold for inclusion in the Building Activity Survey, and building work done that is performed without obtaining a building permit (ABS 2018).
- ⁶ See previous endnote.
- ⁷ See ABS (2004) 'Feature Article – Work in the pipeline', *Construction Work Done*, Australia, Preliminary, June 2004, Cat. No. 8755.0.
- ⁸ A dwelling unit is defined by the ABS (2022) as a self-contained suite of rooms intended for long-term residential use, and excludes rooms contained within buildings offering institutional care or temporary accommodation.
- ⁹ An average household size of 2.4 persons was assumed based on the results of the 2011 and 2016 Censuses.
- ¹⁰ The HomeBuilder program initially provided a grant of \$25,000 to eligible owner-occupiers for contracts signed between 4 June and 31 December 2020. The program was subsequently extended to contracts signed up to 31 March 2021, although a lower grant amount of \$15,000 applied for the extension period.
- ¹¹ ABS, Lending indicators, December 2021, Cat. No. 5601.0.
- ¹² InDaily (2019), REVEALED: *Accused "phoenix developer" behind collapsed SA construction companies*. Available: <https://indaily.com.au/news/business/2019/04/01/revealed-accused-phoenix-developer-behind-collapsed-sa-construction-companies/>
- ¹³ A company may be recorded as entering into external administration more than once if it is taken out of external administration but subsequently re-enters external administration.

11 GENERAL BUSINESS – URGENT ITEMS

Council has resolved that an Agenda Item “General Business – Urgent Matters” be included on the agenda to enable members to raise matters of a genuinely urgent nature, is not a change to Council Policy and cannot wait until the next Council meeting recognising that the leave of meeting will be required for each item on each occasion.

12 REPORTS FOR INFORMATION

The Council has adopted the protocol that only those items on the Council Agenda provided for information (to receive and note) may be adopted without further discussion.

12.1 BI-MONTHLY PROJECTS UPDATE

File Number: IC22/367

Author: Amir Eskandari, Manager PMO & Project Delivery

Responsible Executive: Sam Dilena, Director City Works & Presentation

EXECUTIVE SUMMARY

A number of capital and operating projects being delivered by the City Works and Presentation team are at various stages of progress. This report provides a summary of current progress made against projects for information purposes and highlights potential risks associated with each project, for awareness. The projects have been categorised into the following categories:

- Renewal Programs
- Drainage Upgrade Projects
- Civil Construction projects
- Open Space and Streetscape Projects
- Lighting Upgrade Projects
- Recreational Projects
- Building and Facility Management Projects
- Operating Projects
- External State Government Delivered Projects

Although the total FY 2022/2023 budget is \$20.5 million (including carry forwards from FY 2021/2022), some projects are multi year deliverables or are yet to be grant funded. As such, some projects will require to be retimed at Budget Review 2 to align with estimated extent of works which will be delivered in 2022-23 Financial Year.

RECOMMENDATION

That Council:

1. Having considered Item 12.1 Bi-Monthly Projects Update, receives and notes the report.

DISCUSSION

The purpose of this report is to inform the Council on the project status of various public realm works either being, or are proposed to be, undertaken in the City of Prospect that its staff are either directly or indirectly involved in their delivery.

For further details on project budgets, expenditure, timing and issues/ risks, please refer to **Attachment 1**.

This report captures, and is inclusive of the following projects:

- Renewal Programs
 - Footpath Construction

- Kerb and Gutter Constructions
 - Road Design/Reconstruction
 - Driveway Rectification Program
 - Pedestrian Kerb Ramp
 - Fleet Management
- Drainage Upgrade Projects
 - Churchill Road Drainage Upgrade - Stage 1
 - Livingstone Avenue Drainage & Reconstruction
- Civil Construction projects
 - Balfour & Howard Street Intersection (Design Only)
 - Roundabout - Howard Street and Rosetta Street
 - Roundabout - William & Redin St Intersection
 - Islington Shared Path Upgrade
- Open Space and Streetscape Projects
 - Davies Tce Streetscape
 - Peppermint Gums Reserve Upgrade - Design Only
 - Percy Street Reserve Upgrade
 - RL Pash Reserve Upgrade
 - Irish Harp Reserve Upgrade
 - Devonport Tce Upgrade
 - Edwin & Rutherglen Ave Landscaping of Protuberance
 - Install flow Sensors
- Lighting Upgrade Projects
 - St Helens Park (Design Only) and Barker Garden (D&C)
 - Michell St & Williamson Lne
 - Street Lighting Upgrades
- Recreational Projects
 - Prospect Tennis Club Courts Renewal
 - Broadview Tennis Infrastructure Upgrade
 - Broadview Oval Community & Sports Hub Upgrade
- Building and Facility Management Projects
 - Asbestos Removal
 - Prospect Men's Shed Expansion
 - Charles Cane Reserve Storage Shed
 - Memorial Gardens Pavilion Renewal
 - Toilet Block Renewal (Prospect Oval)
 - Toilet Renewal Works (6 Public Toilets)

- NAFC Chair Lift
- Operating Projects
 - Comprehensive Playground Safety and Compliance Audit
 - Green Tunnel Program
- External State Government Delivered Projects

Total FY 2022/2023 budget is \$20.5 million (including carry forwards from FY 2021/2022). However, some projects are multi year deliverables or are yet to be grant funded. Therefore, a portion of budget for the following projects will require to be retimed:

- Churchill Road Drainage Upgrade - Stage 1
- Livingstone Avenue Drainage & Reconstruction
- Roundabout - Howard Street and Rosetta Street
- Islington Shared Path Upgrade
- Irish Harp Reserve Upgrade
- Prospect Tennis Club Courts Renewal
- Broadview Tennis Infrastructure Upgrade
- Broadview Oval Community & Sports Hub Upgrade

Relevance to Core Strategies / Policy

- Annual Business Plan and Budget 2021/2022
- Annual Business Plan and Budget 2022/2023

Community Plan: Towards 2040

► Connected & Caring

FY 20/21 Measures

CC1.2 Undertake Local Roads & Community Infrastructure Program projects upon successful grant applications for better transport connections and to stimulate economy post COVID-19

► Responsible & Sustainable

FY 20/21 Measures

RS1.1 Plant additional street trees to align with the 'Green Tunnel' strategy

RS1.2 Ensure at least 50% of road construction and maintenance materials purchased is recycled content

2 to 5 year timeline

RS2.2 Promote and support projects (public and private) that include water quality and Water Sensitive Urban Design measures

RS2.4 Understand and increase levels of annual tonnes of recycled materials used in our civil infrastructure projects

RS2.7 Demonstrate innovation in the supply and delivery of infrastructure projects

ATTACHMENTS

1. **Bi-Monthly Projects Update** [!\[\]\(0d11e49c561fa84a6677bf9d4d629be0_img.jpg\)](#) 

