

AGENDA

Ordinary Council Meeting Tuesday, 26 September 2023

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, 26 September 2023

Time: 7pm

**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**

Cr Thuy Nguyen

4 DECLARATION BY MEMBERS OF CONFLICT OF INTEREST**5 CONFIRMATION OF MINUTES**

Ordinary Council Meeting - 22 August 2023

Special Council Meeting - 5 September 2023

Special Council Meeting - 20 September 2023

6 PUBLIC QUESTION TIME

Nil

7 PETITIONS

Nil

8 DEPUTATIONS

8.1 Kosta Koutsonas – Economic Development

8.2 Andrew Saint – Broadview Community Sports Hub Leasing Arrangements

9 QUESTIONS WITHOUT NOTICE

10 REPORTS FOR DECISION

10.1 CEO PERFORMANCE REVIEW PROCESS - APPOINTMENT OF INDEPENDENT ADVISOR

File Number: IC23/253

Author: Melanie Amezdroz, Corporate Support Coordinator

Responsible Executive: Ginny Moon, Director City Corporate

EXECUTIVE SUMMARY

Council's contract with its current CEO Performance Review Committee independent advisor, Mr Richard Altman, expires in December 2023.

This report outlines the options available to Council and proposes a recommended pathway forward in seeking quotes from the market for the provision of these services in 2024 and beyond.

RECOMMENDATION

That Council:

1. **Having considered Item 10.1 CEO Performance Review Process - Appointment of Independent Advisor receives and notes the report.**
2. **Having considered Item 10.1 CEO Performance Review Process - Appointment of Independent Advisor, directs staff to seek quotes from interested providers via a select tender process, with the following providers be invited to participate in the selected tender process:-**
 - (a) Richard Altman Consulting
 - (b) AM Consulting
 - (c) McArthur
 - (d) Harrison McMillan
 - (e) VUCA
 - (f) Hender Consulting
3. **Refer the providers' submissions to the CEO Performance Development and Review Committee's 30 October 2023 Meeting, with a view to receiving a recommendation on a preferred provider from the Committee at Council's November 2023 meeting.**

DISCUSSION

Background:

The City of Prospect has established the Chief Executive Officer's Performance, Development and Review Committee (the **Committee**), tasked with managing the evaluation of the CEO's ongoing effectiveness in the role, and reporting back to Council with recommendations as to the setting of the CEO's KPIs and remuneration (among other things).

As a result of legislative reforms, Councils are now required to engage a 'qualified independent person' for the appointment, performance review and termination of the Chief Executive Officer.

Council's current qualified independent person is Richard Altman of Richard Altman Consulting, who has supported Council since his engagement in April 2019. Richard's contract with Council has been extended twice, with the current expiry date of 31 December 2023 set by Council resolution on 23 August 2022.

Council must now determine how to proceed with future arrangements for the position of qualified independent person to provide support to the Committee.

Scope of Work / Specification – Independent Advisor

Council is seeking to engage a consultant to independently provide advice to the CEO and Council to fulfil the requirements of the CEO contract and ensure compliance with the following section of the *Local Government Act SA 1999*, added through the LG Reform process:

102A—Chief executive officer—performance review

- (1) *A council must review the performance of its chief executive officer—*
 (a) *at least once in each year that the chief executive officer holds office as chief executive officer; and*
 (b) *if relevant, before reappointment of the chief executive officer.*
(2) *The council must obtain and consider the advice of a qualified independent person on a review under subsection (1).*
(3) *In this section—*
 qualified independent person means a person who is—
 (a) *not a member or employee of the council; and*
 (b) *determined by the council to have appropriate qualifications or experience in human resource management*

The successful consultant will:

- Identify a range of governance options available to Council, for undertaking the Chief Executive Officer (CEO) performance reviews, remuneration review (in line with requirements of the Remuneration Tribunal of South Australia) and recommendations in respect to professional development, in accordance with Employment Agreement terms;
- Develop Terms of Reference and Membership for the Performance Development Review Committee, including but not limited to, scope of business papers to be prepared to assist in the annual review, manner in which the review is to be conducted, and the scope of operations to be considered in the Review;
- Review the existing Key Result Areas and provide advice on appropriate Key Result Areas in accordance with industry standards.
- Following this review, the successful consultant will be invited to then assist the Committee in undertaking the CEO performance reviews, remuneration reviews and consideration of terms of contract including support in the negotiation of the CEO's new Employment Agreement (subject to Council approval).