2022-2023 Capital Projects Status Report											
City Works & Presentation								Reporting Period: November 2022			
PROJECT PROGRESS											
Project	Budget vs Expenditure					2022/23 Financial Progress	Current Stage of Progress	Status			Comments
	Total FY 2022/23 Budget	Funded by Council	Income	2022-23 Forecast Expenditure	YTD Expenditure			Budget	Timing/ Program	Issues/ Risks	
Renewal Programs											
Footpath Construction	\$544,595	\$544,595	\$0	\$544,595	\$46,721	9%	Procurement	🟡	🟡	🟢	Part of footpath renewal program.
Davies Tce Streetscape	\$98,000	\$98,000	\$0	\$98,000	\$0	0%	Tender Award	🟡	🟢	🟢	
Kerb and Gutter Constructions	\$1,993,113	\$1,716,070	\$277,043	\$1,993,113	\$81,484	4%	Construction	🟡	🟡	🟢	
Road Design/Reconstruction	\$1,738,885	\$1,461,842	\$277,043	\$1,738,885	\$27,351	2%	Construction	🟡	🟡	🟢	Including Design of Future Projects.
Driveway Rectification Program	\$30,000	\$30,000	\$0	\$30,000	\$7,420	25%	Detailed Design	🟡	🟡	🟢	
Pedestrian Kerb Ramp	\$25,850	\$25,850	\$0	\$25,850	\$0	0%	Detailed Design	🟡	🟡	🟢	
Drainage Upgrade Projects											
Churchill Road Drainage Upgrade - Stage 1	\$4,506,920	\$1,506,920	\$3,000,000	\$450,000	\$85,707	19%	Concept Design	🔴	🔴	🔴	To be re-timed.
Livingstone Avenue Drainage & Reconstruction	\$2,361,520	\$1,211,520	\$1,150,000	\$150,000	\$8,720	6%	Concept Design	🔴	🔴	🟡	To be re-timed.
Civil Construction Projects											
Balfour & Howard Street Intersection (Design Only)	\$37,503	\$37,503	\$0	\$37,503	\$0	0%	Tender Award	🟢	🟢	🟢	To be re-timed.
Roundabout - Howard Street and Rosetta Street	\$250,000	\$0	\$250,000	\$50,000	\$0	0%	Tender Award	🔴	🟢	🟡	
Roundabout - William & Redin St Intersection	\$235,377	\$0	\$235,377	\$235,377	\$17,165	7%	Procurement	🟡	🟡	🟡	
Islington Shared Path Upgrade	\$350,000	\$350,000	\$0	\$0	\$0	0%	Not Commenced	🟡	🔴	🔴	To be re-timed.
Open Space and Streetscape Projects											
Peppermint Gums Reserve Upgrade - Design Only	\$45,803	\$45,803	\$0	\$45,803	\$6,410	14%	Concept Design	🟡	🟢	🟢	To be re-timed.
Percy Street Reserve Upgrade	\$215,000	\$215,000	\$0	\$215,000	\$309	0%	Concept Design	🟡	🔴	🟡	
RL Pash Reserve Upgrade	\$15,000	\$15,000	\$250,000	\$50,000	\$501	1%	Planning	🔴	🟡	🟡	
Irish Harp Reserve Upgrade	\$643,377	\$318,377	\$325,000	\$300,000	\$9,918	3%	Concept Design	🟡	🔴	🟡	
Devonport Tce Upgrade	\$188,714	\$0	\$188,714	\$188,714	\$0	0%	Detailed Design	🟢	🟢	🟢	
Edwin & Rutherglen Ave Landscaping of Protuberance	\$15,000	\$0	\$15,000	\$15,000	\$0	0%	Procurement	🟡	🟢	🟢	
Install flow Sensors	\$24,000	\$0	\$24,000	\$24,000	\$0	0%	Investigation	🟡	🟢	🟢	
Lighting Upgrade Projects											
St Helens Park (Design Only) and Barker Garden (D&C)	\$55,000	\$0	\$55,000	\$55,000	\$0	0%	Detailed Design	🟡	🟢	🔴	
Michell St & Williamson Lne	\$55,000	\$0	\$55,000	\$55,000	\$1,318	2%	Detailed Design	🟡	🟢	🟢	
Street Lighting Upgrades	\$10,000	\$0	\$10,000	\$10,000	\$304	3%	Investigation	🟢	🟢	🟢	
Recreational Projects											
Prospect Tennis Club Courts Renewal	\$425,000	\$425,000	\$0	\$50,000	\$0	0%	Concept Design	🟡	🟡	🟡	To be re-timed to FY 2023-24 and beyond
Broadview Tennis Infrastructure Upgrade	\$614,000	\$614,000	\$0	\$50,000	\$0	0%	Concept Design	🟡	🟡	🟡	To be re-timed to FY 2023-24 and beyond
Broadview Oval Community & Sports Hub Upgrade	\$4,566,615	\$3,066,651	\$1,499,964	\$3,150,000	\$99,027	3%	Construction	🟡	🟡	🟡	To be re-timed.
Building and Facility Management Projects											
Asbestos Removal	\$20,000	\$0	\$20,000	\$20,000	\$0	0%	Procurement	🟡	🟢	🟢	
Prospect Men's Shed Expansion	\$33,637	\$33,637	\$0	\$33,637	\$33,623	100%	Construction	🟢	🟢	🟢	
Charles Cane Reserve Storage Shed	\$60,000	\$0	\$60,000	\$60,000	\$0	0%	Investigation	🟢	🟢	🔴	
Memorial Gardens Pavilion Renewal	\$80,361	\$0	\$80,361	\$80,361	\$0	0%	Investigation	🟡	🟡	🟡	
Toilet Block Renewal (Prospect Oval)	\$100,000	\$0	\$100,000	\$100,000	\$0	0%	Investigation	🟡	🟡	🟡	
Toilet Renewal Works (6 Public Toilets)	\$128,578	\$0	\$128,578	\$128,578	\$0	0%	Investigation	🟡	🟡	🟡	
NAFC Chair Lift	\$55,000	\$0	\$55,000	\$55,000	\$0	0%	Investigation	🟡	🟡	🟡	
Miscellaneous Projects											
Fleet Management	\$759,431	\$639,431	\$120,000	\$759,431	\$40,214	5%	In contract	🟡	🔴	🟡	
Comprehensive Playground Safety and Compliance Audit	\$34,295	\$34,295	\$0	\$34,295	\$31,139	91%	Complete	🟢	🟢	🟢	
Green Tunnel Program	\$273,000	\$273,000	\$0	\$273,000	\$19,346	7%	Procurement	🟢	🟢	🟢	
Asset Management Condition Audit	\$150,000	\$150,000	\$0	\$150,000	\$0	0%	Scoping	🟢	🟢	🟢	
Council Integrated Traffic Plan (ITP)	\$75,000	\$75,000	\$0	\$75,000	\$0	0%	Scoping	🟢	🟢	🟢	
External State Government Delivered Projects											
Total	\$20,813,574	\$12,887,494	\$8,176,080	\$11,331,142	\$516,677	5%					

Stages 3-4 Project
Flash Report Template
Rev. May 07

C:\Offline Records (PR)\Council Reporting - Monthly Projects Update ~ LAND, OPEN SPACE AND FACILITIES MANAGEMENT - Projects(3)\Bi-Monthly Project Update Report - Capital Works - December 2022

7/12/2022

2022-2023 Renewal Program (Transport Assets) Status Report

City Works & Presentation

Period: December 2022

Summary Project Status Definition		Legend	
Green	Implementation is on track or only requires minor refinement; there are no significant difficulties.	Date revised from last update	text
Amber	There are potential difficulties and risks which will be escalated if the issue cannot be resolved or agreed within the next timeframe.	Date impacted, to be revised in next update	text
Red	Activity is problematic and overdue. Items with a red rating require specific intervention.	Work Completed	text

Project: Footpath Construction	Budget:	\$ 642,595	YTD Expenditure		\$ 46,721
Road Name	From	To	Side	Start:	Finish:
Davies Terrace - Streetscape	Main North Road	Emilie Street	North	16/01/2023	30/03/2023
Davies Terrace	Main North Road	Emilie Street	South	6/02/2023	30/06/2023
Elizabeth Street	Devonport Terrace	Churchill Road	South	6/02/2023	30/06/2023
Boyle Street	Churchill Road	Braund Road	North	6/02/2023	30/06/2023
Churchill Road Service Rd	Torrens Road	Avenue Road	East	6/02/2023	30/06/2023
Churchill Road	Torrens Road	Avenue Road	West	6/02/2023	30/06/2023
William Street	Redin Street	Regency Road	West	6/02/2023	30/06/2023
William Street	Charles Street	Redin Street	East	6/02/2023	30/06/2023
Staffa Street	Bridges Street	Galway Avenue	North	6/02/2023	30/06/2023
Redin Street	William Street	Miller Street	South	6/02/2023	30/06/2023
Redin Street	James Street	Prospect Road	North	6/02/2023	30/06/2023
Redin Street	Princes Street	King Street	South	6/02/2023	30/06/2023

Updates:	Status
Budget Variations: Budget may be impacted by new pricing.	Amber
Timing/Programme: Following award of construction contract, there will only be 5 months to complete 2022/23 footpath program.	Amber
Issues/Risks: Nil.	Green

Discussion:
Davies Terrace Streetscape works tender is closed and is currently being evaluated. The works will commence mid-January 2023 and will be completed in March 2023.
A Request for Tender for footpath construction works is currently out on the market. A contract is expected to be awarded late January/ early February 2023.

Project: Kerb and Gutter Constructions	Budget: \$ 1,993,113		YTD Expenditure	\$ 81,484	
Road Name	From	To	Side	Start:	Finish:
Bougainvillea Lane	Braund Road	Briar Lane	Spoon	15/01/2022	15/02/2022
Braund Road	Elderslie Avenue	Whinham Street	Both	1/11/2022	31/12/2022
Braund Road	Fitzroy Tce Serv Rd	Elderslie Avenue	Both	1/11/2022	31/12/2022
Braund Road	Martin Avenue	Martin Avenue	Both	1/11/2022	31/12/2022
James Street	Charles Street	Regency Road	Both	1/11/2022	31/12/2022
Redin Street	James Street	Prospect Road	Both	1/11/2022	31/12/2022
Redin Street	Miller Street	James Street	Both	1/11/2022	31/12/2022
Azalea Street	Braund Road	Prospect Road	South	9/01/2023	30/06/2023
Cane Street	Prospect Road	Doreen Street	Both	20/09/2022	10/10/2022
Cotton Street	Whinham Street	End (North)	Both	10/10/2022	31/10/2022
Cotton Street	68N Martin Avenue	Whinham Street	Both	10/10/2022	31/10/2022
Cotton Street	Martin Avenue	68N Martin Avenue	Both	10/10/2022	31/10/2022
Cotton Street	End (South)	Martin Avenue	Both	10/10/2022	31/10/2022
Daphne Street	Braund Road	Prospect Road	Both	9/01/2023	30/06/2023
Gordon Road	Gray Street	Main North Road	Both	9/01/2023	30/06/2023
Graham Place	Dudley Avenue	Castle Avenue	Both	20/09/2022	10/10/2022
Graham Place	Castle Avenue	Palmer Street	Both	20/09/2022	10/10/2022
Priscilla Street	Alpha Road	Barker Road	Both	20/09/2022	10/10/2022
Whinham Street	Cotton Street	Braund Road	Removed		
Doreen Street	Barker Street	Johns Road	Both	20/09/2022	10/10/2022
Galway Avenue	Rheims Street	French Street	Both	1/11/2022	21/11/2022
Farrant Street	Gray Street	Main North road	South	9/01/2023	30/06/2023
Pulsford Road	Old Street	Main North Road	North	9/01/2023	30/06/2023
Pulsford Road	Darmody Street	Main North Road	South	9/01/2023	30/06/2023
Bridges St	Collingrove Avenue	Iona Street	East	9/01/2023	30/06/2023
Devonport Terrace	Kingdom Place	Gurr Street	East	20/09/2022	10/10/2022
Devonport Terrace	Pym Street	Kingdom Place	East	20/09/2022	10/10/2022
Jellicoe Street	Bend	Beryl Street	Both	1/11/2022	21/11/2022
Jellicoe Street	Galway Avenue	Hepburn Street	Both	1/11/2022	21/11/2022
Jellicoe Street	Galway Avenue	Beryl Street	Both	1/11/2022	21/11/2022
Jellicoe Street	Hepburn St	Bend	Both	1/11/2022	21/11/2022
Mendes Street	Guilford Avenue	Alabama Avenue	Both	20/09/2022	10/10/2022
Rosetta Street	Derlanger Avenue	Howard Street	Both	10/10/2022	31/10/2022
Updates:				Status	
Budget Variations: Budget may be impacted by new pricing.				Amber	
Timing/Programme: The current contractor will be completing works until the end of 2022. Following award of construction contract, there will only be 5 months to complete the remainder of the 2022/23 kerbing program.				Amber	
Issues/Risks: Nil.				Green	