Options:

Council has four options:

Option 1 – Extend Richard Altman Consulting by Direct Appointment:

It is open to Council to simply offer a further extension to Richard Altman Consulting.

There would be no guarantee that Mr Altman would accept such an offer and, were he to accept, he may wish to revisit his current contract pricing. Council may also wish to review the current contract scope.

This option has the advantage of retaining a known provider who is familiar with Council, its people, processes, and challenges.

Given the fact that Mr Altman had two extensions, it is recommended that Council considers a review of the market, where Mr Altman is also invited to participate.

Option 2 – Seek Quotes from Selected Providers:

Council may wish to seek quotes from selected providers to provide a submission against the Scope of Works.

In order to determine a list of selected providers for Council's consideration, the Administration sourced information from Eastern Region Alliance Councils, LGA Procurement and the 3 providers with the highest score against the evaluation criteria, who submitted tenders for the Independent Advisor position for City of Prospect during the 2015 and 2019 appointment process.

These Independent Consultants are, in no particular order:

- Richard Altman Consulting
- AM Consulting
- McArthur
- Harrison McMillan
- VUCA
- Hender Consulting

Should Council determine to pursue a Select Tender process, it is suggested that the above providers be approached to provide a submission. Council may also wish to recommend additional providers for consideration.

Option 3 – Seek Quotes from the Open Market:

Council may also wish to seek quotes from the open market, utilising a service such as Vendor Panel.

Option 4 – Seek assistance from the Local Government Association:

The Local Government Association of South Australia (LGA) has previously indicated in documentation produced on its website through the LG Reform process, that support for Councils could be sought via the LGA to:

- Assist with sourcing qualified independent people
- Providing Councils with pre-selected profiles of qualified independent people for approval
- Providing updated and lawful policies, procedures and training in relation to all CEO appointment, performance review and termination processes
- Providing updated and lawful policies and procedures in relation to CEO inductions
- Providing helpline and dedicated email address to answer any human resource related questions and or concerns.

Process:

Unless otherwise directed by Council, it is proposed that the Scope of Works/specification as described above be used to seek submissions.

The process of seeking submissions would be coordinated by the Director City Corporate/Acting Director City Corporate, with a report (including all submissions) to be considered by the **CEO Performance Development and Review Committee** at its existing scheduled 30 October 2023 meeting.

In order to ensure maximum probity and transparency, it is intended that this report offer no recommendation or commentary on the submissions and present the submissions in full to enable Committee members to consider them without being fettered by staff opinion.

The Acting Director City Corporate will assist the Committee with the selection criteria assessment process at the Committee meeting.

It is intended that the Committee provide a recommendation to Council on the preferred provider, to be considered together with the Committee's minutes at Council's November meeting. Council can then determine to approve the successful provider and appoint them as the Committee's 'qualified independent person' (as per Section 102A of the *Local Government Act 1999*) and direct the execution of a contract pursuant to Council's Standard Terms and Conditions.

For clarity, a draft timeline of the process, should Council opt for a select tender process, would be:

- 26/09/2023 – Council approve submission process
- 29/09/2023 – Scope of Works sent to selected providers
- 09/10/2023 – Submissions close
- 30/10/2023 - Consideration of submissions at the CEO Performance Development and Review Committee meeting
- 21/11/2023 – Report and recommendation of CEO Performance Development and Review Committee presented to Full Council meeting and appointment of successful tenderer
- Dec 2023 - Execution of contract with successful tenderer.

The lead-in time required for submissions will vary, depending on the option that Council chooses to pursue. This will impact the timeframe for providing submissions to the Committee and subsequently Council. Options 3 and 4 may impact the draft timeline and push out the dates for consideration of submissions and make an appointment at the November meeting less likely.

Once a preferred supplier has been determined by Council, it is recommended that any contract be timed to give the next term of Council at least 6 months (preferably 12 months) post-election, to work with the provider prior to re-engaging the market.

Therefore, it is recommended that a 4 year contract term be considered.

Community Plan: Towards 2040

Intelligent Community Indicators

2. Knowledge Workforce: A labour force that creates economic value through its knowledge, skills and ability to use information effectively.