Project: Road Design/Reconstruction		Budget: \$ 1,738,885		YTD Expenditure		\$ 27,351	
Road Name	From	To	Side	Start:	Finish:		
Bougainvillea Lane	Braund Road	Briar Lane		6/02/2023	27/02/2023		
Braund Road	Elderslie Avenue	Whinham Street		6/02/2023	27/02/2023		
Braund Road	Fitzroy Tce Serv Rd	Elderslie Avenue		6/02/2023	27/02/2023		
Braund Road	Martin Avenue	Martin Avenue		6/02/2023	27/02/2023		
Eaton Avenue	Livingstone Avenue	Council Boundary		6/02/2023	27/02/2023		
James Street	Charles Street	Regency Road		6/02/2023	27/02/2023		
Redin Street	James Street	Prospect Road		6/02/2023	27/02/2023		
Redin Street	Miller Street	James Street		6/02/2023	27/02/2023		
Cane Street	Prospect Road	Doreen Street		1/11/2022	30/12/2022		
Cotton Street	Whinham Street	End (North)		6/02/2023	27/02/2023		
Cotton Street	68N Martin Avenue	Whinham Street		6/02/2023	27/02/2023		
Cotton Street	Martin Avenue	68N Martin Avenue		6/02/2023	27/02/2023		
Cotton Street	End (South)	Martin Avenue		6/02/2023	27/02/2023		
Daphne Street	Braund Road	Prospect Road		1/05/2023	29/05/2023		
Devonport Terrace	Kingdom Place	Gurr Street		1/11/2022	30/11/2022		
Devonport Terrace	Pym Street	Kingdom Place		1/11/2022	30/11/2022		
Gordon Road	Gray Street	Main North Road		1/05/2023	29/05/2023		
Graham Place	Dudley Avenue	Castle Avenue		1/11/2022	30/11/2022		
Graham Place	Castle Avenue	Palmer Street		1/11/2022	30/11/2022		
Jellicoe Street	Bend	Beryl Street		6/02/2023	27/02/2023		
Jellicoe Street	Galway Avenue	Hepburn Street		6/02/2023	27/02/2023		
Jellicoe Street	Galway Avenue	Beryl Street		6/02/2023	27/02/2023		
Jellicoe Street	Hepburn St	Bend		6/02/2023	27/02/2023		
Mendes Street	Guilford Avenue	Alabama Avenue		1/11/2022	30/11/2022		
Priscilla Street	Alpha Road	Barker Road		1/05/2023	29/05/2023		
Doreen Street	Barker Street	Johns Road		1/11/2022	30/11/2022		
Galway Avenue	Rheims Street	French Street		6/02/2023	27/02/2023		
Rosetta Street	Derlanger Avenue	Howard Street		6/02/2023	27/02/2023		
Farrant Street	Gray Street	Main North road		1/05/2023	29/05/2023		
Bridges St	Collingrove Avenue	Iona Street		6/02/2023	27/02/2023		
William St	Charles St		Road Pavement	1/05/2023	29/05/2023		
Updates:							Status
Budget Variations: Due to the existing pavement condition of some roads, which is uncovered after profiling the wearing course, additional pavement treatment may be required which may impact the budget.							Amber
Timing/Programme: It is planned to conduct the road reseals as 3 packages of works for the Contractor: - Package 1 in November 2022 - Completed - Package 2 in February 2023 - Package 3 in May 2023 The timing of reseat works may be impacted by Kerb and Gutter construction.							Amber
Issues/Risks: A sink hole was discovered under the western end of Cane Street during construction. This put the reseat on hold. The sink hole was caused by a ruptured sewer pipeline and SA Water were contacted to fix the issue. SA Water have now fixed the sewer and reinstated the road pavement (after two separate attempts). The road reseat of this section is expected to be completed in mid December 2022.							Amber
Discussion: Reseal contract with Downer has been extended to June 2023 to enable completion of 2022/2023 reseat works. The timing and scope of each road reseat package is dependent on the completion of kerb and gutter works. Expenditure shown above does not include some completed works which have not been invoiced.							



Sink hole discovered in Cane Street



Project:	Driveway Rectification Program		
Budget:	\$ 30,000.00	Start:	September 2022
Expenditure:	\$ 7,420.00	Finish:	June 2023
Grant Funding:	N/A		
Updates:		Status	
Budget Variations: New pricing may impact the budget.		Amber	
Timing/Programme: Timing of construction works will be dependant on the new Kerb & Gutter and Footpath Renewal contracts.		Amber	
Issues/Risks: Nil.		Green	
Discussion:			
There is a number of residential driveways on Regency Road that have scrapping issues. Currently, Council has engaged a design consultancy to prepare a design to minimise the scrapping issues. Associated civil works are estimated to commence in February 2023 in line with Kerb and Gutter, and Footpath programs.			
Project:	Pedestrian Kerb Ramps		
Budget:	\$ 25,850	Start:	September 2022
Expenditure:	-	Finish:	June 2023
Grant Funding:	N/A		
Updates:		Status	
Budget Variations: None to report		Amber	
Timing/Programme: Timing of construction works will be dependant on the new Kerb & Gutter and Footpath Renewal contracts.		Amber	
Issues/Risks: Nil.		Green	
Discussion:			
The project will be completed in line with the Kerb & Gutter renewal program to upgrade the pedestrian kerb ramps and to ensure compliance with Australian Standards.			

2022-2023 Capital & Operating Projects Status Report

City Works & Presentation

Period: September 2022

Summary Project Status Definition	
Green	Implementation is on track or only requires minor refinement; there are no significant difficulties.
Amber	There are potential difficulties and risks which will be escalated if the issue cannot be resolved or agreed within the next timeframe.
Red	Activity is problematic and overdue. Items with a red rating require specific intervention.

CAPITAL PROJECTS - DRAINAGE UPGRADE

Project:	Churchill Road Drainage Upgrade Stage 1		
2022/2023 Budget:	\$ 4,506,920	Start:	March 2022
YTD Expenditure:	\$ 85,707	Finish:	June 2024
Grant Funding:	\$1.5 million contribution by National Flood Mitigation Fund \$100,000 contribution by SMA for design only. SMA has agreed in principle with additional funding of \$1.4 million for construction subject to approval of Stormwater Management Plan and detailed design being completed.		

Updates:	Status
Budget Variations: The original budget was developed based on high level assumption. Complexities such as service relocation and requirements to bore under railway line may impact project costs significantly.	Red
Timing/Programme: Originally, the project was planned to be completed by June 2023. However, the project timeline is significantly impacted by technical challenges, service relocation requirements and interface with rail line. Extension of grant funding has been sought.	Red
Issues/Risks: Potential cost, timing and constructability implications with drain crossing the railway lines (open cut trench vs micro-tunnelling and pipejacking). Renewal SA development site has also presented risks associated with timing and integration of the boundary interface with the Islington Shared Path based on drain alignment.	Red



Discussion:

Southfront consultants have been engaged to carry out investigations and develop a functional design. Stakeholder engagement with landowners (including DIT/KD/ARTC/Renewal SA/PAE) have been undertaken to determine requirements and impacts to the drain alignment or construction schedule. Physical service location and deeping has been completed to determine possible clashes with underground infrastructure and utility services and refine the alignment of the drain as/if required.

Southfront has now also undertaken interim flood modelling to determine potential impacts to the floodplain because of the Churchill Road Drainage Upgrade Stage 1 project. The interim modelling found that the project, if fully functional, would have significant impacts to flood depths/extent on the downstream HEP concrete channel in 1% AEP event and moderate impacts in the 5% AEP events. The bottlenecks have been indicated to be in the vicinity of Freight Terminal Access Road and at Grand Junction Road. As the result, to allow the project to proceed, interim mitigation works are required (i.e. installation of temporary flow constriction in the new Churchill Road drain to limit outflows, and installation of small levees/embankments on HEP channel). It is also recommended that the upgrade of HEP channel to remove bottlenecks (at both locations) be the next priority; no further upstream works beyond the Churchill Road Upgrade Stage 1 project is recommended until HEP channel is upgraded.

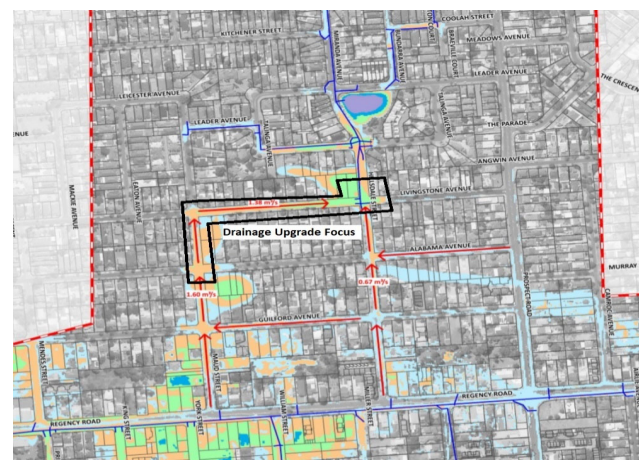
Future activities that will be undertaken as part of the functional design development, include geotechnical investigation, environmental assessment and contamination testing, vegetation survey, heritage assessment, quantity surveying and cost estimating, , constructability advice, investigation of other possible drainage alignments, ongoing liaison with main stakeholders, and finalisation of functional design including design reporting.

Additionally, LGA Procurement has been engaged to assist with the assessment of various procurement options for the delivery of this project with Design & Construct being the most favourable procurement model to mitigate the risks associated with design and construction of the project.


This project will be brought back to a workshop with the Council in the first quarter of 2023 once investigations and due diligence investigations have sufficiently advanced to discuss the next steps associated with this project as it relates to scope, outcomes, costs, program and broader drainage improvement staging required to achieve the desired level of flood protection.

The current scope of the project is defined by the yellow line in the image.

Project:	Livingstone Avenue Drainage & Reconstruction		
2022/2023 Budget:	\$ 2,361,520	Start:	April 2022
YTD Expenditure:	\$ 8,720	Finish:	February 2024
Grant Funding:	\$1,150,000 contribution by Local Government Infrastructure Partnership Program.		
Updates:		Status	
Budget Variations: Multiple underground services have been identified which may require relocation. This may have significant impact on the project budget.		Red	
Timing/Programme: The project is behind schedule with possible long lead time to procure precast concrete further delaying the project.		Red	
Issues/Risks: The project may exceed the original budget and require de-scoping of several elements throughout the project. An independent cost estimate will be obtained to verify costs vs budget.		Amber	
Discussion:			
Preliminary stormwater design identified a risk of flooding at several locations in relative minor storm events. Council has investigated four concept design options for the stormwater system. The desired option is to capture stormwater suitable for a 1 in 5 year flooding event. Option 4 stormwater system includes box culverts to achieve the ultimate stormwater solution. Staff will continue to explore suitable stormwater design options to allow speedy progression to the cost estimation and detailed design phases. Pipe and culvert procurement lead times may impact project delivery, Council investigating viability of purchasing materials direct from the supplier to assist with reduction of construction time frames. Further updates will be provided to the Council as the scope of this project is better defined against available budget.			





CAPITAL PROJECTS - CIVIL CONSTRUCTION				
Project:		Balfour & Howard Street Intersection Upgrade (Design Only)		
2022/2023 Budget:	\$ 37,503	Start:	November 2022	
YTD Expenditure:	\$ -	Finish:	May 2022	
Grant Funding:				
Updates:		Status		
Budget Variations:		Green		
Nil.				
Timing/Programme:		Green		
Nil.				
Issues/Risks:		Green		
Nil.				
Discussion:				
The design of this project along with Howard Street and Rosetta Street roundabout was tendered and is currently being evaluated.				





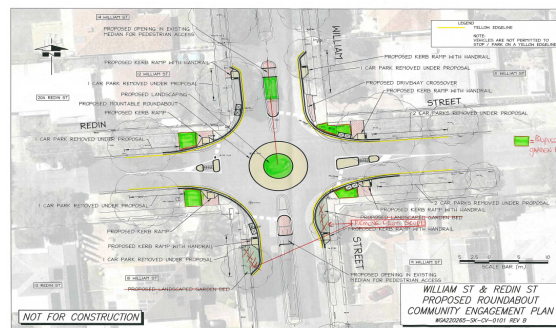
Project:		Collinswood Roundabout - Howard Street and Rosetta Street	
2022/2023 Budget:	\$ 250,000	Start:	November 2022
YTD Expenditure:	\$ -	Finish:	June 2024
Grant Funding:	\$250,000 contribution by SA Government.		
Updates:			Status
Budget Variations: The project has not been designed and the budget has not been validated.			Red
Timing/Programme: Nil.			Green
Issues/Risks: The project scope and budget is at risk as no planning investigation design been undertaken.			Amber
Discussion: This project was funded by SA Government as an election commitment. The planning investigation and design services for this project along with Balfour St & Howard St intersection is currently at procurement with proposal being evaluated.			







Project:	William & Redin St Intersection		
2022/2023 Budget:	\$ 235,377	Start:	February 2022
YTD Expenditure:	\$ 17,165	Finish:	June 2023
Grant Funding:	\$235,000 contribution from Blackspot funding scheme.		
Updates:			Status
Budget Variations:			Amber
The project budget developed on immature design.			
Timing/Programme:			Amber
Construction is estimated to commence in March 2023 with completion in June 2023.			
Issues/Risks:			Amber
De-scoping may be required pending tender prices.			
Discussion:			
William Street and Redin Street roundabout design and procurement has been packaged up with the William Street and Charles Street intersection upgrade. Design is complete and Tender process has commenced with contract award estimated in January/February. SA Water has completed a water main relay project along William Street in advance of this project.			



Project:	Islington Station Shared Path		
2022/2023 Budget:	\$ 350,000	Start:	April 2022
YTD Expenditure:	\$ -	Finish:	January 2024
Grant Funding:			
Updates:			Status
Budget Variations:			Amber
Timing/Programme:			Red
Issues/Risks:			Red
Discussion:			
Project not yet commenced. The project was initially funded through Local Roads and Community Infrastructure Program (LRCIP) but due to timing constraints, Council's approval is being sought to allocated LRCIP funds to renewal program and fund this project from savings offset from the renewal program in the next financial year. Refer to separate report in this Agenda. This project will be delivered with, and is impacted by, Churchill Road Drainage Upgrade Stage 1 whose alignment overlays with this pathway. Of note, Council staff are in early discussions with Renewal SA, RMIT & Green Adelaide who are considering a project for biodiversity sensitive urban design (BSUD) incorporating this stormwater project, the Islington Shared Path, rail corridor, DIT Regency Road embankment and their development site at 250B Churchill Road.			

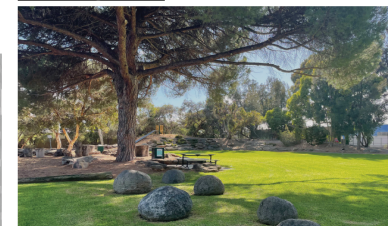
CAPITAL PROJECTS - OPEN SPACE AND STREETSCAPE

Project:	Open Space Strategy - Peppermint Gums Design		
2022/2023 Budget:	\$ 45,803	Start:	July 2022
YTD Expenditure:	\$ 6,410	Finish:	June 2023
Grant Funding:	NA		
Updates:			Status
Budget Variations: Design may require additional budget.			Amber
Timing/Programme: Nil.			Green
Issues/Risks: Nil.			Green

Proposed Site Arrangement



Existing Site



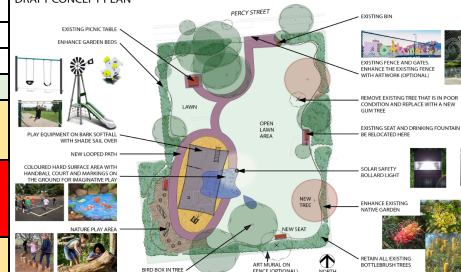
Proposed Upgrade



Discussion:

Peppermint Gums Reserve will be designed and documented in the 2022/23 financial year to be "shovel ready" for when any grant opportunities may arise. Round 2 consultation has concluded and results from the consultation, along with an updated concept plan, will be presented to Council in early 2023.

Project:	Open Space Strategy - Percy Street Reserve Upgrade		
2022/2023 Budget:	\$ 215,000	Start:	July 2022
YTD Expenditure:	\$ 309	Finish:	June 2023
Grant Funding:	NA		
Updates:			Status
Budget Variations: Project costs may impact budget.			Amber
Timing/Programme: Project timeframe has been impacted by boundary adjustments.			Red
Issues/Risks: Boundary adjustment may impact design outcomes.			Amber

PERCY STREET RESERVE
DRAFT CONCEPT PLAN


Draft concept plan and perspective



Discussion:

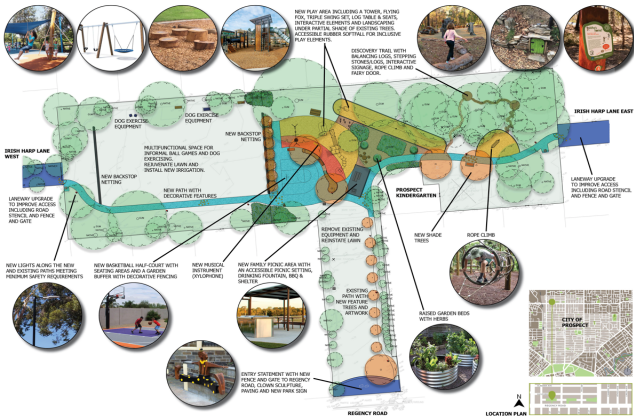
The design of Percy Street Reserve has been delayed due to the August 2022 Council resolution and the focus will now be on the boundary adjustment process. A Council Report is being prepared for this Council Meeting addressing the boundary realignment. The design of the park will follow the outcomes of the December Council resolution.

Project:	Open Space Strategy - RL Pash Reserve Consultation/Concept		
2022/2023 Budget:	\$ 15,000	Start:	October 2022
YTD Expenditure:	\$ 501	Finish:	June 2024
Grant Funding:	\$250,000 contribution by SA Government as election commitment		
Updates:		Status	
Budget Variations: To implement all items in the grant deed, additional budget will be required.		Red	
Timing/Programme: Consultation process may impact delivery timeframe.		Amber	
Issues/Risks: the budget of \$250,000 from the State Government is insufficient to deliver the scope of the project and meet community expectation.		Amber	
Discussion:			
Round 1 consultation has closed and a draft concept plan will be developed and presented to Council based on the outcomes of the consultation. RL Pash Reserve is unlikely able to be delivered within \$250,000 to meet community expectation. Staff will present the outcomes of the Round 1 community consultation and will provide options to Council including budget estimates in early 2023. Noting that this reserve was due for consideration of an upgrade in 2024/25, there is the opportunity for the Council to bring forward and add its own funding to realise the broader masterplanned concept. Outcomes of the Barker Inlet Stormwater Management Plan will need to be considered in the design as this location is a key component of the delivery of the SMP for a water quality treatment. It is anticipated that Council will need to consider investing funds to support the delivery of this project as part of its 2023/24 Annual Budget deliberations.			