ATTACHMENTS

Nil

10.2 BROADVIEW COMMUNITY AND SPORTS HUB - LEASE AND DUE DILIGENCE REVIEW**File Number:** IC23/263**Author:** Dwaine Bickerdike, Project Manager**Responsible Executive:** Sam Dilena, Director City Works & Presentation**EXECUTIVE SUMMARY**

The purpose of this report is to provide Council with an update for the Broadview Community and Sports Hub project construction works, the results of the Financial Due Diligence Review of the Business Plan for the operation of the facility and provide a summary of the proposed lease between the Broadview Football Club and City of Prospect.

There has been good progress of the works with the external façade substantially completed and settling into the park and oval surrounds. The Stage 1 works which include the main building are scheduled for completion on 31 October 2023, which will then allow for the Stage 2 works. These works include demolition of the original building and construction of the northern and southern carparks. Stage 2 is scheduled for completion in January 2024 however the builder is targeting the completion of these works by the end December 2023.

Council Administration and representatives from the Broadview Football Club (BFC) have been working collaboratively via a Working Group through the key requirements of managing and operating the new facility. This includes the BFC Business Plan, developing a new Lease, and the conditions upon which the BFC will occupy the building.

The key components of the Lease include a five (5) year term for Broadview Football Club with the option to commence negotiations for a longer term within the first three (3) years of the Lease commencing. The rent consists of a base rent component (CPI adjusted annually) and a percentage of net profit allowing for a component of the overall rent recovery for the building to be associated with its commercialised operations. The Lease prescribes that Function Room B (Jack Tredrea MM Room B) must be made available for community use at discounted rates to the satisfaction of the Lessor (ie Council). These rates would be aligned to those similar room hire offerings associated with the Council property fees and charges accordingly. Building maintenance responsibilities for each party have also been established for this facility.

Consultants Dean Newbery have undertaken an independent financial due diligence review of the BFC Business Plan and identified risks as well as recommendations. This review was interpreted by the Council Administration with controls applied and presented to the Audit & Risk Committee on Wednesday 13 September 2023 via the Broadview Community and Sports Hub – Financial Due Diligence Review Report. The Audit & Risk Committee supported the findings of the Independent Financial Due Diligence Review and its recommendations and expressed their satisfaction at the rigour of work undertaken in preparing the Business Plan by both Council staff and the BFC.

RECOMMENDATION**That Council:**

- 1. Having considered Item 10.2 Broadview Community and Sports Hub - Lease and Due Diligence Review receives and notes the report.**
- 2. Having considered Item 10.2 Broadview Community and Sports Hub - Lease and Due Diligence Review, delegates to Council's Chief Executive Officer the authority to finalise a lease agreement with the Broadview Football Club as per the Term Sheet detailed in this report.**
- 3. Supports the Risk & Audit Committee resolutions from its meeting held on 13 September 2023 associated with the Financial Due Diligence Review of the Broadview Football Club Business Plan.**

4. **Supports the control mechanisms proposed to manage risks associated with the operation of the Broadview Community and Sports Hub in accordance with the Business Plan.**
5. **Notes the Key Performance Indicators that will be implemented to oversee the financial and operational performance of Broadview Community and Sports Hub as detailed in this report.**

DISCUSSION

Construction Report

The construction works are now well advanced with the external brickwork completed, roofing has been installed, external windows have been completed, external cladding has commenced and will be completed by the end of September 2023.

The ground floor is progressing well with wall and ceiling partitions completed, tiling commenced to the changerooms, and door and frames installed. Engineering services are progressing well with the 1st fix items installed, light fitting and sanitaryware procured and ready for installation. Toilet and shower partitions have been procured and are ready for installation.

The level 1 fit out is progressing with wall and ceiling partitions installed, the operable wall track is complete, tiling is complete, the lift installed, essential safety provisions installed, the cool room and refrigeration has been completed and painting and joinery installation has commenced. Level 1 will be substantially completed by the end of September 2023.

The external civil works to the perimeter of the building will commence in early October 2023 which will include those works immediately to the perimeter of the building, footpaths, garden beds and the track. The expectation is that these works will be completed by 31 October 2023, then allowing two (2) weeks for defects to be addressed and for the Broadview Football Club to decant into the new building. This will then trigger Stage 2 of the project relating to demolition of the original building, construction of the northern and southern carpark areas and completion of the balance of landscaping.

Project images of site progress are provided below as at 18 September 2023.







Programme Update

The Contract program allowed for works to commence in December 2022 allowing for Stage 1 (main building) to be completed by mid-September 2023 and with the Stage 2 (carpark) to be completed by December 2023.

As reported to Council's ordinary meeting on 27 June 2023, the construction works are behind the contract program in the order of 6 weeks with the current date for Completion of Stage 1 being October 31, 2023. This is primarily attributed the commencement in late January 2023 to avoid starting earthworks over the holiday period which could have potentially resulted in dust issues for the residents whilst the site remained stagnant.

The contractor has worked hard to include mitigation strategies to reduce the time overrun. Be that as it may there is no substantial impact to the BFC or Council in the current timing for delivery of the project. The Council's October Spring Fair will still proceed in the precinct and on the oval, with staff working collaboratively to this end on project interfaces.

Financial Update

The budget for the project is \$5,204,150 (ex GST) and the actual costs are tracking in line with the forecast. Currently the project is 49% complete based on financial expenditure with 1.8% contingency remaining. Based on the current forecast there is sufficient contingency to complete the project within the approved budget.

Funding has been approved separately from the 2023/24 Annual Budget for the following items:

1. Operable Wall and structural support for the wall.
2. Broadview Oval Western Boundary Drainage review.
3. Re-surfacing of the northern carpark.
4. Landscaping of gardens beds

Wayfinding signage (external & internal) was not included within the base design scope but a critical component of the building's navigation. Through the project team these works have been designed, reviewed by the Council Administration as well as the Community Reference Group and priced. These additional works will be funded through the project contingency to allow them to be delivered.

The sixth progress claim has been received and approved for payment. The value of works claimed, assessed, certified, and completed to 31 August 2023 is \$2,772,261.83 (ex GST).

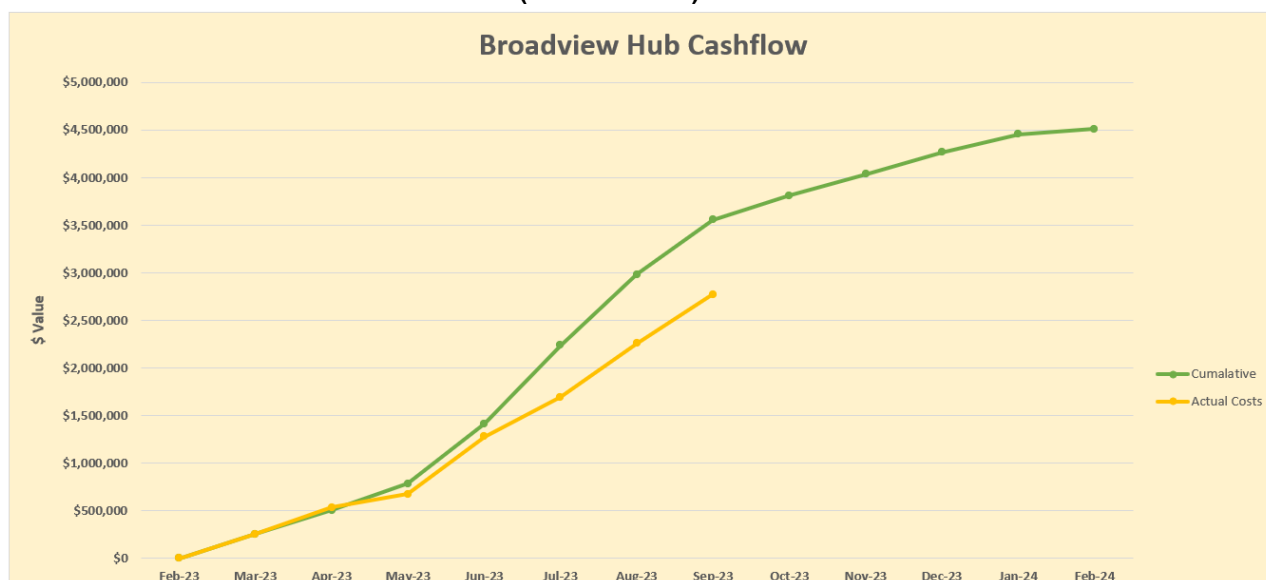
TABLE 1: FINANCIAL SUMMARY OVERVIEW

11-Sep-23	Current Forecast Final Cost Excl GST]
Consultant Fees	597,758.96
Trade Works Costs to Date	2,296,901
Approved Variations	17,806
Submitted Variations	33,880
Total ex GST	2,946,346
Remaining Contingency	1.80%
Percentage Complete [Financial]	49%
Percentage Complete [Time]	54%

Project Cashflow

The actual progress claim values for the project are tracking within reasonable variance of the forecast values, as represented in the below graph.