Project:	Open Space Strategy - Irish Harp Reserve		
2022/2023 Budget:	\$ 643,377	Start:	January 2022
YTD Expenditure:	\$ 9,918	Finish:	June 2023
Grant Funding:	\$325,000 contribution Open Space Grant		
Updates:	Status		
Budget Variations: Site contamination and construction cost inflation may impact project budget.	Amber		
Timing/Programme: Delays due to potential contamination and additional investigation requirements. Extension of Grant Funding is required.	Red		
Issues/Risks: Contamination. Project timing.	Amber		



Discussion:	
The concept design was completed and endorsed by the Council on 26 April 2022. There is no further action on the design development phase due to site contamination that was found. Once there is final analysis and confirmation on management of the contamination onsite, staff will continue with the design development phase and will advise Council if there is any significant impact on the scope or budget. The project remains under duress to be delivered by 30 June 2023.	



Project:	Devonport Terrace Streetscape Upgrade			
2022/2023 Budget:	\$ 188,714	Start:	July 2021	
YTD Expenditure:	\$ -	Finish:	June 2023	
Grant Funding:	\$286,180 - LRCI Phase 1 Program, \$756,479 - LRCI Phase 2, \$211,000 - DIT reimbursement			
Updates:		Status		
Budget Variations:		Green		
Nil.				
Timing/Programme:		Green		
Issues/Risks:		Green		
Nil.				
Discussion:				
The project landscaping component is now within the 12 months establishment and maintenance period. New lighting design discussions are progressing for the Dudley Park railway station area. Staff are working with a local artist to produce artwork 'Butterflies' and colourful road stencils, and illuminated decorative features along Devonport Terrace. Also, street lighting and stormwater improvements along Devonport Terrace are being assessed subject to final design/cost.				

Project:	Edwin & Rutherglen Ave Landscaping of Protuberance			
2022/2023 Budget:	\$ 15,000	Start:	November 2022	
YTD Expenditure:	\$ -	Finish:	June 2023	
Grant Funding:				
Updates:	Status			
Budget Variations:	Amber			
Timing/Programme:	Green			
Issues/Risks:	Green			
Discussion:				
Project includes civil and landscape works to beautify Protuberance on Edwin Ave and Rutherglen Ave. Quotes are being obtained for civil works with landscaping component planned to be completed inhouse.				


Project:	Install Flow Sensors		
2022/2023 Budget:	\$ 24,000	Start:	July 2022
YTD Expenditure:	\$ -	Finish:	June 2023
Grant Funding:			
Updates:		Status	
Budget Variations: All flow sensors cannot be installed with current budget.		Amber	
Timing/Programme:		Green	
Issues/Risks:		Green	
Discussion			
19 flow sensors have been identified for installation. Staff are currently obtaining quotes and will finalise the extent of deliverables with current budget.			

CAPITAL PROJECTS - LIGHTING

Project:	Open Space Lighting - St Helens Park & Barker Gardens		
2022/2023 Budget:	\$ 55,000	Start:	July 2022
YTD Expenditure:	\$ -	Finish:	June 2023
Grant Funding:			
Updates:			Status
Budget Variations: Nil			Amber
Timing/Programme:			Green
Issues/Risks:	The audit has highlighted several electrical safety issues needing to be resolved as a matter of priority. The electrician is further checking voltage and tagging cables, and has made note that water proofing of switchboard is required. In the meantime, all cables will be made safe and tested, and inappropriate fuses removed, replaced with new and made safe by COB 9 December 2022.		Red
Discussion:			
A lighting and electrical audit was completed in September 2022. A report and lighting design recommendation was received in November 2022. This report is currently being reviewed by staff.			





Project:	Street Lighting Upgrade - Michell St & Williamson Ln			
Budget:	\$ 55,000	Start:	July 2022	
Expenditure:	\$ 1,318	Finish:	June 2023	
Grant Funding:				
Updates:				
Budget Variations:	Amber			
Timing/Programme:	Green			
Issues/Risks:	Green			
Discussion:				
Solar lights will be installed in lieu of mains power lighting, providing a environmentally friendly and economical lighting solution. Concept design is complete. Project detailed design has commenced. Awaiting boundary surveys completion. Procurement process to follow. Service searches will determine any potential utility services and pole location clashes.				


Project:	Street Lighting Upgrades			
Budget:	\$ 235,377	Start:	July 2022	
Expenditure:	\$ 17,165	Finish:	June 2023	
Grant Funding:	N/A			
Updates:				
Budget Variations:	None to report			
Timing/Programme:	Green			
Issues/Risks:	None to report.			
Discussion:				
The program will run with the capital works 2022-2023 program and identify the gaps where the street lighting audit and the upgrade are required.				

CAPITAL PROJECTS - RECREATIONAL				
Project:	Prospect Tennis Club Upgrade			
2022/2023 Budget:	\$ 425,000	Start:	July 2022	
YTD Expenditure:	\$ -	Finish:	Subject to Grant	
Grant Funding:				
Updates:			Status	
Budget Variations:			Amber	
Timing/Programme:			Amber	
Issues/Risks:			Amber	
Discussion:				
The objective of this project is to renew the club's lease, undertake due diligence and concept design to ensure the project is ready for grant submission by October 2023. A Project Management resource has recently been allocated. Staff are engaging with the tennis club to discuss next steps for the project. Project budget will require to be re-timed.				

Project:	Broadview Sports Grnd Tennis Infra Upgrade Year 1/2		
2022/2023 Budget:	\$ 614,000	Start:	January 2022
YTD Expenditure:	\$ -	Finish:	Subject to Grant
Grant Funding:			
Updates:			Status
Budget Variations:			Amber
Timing/Programme:			Amber
Issues/Risks:			Amber
Discussion:			
The objective of this project is to renew the club's lease, undertake due diligence and concept design to ensure the project is ready for grant submission by October 2023.			
A Project Management resource has been recently allocated. Staff will shortly re-engage with the sporting clubs to discuss the next steps for the project. Current concept plans will be refined to meet project budget. Engagement process for new leases and/or licences for facilities in the project area will begin shortly.			

Project:	Broadview Oval Community & Sports Hub		
Budget:	\$ 215,000	Start:	January 2022
Expenditure:	\$ 309	Finish:	December 2023
Grant Funding:	\$1,499,964.00		
Updates:	Status		
Budget Variations: None currently however a budget adjustment will be required once additional costs are known to preserve the 5% project contingency - The operable wall cannot be accommodated within the contingency as such this will be subject to a budget bid - The transformer costs - final costs still pending SA Power Networks - if the quantum cannot be accommodated with client contingency then a separate budget bid will be required.	Amber		
Timing/Programme: The program is very tight for the project, the key milestones for delivery include the following: - Letter of acceptance issued 24 November 2022 - Building Rules Consent (BRC) Issued 30 November 2022 - Planned Contract execution 5 December 2022 - Site Possession transferred 5 December 2022 - Sod turning event 10 December 2022.	Amber		



<p>Issues/Risks:</p> <p>Procurement</p> <ul style="list-style-type: none"> -Tender submissions were at the high end of the budget delegation - Cost Impact; - Transformer procurement - Cost Time impact - Supply chain risks with the Lift - Time impact - Delivery program for the facility - Time Impact - Environmental Management of the uncontrolled fill - Cost impact; <p>Statutory Approvals</p> <ul style="list-style-type: none"> - Planning Reserved matters have been closed as of 14 November 2022 CAP meeting - BRC - Received from the building certifier 30 November 2022 Development Approval - Due no later than 2 December 2022 	<p style="text-align: center;">Amber</p>	
<p>Discussion:</p> <p>Tenders were received from all four of the shortlisted builders. The tenders were evaluated and assessed which required several post tender adjustments. From this there were two clear front running contractors which went into a Best and Final offer position. From this Sarah Construction provided the best value overall and have been selected as the successful contractor for the works.</p> <p>The next CRG meeting is scheduled for Wednesday 7 December 2022 where a project update will be presented and discussed.</p> <p>The builder will mobilise in the week of 5 December 2022 with the Sod turning event scheduled for 10 December 2022.</p>		

CAPITAL PROJECTS - BUILDING AND FACILITY MANAGEMENT

Project:	Asbestos Removal (Staged)		
2022/2023 Budget:	\$ 20,000	Start:	September 2022
YTD Expenditure:	\$ -	Finish:	June 2023
Grant Funding:			
Updates:	Status		
Budget Variations: With available budget, all listed works may not be able to be completed.	Amber		
Timing/Programme: Nil.	Green		
Issues/Risks: Nil.	Green		





**Discussion:**

This project includes the removal of asbestos and reinstating with non-asbestos products from the external areas at St Helen's Park Kindergarten. Currently, quotes are being obtained for the removal works.


Project:	Prospect Maker's Shed Expansion		
2022/2023 Budget:	\$ 33,637	Start:	August 2021
YTD Expenditure:	\$ 33,623	Finish:	December 2022
Grant Funding:	Nil		
Updates:	Status		
Budget Variations: Nil.	Green		
Timing/Programme: Nil.	Green		
Issues/Risks: Nil.	Green		


**Discussion:**

The shed has been installed in accordance with the original design, budget and Class 10A development approval. The approvals will permit general storage use only and in its current form will not be suitable for an occupied 'Makers Shed' or deemed an accessible compliant facility. Stage 2 is for Council's future consideration as the building requires further funding, further improvements and approvals to be utilised as a formal Makers Shed. Investigations underway on extent of works necessary to address current limitations ahead of a budget bid for 2023/24.

Project:		Charles Cane Reserve - Storage Shed & Related Work		
2022/2023 Budget:	\$ 60,000	Start:	July 2022	
YTD Expenditure:	\$ -	Finish:	June 2023	
Grant Funding:	Nil			
Updates:		Status		
Budget Variations:		Green		
Timing/Programme:		Green		
Issues/Risks: Investigation into a proposed new shed location has commenced including against current planning code requirements.		Red		
Discussion:				
Stakeholder engagement process has commenced and the first meeting with the cricket club representatives has been completed to consider a consolidation of spaces and shared use. A meeting with the Lacrosse club and Soccer Club occurred in early December 2022 to gather their feedback and explore further storage solution options. A scope of works will then be finalised for stakeholder acceptance and delivery.				
Project:		Memorial Gardens Pavilion Renewal		
2022/2023 Budget:	\$ 80,361	Start:	November 2022	
YTD Expenditure:	\$ -	Finish:	June 2023	
Grant Funding:				
Updates:		Status		
Budget Variations:		Amber		
Timing/Programme:		Amber		
Issues/Risks: Some structural issues may be present.		Amber		
Discussion:				
Preliminary site investigations were carried out to finalise the scope, and to understand the background and expectations of the project. A project brief for consultancy services is being finalised for the project with tender is expected to be issued by end of December 2022 and awarded in January 2023.				
Project:		Toilet Block Renewal (Prospect Oval)		
2022/2023 Budget:	\$ 100,000	Start:	November 2022	
YTD Expenditure:	\$ -	Finish:	June 2023	
Grant Funding:				
Updates:		Status		
Budget Variations:		Amber		
Timing/Programme:		Amber		
Issues/Risks: DDA Compliance may be a challenge		Amber		
Discussion:				
Preliminary site investigations were carried out to finalise the scope, and to understand the background and expectations of the project. A project brief for consultancy services is being finalised for the project with tender is expected to be issued by end of December 2022 and awarded in January 2023.				

Project:	Toilet Block Renewal (Prospect Oval)		
2022/2023 Budget:	\$ 100,000	Start:	November 2022
YTD Expenditure:	\$ -	Finish:	June 2023
Grant Funding:			
Updates:			
Budget Variations:	Amber		
Timing/Programme:	Amber		
Issues/Risks:	Amber		
DDA Compliance may be a challenge			
Discussion:			
Preliminary site investigations were carried out to finalise the scope, and to understand the background and expectations of the project. A project brief for consultancy services is being finalised for the project with tender is expected to be issued by end of December 2022 and awarded in January 2023.			
Project:	Toilet Renewal Works		
2022/2023 Budget:	\$ 128,578	Start:	November 2022
YTD Expenditure:	\$ -	Finish:	June 2023
Grant Funding:			
Updates:			
Budget Variations:	Amber		
Timing/Programme:	Amber		
Issues/Risks:	Amber		
DDA Compliance may be a challenge			
Discussion:			
Preliminary site investigations were carried out to finalise the scope, and to understand the background and expectations of the project. A project brief for consultancy services is being finalised for the project with tender is expected to be issued by end of December 2022 and awarded in January 2023.			
Project:	NAFC Chair Lift		
2022/2023 Budget:	\$ 55,000	Start:	November 2022
YTD Expenditure:	\$ -	Finish:	June 2023
Grant Funding:			
Updates:			
Budget Variations:	Amber		
Timing/Programme:	Amber		
Issues/Risks:	Amber		
Discussion:			
The project is in the planning stage. Further investigation assessments are being carried out to look at the area to provide disability access to the Prospect Oval. A meeting between NAFC and the Council representative has recently occurred and scope of the project discussed. A chair lift solution along with other solutions will be considered and assessed. A project brief for consultancy services is being finalised for the project with tender is expected to be issued by end of December 2022 and awarded in January 2023.			







CAPITAL PROJECTS - MISCELLANEOUS			
Project:	Fleet Management - Capital Acquisitions		
2022/2023 Budget:	\$ 759,431	Start:	July 2022
YTD Expenditure:	\$ 40,214	Finish:	June 2023
Grant Funding:			
Updates:	Status		
Budget Variations:	Amber		
Timing/Programme:	Awaiting tender outcome		
Issues/Risks:	That responses to tender come in over the approved budget		
Discussion:			
3 trucks awaiting delivery from FY 2021/2022. Pre-purchase checklist completed for Single Tipper Truck and Rapid Response vehicle. Dual Cab Truck specifications completed and released to Tender. Delivery date TBC with successful tenderer.			
Project:	Comprehensive Playground Safety and Compliance Audit		
Budget:	\$ 34,295	Start:	July 2022
Expenditure:	\$ 31,139	Finish:	June 2023
Grant Funding:	Nil		
Updates:	Status		
Budget Variations:	Green		
Timing/Programme:	Green		
Issues/Risks:	Green		
Discussion:			
Audit has been completed. First round of repairs has been completed. Note that this budget includes the annual report, quarterly reports and any repairs/renewals.			
Project:	Green Tunnel Program		
Budget:	\$273,00	Start:	July 2022
Expenditure:	\$ 19,346	Finish:	June 2023
Grant Funding:			
Updates:	Status		
Budget Variations:	Green		
Timing/Programme:	Green		
Issues/Risks:	Green		
Discussion:			
Arboriculture tender closed in October 2022 and is in the process of being finalised for award to the successful tenderer. Planting is expected to commence in April 2023. 300 planting locations identified.			

Project:	Asset Management Condition Audit		
Budget:	\$ 150,000	Start:	February 2023
Expenditure:	\$ -	Finish:	June 2023
Grant Funding:			
Updates:			Status
Budget Variations:			Green
Timing/Programme:			Green
Issues/Risks:			Green
Discussion:			
Work has commenced on the brief/scope for the project. Its expected there will be 2 packages of works (Package 1 - buildings & Package 2 Seal, pavement, kerb and footpaths			
Project:	Council Integrated Traffic Plan (ITP)		
Budget:	\$ 75,000	Start:	January 2023
Expenditure:	\$ -	Finish:	June 2023
Grant Funding:			
Updates:			Status
Budget Variations:			Green
Timing/Programme:			Green
Issues/Risks:			Green
Discussion:			
Administration will look to conduct a workshop with Council early in the new year to bring elected members up to speed on the current status of the ITP. The workshop will also be used to help finalise the brief that will be used to go to market.			

2022-2023 External Projects

City Works & Presentation

Period: December 2022

Summary Project Status Definition	
Green	Implementation is on track or only requires minor refinement; there are no significant difficulties.
Amber	There are potential difficulties and risks which will be escalated if the issue cannot be resolved or agreed within the next timeframe.
Red	Activity is problematic and overdue. Items with a red rating require specific intervention.

Project:	Ovingham Level Crossing Removal & Ovingham Station Upgrade		
Funding:	\$196M	Start:	Jan-21
		Finish:	Feb-23
Updates:	Status		
Timing/Programme: The project is due for completion in 2023, weather permitting. Project is currently working through civil and landscape components of the project. There was an official opening date/completion event scheduled by DIT/PTPA for the project on Sunday 11 Dec 2022 however on 22 November 2022 Council staff were informed that this date has been postponed until 2023 without confirmation on a tentative date at this stage. We anticipate that this would be rescheduled into the new year and future project updates or CEO updates can provide further correspondence on this matter.	Amber		
Issues/Risks: Timing delays have been incurred and there is a risk on project quality and deliverables due to time pressure. The project independent verification is ensuring quality is still managed and monitored. In addition, Council staff are attending regular defect inspections and walk overs to ensure items are progressively being identified and rectified to Council's standards for assets that are to be inherited by Council at the completion of the project and post handover period.	Green		



Discussion:


DIT are currently undertaking finishing works associated with the Ovingham Railway Station upgrade. This includes undertaking essential track maintenance works within the rail corridor, between Avenue Road and Allan Street. The station and platform is now open to the public and operational, with road closures in place along Devonport Terrace, south of Avenue Road in order to complete civil works and landscaping adjacent to the station.

Torrens Road speed and lane restrictions and local road closures continue to be in place to facilitate these works. Temporary pedestrian lights are also in place to manage safe pedestrian movements across Torrens Road, near Baker Street. Traffic controllers are stationed here during the day and night to assist pedestrians.

Site inspections have determined some maintenance access issues that Council staff and PTPA are liaising on to resolve and come up with a suitable design solution. The road reconstruction of Devonport Terrace from Avenue Road to the bridge has been inspected and verified by Council staff to ensure it is meeting Council's standards. Works are still outstanding on the construction of the new parking bays and the footpaths in this section of Devonport Terrace.

Project Updates can be found on PTPA's website at: [https://ptpa.com.au/projects/ovingham crossing](https://ptpa.com.au/projects/ovingham%20crossing).

Project:	Main North Road & Nottage Terrace - Pocket Park		
Funding:	Value TBC	Start:	Jul-22
		Finish:	TBC
Updates:		Status	
Timing/Programme: DIT have met with Council staff in recent weeks to discuss the preliminary outcomes of the community consultation that was held for the project. DIT intend to formalise the community feedback and inform a concept design that will be discussed and internally workshoped with Council staff leading into the end of year break and early in the new year. Following this they would like to present to Council Members via an Information Session and Workshop in early Feb 2023. There are timing constraints on funding allocations towards the project hence why DIT are eager to engage regularly and consistently with Council staff, Elected members, the community and other various stakeholders to ensure a positive and integrated outcome for the site.		Green	
Issues/Risks: There is a commercial site adjacent to this area which DIT are likely to dispose which Council staff has declared an interest in the process of this and how Council can engage on this to help inform staff and Elected Members of this opportunity for consideration. Engagement and collaboration is vital to the success of the project and potential future Council Open Space asset.		Green	
Discussion: The Department for Infrastructure & Transport (DIT) have met with Council staff in recent weeks to discuss the status of the project and outline their findings of the recent community consultation. The preliminary findings displayed an interest by the community to incorporate play equipment, landscaping, trees, accessibility artwork and other key elements. A report will be provided by DIT shortly on the engagement summary. As part of our discussions, Council staff have and will be engaging with Payinthe Kumangka and the Disability Access & Inclusion Advisory Group regarding this project to help inform design outcomes and key objectives. We look forward to collaborating with DIT on this project to shape this space inline with the community's and Council's feedback to achieve an excellent outcome with the relevant stakeholder engagement as outlined above.			





Project:	North East Road & Nottage Terrace Intersection Upgrade		
Funding:	\$6M (estimated)	Start:	Jan-22
Federal and State Government Funded		Finish:	Late 2022
Updates:	Status		
Timing/Programme: Works are expected to commence from Tuesday, 29 November 2022 between the hours of 7am and 7pm, with night works expected to commence Sunday, 4 December 2022. To safely facilitate these works, and to minimise disruptions to commuters, night works will be undertaken from Sunday, 4 December 2022 to late January 2023, in various locations through and around the intersection. These works will take place between the hours of 7pm and 6am, Sunday to Thursday. Some works will also be undertaken in adjacent side streets. Advance notice of future night works will be provided as works progress. No works will be undertaken on Friday and Saturday nights.		Green	
Issues/Risks: Pedestrians and cyclists are advised to take care when travelling through the area. For safety reasons there may be some restricted access. Some noise disturbance can be expected at times while these works are completed, however the work will be managed to minimise disturbance to nearby residents and businesses as much as practically possible.		Green	
Issues/Risks: Pedestrians and cyclists are advised to take care when travelling through the area. For safety reasons there may be some restricted access. Some noise disturbance can be expected at times while these works are completed, however the work will be managed to minimise disturbance to nearby residents and businesses as much as practically possible.			



Concept Plan for illustrative purposes.

Discussion:

The Australian and South Australian governments are jointly funding (50:50) the \$6 million Nottage Terrace and North East Road Intersection Upgrade. The upgrade is expected to support approximately 10 full-time equivalent jobs over the life of the project.























Following community consultation between February and July 2022, the proposed design for the intersection was updated to include:

- Retaining 10 parking spaces east of Corbin Road west of 32 Nottage Terrace; and
- Retaining the right turn from Stephen Terrace into North East Road.

The design features of this intersection upgrade include:

- Widening of Nottage Terrace (north side) to accommodate two left-turn lanes onto North East Road;
 - Upgraded pedestrian crossings and traffic islands at the intersection, including new pedestrian crossing lights and ramps
- road re-surfacing and new line marking;
- A new eastbound bike lane on Nottage Terrace through the intersection; and
 - New and upgraded traffic signals, road lighting and drainage.

DIT have engaged with Council Admin on landscaping opportunities for a narrow portion of land adjacent to the footpath on the NW corner of the intersection. We have been working towards a design outcome that will allow for a provisional area that can be utilised for an entry statement piece/ artwork into City of Prospect. Landscaping, irrigation and power supply are being considered to accommodate this artwork/statement piece as a future Council project.

Project:	Fitzroy Terrace Bicycle and Pedestrian Actuated Crossing (BPAC) Project																
Start:	Jan-22																
Finish:	Sep-22																
Updates:			Status														
Timing/Programme: Council has undertaken the practical completion walkover with DIT and DM Roads on 10/10/2022, with all defects rectified according to the contractor.			Green														
Issues/Risks: No issues or risks to report on.			Green														
																	
<p>PROPOSED SPECIES</p> <table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Murraya paniculata Mock Orange 2-4 x 2-4m</td><td>Viburnum 'Emerald Lustre' Viburnum 2-4 x 2-4m</td><td>Anigozanthos 'Big Red' Kangaroo Paw 1-2 x 1m</td><td>Dianella caerulea 'Breeze' Flax Lily 0.7 x 1m</td><td>Dianella caerulea 'King Alfred' Flax Lily 0.7 x 0.7m</td><td>Liriope muscari 'Isabella' Liriope 0.4 x 0.5m</td><td>Hardenbergia violacea 'Meena' Hardenbergia 0.5 x 2m</td></tr></table>										Murraya paniculata Mock Orange 2-4 x 2-4m	Viburnum 'Emerald Lustre' Viburnum 2-4 x 2-4m	Anigozanthos 'Big Red' Kangaroo Paw 1-2 x 1m	Dianella caerulea 'Breeze' Flax Lily 0.7 x 1m	Dianella caerulea 'King Alfred' Flax Lily 0.7 x 0.7m	Liriope muscari 'Isabella' Liriope 0.4 x 0.5m	Hardenbergia violacea 'Meena' Hardenbergia 0.5 x 2m	
																	
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Discussion:																	
The Department for Infrastructure and Transport (DIT) has completed upgrading the existing crossing on Fitzroy Terrace by installing a signalised Bicycle and Pedestrian Actuated (push button) Crossing (BPAC). This upgrade will improve safety and connectivity for people walking and riding on the Prospect Bikeway between Braund Road and the Adelaide Park Lands. The commissioning of new traffic signals at Fitzroy Terrace was completed in late September and the crossing is now fully operational.																	
Defects rectified by the contractor will be verified by Council staff and allow for completion of the project.																	

12.2 ANNUAL BUSINESS PLAN 2023 - 2024 AND BUDGET PROCESS SCHEDULE

File Number: IC22/388

Author: Andrew Alderson, Manager Finance

Responsible Executive: Ginny Moon, Director City Corporate

EXECUTIVE SUMMARY

The Annual Business Plan and Budget process is an extensive annual project requiring input from various stakeholders. This includes staff, Elected Members, ratepayers and the community at large. It is an approximate eight-month process from start to finish.

As per previous occasions, and in order to assist with the planning of this process, a timeline (schedule) of the process has been developed.

The proposed Budget for 2023-2024 is contained within the Annual Business Plan and is a one-year plan for Council to deliver on its commitments, goals and strategies contained within other Strategic Management Plans such as:

- The new Community Plan (Towards 2040);
- Asset Management Plans (currently under review and scheduled for adoption in early 2023);
- The Long Term Financial Plan.

In line with the requirements of s123 of the *Local Government Act 1999*, the *Draft Annual Business Plan 2023-2024* will be presented to the community for feedback. Although a consultation timeline is included within the Schedule, the specific consultation activities will be discussed further and considered throughout the March 2023 workshops leading up to this period, with the aim to have the *2023-2024 Draft Annual Business Plan* (and Budget) consultation plan endorsed at the 18 April 2023 Council Meeting, for the purposes of community engagement on the Budget document.

The Budget is required to be adopted by Council no later than 31 August each year. The Schedule provided with this report enables Council to draft, consult and adopt its Annual Business Plan prior to 30 June 2023 as per usual protocols. An adoption prior to the end of June provides efficiencies not only for Council as an organisation, but the community at large and allows for an approved Budget to be in place at the commencement of the new financial year.

RECOMMENDATION

That Council:

1. **Having considered Item 12.2 Annual Business Plan 2023 - 2024 and Budget Process Schedule receives and notes the report.**

DISCUSSION

This report seeks to inform Council of the proposed timetable for the 2023-2024 budget process, which is summarised in **Attachment 1**.

It is proposed that Councillors participate in a series of Workshops from March 2023 through to June 2023, to discuss and inform the following matters:

- Review Council's current Financial Sustainability Status, Long Term Financial Plan parameters and assumptions, recurrent Budget trends, Operating Project and Capital Project Programs over the ten year period;

- Review Council's long-term financial key performance indicators and associated targets;
- Review items to be included/excluded from a schedule of Operating Projects; and
- Review rates modelling and analysis.

The *Local Government Act 1999* requires councils to develop, consult and publish a Long Term Financial Plan (LTFP) and Asset Management Plan (AMP) as part of its Strategic Management Plans, both covering a ten year period as a minimum. In addition, Council is required to consult the community on its Annual Business Plan, which includes its Budget and Rating Strategies.

City of Prospect *Community Plan to 2040* identifies Council's proposed core strategies, outcomes and targets. The LTFP and AMP identify various projects and capital expenditure items that will assist with achieving strategic plan outcomes.

Council's AMP have been updated and expected to be adopted in time to inform the Budget process. Estimates provided during the review have been included in updates to the LTFP over the past twelve months.

Similarly, Council's LTFP has evolved since it was first introduced over ten years ago and is based on a number of assumptions. The assumptions of the LTFP were reviewed by the Audit & Risk Committee and Council as part of this process. These assumptions include increases in revenue (including rating revenue), increases in expenditure and other funding options, as well as projections for Consumer Price Index/Local Government Price Index.

The Audit & Risk Committee has undertaken a review of the LTFP Key Performance Indicators and their associated target ranges at their December 2022 meeting. No major changes were made to the previous financial year. This review will make a recommendation for Council to endorse at the meeting in January 2023.

The capital and operating projects of the Draft ABP will be discussed during the Council Workshops in March 2023. The Workshops will provide Council with an opportunity to consider its budget and rating practices prior to commencing community consultation. The Budget implications associated with preferred rating options will be incorporated into the Draft ABP 2023-2024.

Elected Member priorities for projects were discussed at the November workshop and these will be considered and earmarked for the four-year term of Council and presented to the March workshops, with details on options to deliver the projects. This could, for example, be through an existing endorsed strategy or a new stand-alone Budget consideration.

In line with recent years, the Audit Committee will be provided with the opportunity to review the Draft Annual Business Plan 2023-2024 prior to community consultation. This meeting is scheduled for 12 April 2023.

The community consultation plan is to be finalised through Council Workshops.

The Annual Business Plan and Budget is scheduled to be formally adopted by Council in June 2023, following consideration of any community feedback obtained through the public consultation process.


Implications, Related Questions and Further Information

The development of the Annual Business Plan and Budget, its consultation and finalisation are activities of the recurrent Budget. As such, no additional financial or resource implications exist.

Relevance to Core Strategies / Policy

- Local Government Act 1999 (SA)

ATTACHMENTS

1. Annual Business Plan and Budget 2023 - 2024 Process Timeline - Attachment 1 [↓](#) 

2023-2024 DRAFT ANNUAL BUSINESS PLAN (BUDGET) SCHEDULE / TIMELINE

The following is the proposed timetable for developing the 2023-2024 Budget Schedule.

White = Council Workshops, Meetings and Activities

Orange = Community Consultation

Green = Staff Preparation

Blue = Audit Committee

Actions	Dates
Audit Committee Review of LTFP Key Performance Indicators	12 Dec 2022
Submit Budget Schedule & Process to Council <u>for information</u>	13 Dec 2022 Meeting
Executive Leadership Team & Management Team to determine end of year projections and any material variations of the 2021-2022 Budget. Variations to be considered in the Second Quarter Budget Review (Presented to February 2023 Council Meeting).	13 Dec 2022– 9 Jan 2023
Prepare 2023-2024 Salaries/Loan/Depreciation/Update Annual Business Plan.	13 Dec 2022– 9 Jan 2023
Executive Leadership Team & Management Team to prepare 2023-2024 Draft Budget, reconciling to year one of the LTFP presented to 12 December 2022 Audit Committee.	13 Dec 2022 – 3 Feb 2023
Audit Committee Workshop – Review of LTFP Assumptions	9 Jan 2023
Current Long Term Financial Plan (LTFP) and Assumptions Presentation to Council Workshop	7 Feb 2023
<u>Council Workshop 1</u> <ul style="list-style-type: none"> • Overall Budget Process • Assumptions and Cost Pressures • Council Member Budget Bids • Operating Budget Bids • Capital Budget Bids • Community Engagement Process • Recurrent Budget 	7 Mar 2023
<u>Council Workshop 2</u> <ul style="list-style-type: none"> • Capital Budget and Projects Finalisation • Rate Scenarios / Modelling • Surpluses • Fees & Charges 	14 Mar 2023
<u>Council Workshop 3</u> Tentative – only if Required	

Actions	Dates
EASTER PUBLIC HOLIDAY	7-10 April 2023
Audit Committee Review of Draft Annual Business Plan (Prior to Community Consultation)	12 April 2023
Council to endorse the Draft Annual Business Plan for Community Consultation	18 April 2023
Rates Modelling updated with 2023-2024 valuations progressively for revisits and "growth"	May 2023
<p><u>Commencement of Community Consultation</u></p> <p>Advertise to give 21 days' notice of Public Meeting (must be 21 days after Newspaper notice).</p> <p>Ensure all budget documents for the public are ready when the first advertisement appears in the Advertiser</p> <p><u>Community Consultation (from 1 May to 22 May 2023) – min. 21 days</u></p>	<p>First Paper Advert 1 May 2023</p> <p>Public Meeting 22 May 2023</p>
<p><u>Council Workshop</u></p> <ul style="list-style-type: none"> • Results of Community Engagement (interim) • How results from community engagement results have been incorporated into the Budget • Presentation of final draft Annual Business Plan & Budget and Rate Scenarios 	6 June 2023 & 13 June 2023
<p>Council presented for adoption:</p> <ul style="list-style-type: none"> • 2023-2024 Fees and Charges • Annual Business Plan 2023-2024 and Rates Declaration 	27 June 2023 Meeting
Summary brochure of adopted 2023-2024 Annual Business Plan & Budget distributed with 1 st Quarter Rates notice	Mid July 2023

13 COUNCIL MEMBER REPORTS AND BRIEFINGS

14 MOTIONS ON NOTICE**14.1 SUBMISSION TO THE STRATEGIC REVIEW ON THE PLANNING AND DESIGN CODE****File Number: IC22/393**

I, Councillor Alison De Backer, give notice that at the next Ordinary Meeting of Council to be held on 13 December 2022, I intend to move the following motion:

MOTION**That Council:**

1. Provides a submission to the Expert Panel on *The Planning System Implementation Review* addressing the matters identified below:
 - (a) The elevation of Character Areas to Historic Areas where appropriate, and also the inclusion of demolition protections within Character Areas;
 - (b) The development and implementation of additional policies within the Planning and Design Code that allow for alternative forms of infill development that retain existing streetscapes, setbacks and tree canopy cover;
 - (c) The development and implementation of additional policies within the Planning and Design Code that facilitate the delivery of EV charging stations on public and private land;
 - (d) That the transitional arrangements in place in relation to car parking funds be reviewed, to allow Council to alter the applicable contribution rate such that it has a continuing relationship to the actual market value of delivering additional public car parking facilities;
 - (e) That Council supports in principle the work of the Conservation Council and agrees that Regulated and Significant Tree protection laws require review and strengthening if South Australia's tree canopy cover targets are to be achieved.
2. Resolves for Mayor Matt Larwood to write to Nick Champion MP as Minister for Housing and Urban Development, Minister for Planning and Lucy Hood MP Member for Adelaide, in favour of greater demolition protection for heritage and character buildings by the elevation of Character Areas to Historic Areas (including particularly those areas that have been identified previously by heritage surveys or local residents / community groups).

RATIONALE

During the March 2022 State Election, an election commitment was made to commission an independent review of the *Planning, Development and Infrastructure Act 2016* and the Planning and Design Code.

A panel has been commissioned by Nick Champion MP, the Minister for Planning to conduct a review of reforms to South Australia's planning system implementation.

The *Planning System Implementation Review* therefore is an opportunity to provide a submission on the future of the South Australian Planning System, by **Friday 16 December 2022**.

This provides an ideal opportunity for Council to formally respond, extending correspondence to the relevant Ministers and Members of Parliament in relation to Council's ability to locally manage Character and Historic Area's that are no longer available under the new Planning and Design Code.

[SA Planning Review website have your say link](#)

I commend this Notice of Motion to Council.

CEO COMMENT

The Administration supports this motion.

ATTACHMENTS

Nil

15 QUESTIONS WITH NOTICE

Nil

16 CONFIDENTIAL ITEMS**16.1 PROSPECT CITIZEN OF THE YEAR AWARDS 2023****Reason for Confidentiality**

The Council is satisfied that, pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (o) information relating to a proposed award recipient before the presentation of the award.

RECOMMENDATION**Order to exclude the public**

It is recommended to Council that:

1. Pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the Council orders that all members of the public, except the Elected Members of the City of Prospect and the following persons:
 - Chief Executive Officer
 - Director City Strategy, Community and Culture
 - Director City Corporate
 - Director City Development and Growth
 - Director City Works and Presentation
 - Team Leader Governance and Risk
 - Minute Secretary

be excluded from attendance at the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report **Item 16.1 Prospect Citizen of the Year Awards 2023**, attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of to discuss nominations for Australia Day Awards.

2. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

RECOMMENDATION

1. That, pursuant to Sections 91(7) and 91(9) of the *Local Government Act 1999*, and having considered the matter '**Item 16.1 Prospect Citizen of the Year Awards 2023**' for the meeting of Council held on 13 December 2022 in confidence, the Council orders that:
 - 1.1 the report, attachments and minutes arising from the report, and any associated documentation, having been considered by the Council in confidence under Section 90(2) & (3) (o) be kept confidential and not available for public inspection until Award Ceremony, on the basis that the information received, discussed and considered in relation to this agenda item is:
information relating to a proposed award recipient before the presentation of the award.
 - 1.2 the Chief Executive Officer is delegated authority that the order be revoked in whole or part.
 - 1.3 the confidentiality order will be reviewed by the Council / Chief Executive Officer at least once every 12 month period.

2. That, for the item named in Clause 1 and associated sub clauses, unless:
 - 2.1 the period in respect of any order made under Section 91 (7) of the Local Government Act 1999 lapses; or
 - 2.2 Council resolves to revoke an order made under Section 91 (7) of the Local Government Act 1999; or
 - 2.3 the Chief Executive Officer determines pursuant to delegated authority that the order be revoked; any discussions of the Council on the matter and any recording of those discussions are also confidential.

16.2 BROADVIEW COMMUNITY AND SPORTS HUB - CONTRACT AWARD AND PROJECT UPDATE

Reason for Confidentiality

The Council is satisfied that, pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (k) tenders for the supply of goods, the provision of services or the carrying out of works.

RECOMMENDATION

Order to exclude the public

It is recommended to Council that:

1. Pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the Council orders that all members of the public, except the Elected Members of the City of Prospect and the following persons:
 - Chief Executive Officer
 - Director City Strategy, Community and Culture
 - Director City Corporate
 - Director City Development and Growth
 - Director City Works and Presentation
 - Team Leader Governance and Risk
 - Minute Secretary

be excluded from attendance at the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report **Item 16.2 Broadview Community and Sports Hub - Contract Award and Project Update**, attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of the Reason.

2. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

RECOMMENDATION

1. That, pursuant to Sections 91(7) and 91(9) of the *Local Government Act 1999*, and having considered the matter **'Item 16.2 Broadview Community and Sports Hub - Contract**

Award and Project Update for the meeting of Council held on 13 December 2022 in confidence, the Council orders that:

- 1.1 the report, attachments and minutes arising from the report, and any associated documentation, having been considered by the Council in confidence under Section 90(2) & (3) (k) be kept confidential and not available for public inspection until awarding of the Tender, on the basis that the information received, discussed and considered in relation to this agenda item is:
tenders for the supply of goods, the provision of services or the carrying out of works.
- 1.2 the Chief Executive Officer is delegated authority that the order be revoked in whole or part.
- 1.3 the confidentiality order will be reviewed by the Council / Chief Executive Officer at least once every 12 month period.
2. That, for the item named in Clause 1 and associated sub clauses, unless:
 - 2.1 the period in respect of any order made under Section 91 (7) of the Local Government Act 1999 lapses; or
 - 2.2 Council resolves to revoke an order made under Section 91 (7) of the Local Government Act 1999; or
 - 2.3 the Chief Executive Officer determines pursuant to delegated authority that the order be revoked; any discussions of the Council on the matter and any recording of those discussions are also confidential.

17 MEETING CLOSURE