FIGURE 1: PROJECTED CASHFLOW GRAPH (GST exclusive)



Independent Due Diligence Report

Dean Newbery was engaged in October 2021 to undertake a Prudential Review of the Broadview Community and Sports Hub Project prior to the Council committing to the delivery of the project.

The Prudential Report identified eleven (11) risk items and all, but one item (finalising a Lease) has now been closed. Item 8 being the financial due diligence review of the Broadview Football Club (BFC) is a significant component assessing the viability of the Broadview Football Club's capacity to profitably operate the new facility.

In accordance with the prudential report recommendation an Independent Due Diligence Review was to be undertaken to assess viability of the BFC structure to operate the new facility in a sustainable and profitable manner. Council Administration and the Broadview Football Club formed a Working Group that has been diligently working through all aspects of establishing how the facility will be operated and the financial model to be implemented to allow the assessment to occur. The basis of the operations is in accordance with the Council's endorsed Memorandum of Understanding (MOU) as executed by both Council and the BFC. A copy of the MOU is contained in **Attachment 1**.

A Business Plan was produced by the BFC which included the following:

1. A Financial Model within the Business Plan including but not limited to outlining their management approach for the facility, financial forecasts, income and expense forecasting, marketing approach and the assumptions upon which the Business Plan is based.
2. Operating costs – Assist in forecasting the liabilities of the new facility for the BFC with specific regard to maintenance costs, cleaning, and consumption costs of the new plant

Dean Newbery were engaged by City of Prospect to undertake the Independent Due Diligence review and produce a report. The report identified risks associated with BFC operating the facility and are outlined in detail noting the key risk is the ability for the BFC to execute their operating model and generate the revenue to operate the facility profitably and sustainably.

The Audit & Risk Committee, at its meeting on 13 September 2023, considered the overview of the proposed operations of the Broadview Community and Sports Hub by the BFC, along with the identified risks and further recommendations from Dean Newbery and Council Administration and were supportive. A copy of the Audit & Risk Committee report from this meeting (including attachments) is contained in **Attachment 2** which provides a detailed breakdown of the operations of the facility, risks, recommendations and control measures that will be implemented.

Minutes of the Audit & Risk Committee from this meeting are provided below.

5.1 BROADVIEW COMMUNITY AND SPORTS HUB - FINANCIAL DUE DILIGENCE REVIEW

COMMITTEE RESOLUTION 2023/26

Moved: Mr Peter Scargill

Seconded: Mr Peter Fairlie-Jones

That Council:

1. Having considered Item 5.1 Broadview Community and Sports Hub - Financial Due Diligence Review receives and notes the report.
2. Supports the findings of the Independent Financial Due Diligence Review – Broadview Football Club (as presented in Attachment 2).
3. Notes the sensitivity of the Broadview Football Club Business Plan to reductions in Gross Profit.
4. Notes that with each 5% increment reduction in Gross Profit than projected in the Business Plan a negative cumulative impact of \$63,636 on net profit occurs over the life of the plan.
5. Notes control measures that are proposed to mitigate risks identified in this Financial Due Diligence Review as detailed in this report and ensure appropriate oversight of the financial and operational performance of the Broadview Football Club.
6. Requests the Council ensure that the Broadview Football Club provides a presentation to the Audit and Risk Committee annually on finalising its end of year audited financial statements, detailing the status of its operations and financial performance of its operations.

CARRIED

Financial Due Diligence Review – Recommendations and Proposed Controls

A summary of the recommendations from the Independent Due Diligence Review and controls proposed by Council Administration are detailed below.

1. Council to engage with BFC to update the financial model for the appropriate 5-year term which is to reflect the expected commencement date of the Lease.
 - Council Control – BFC to adjust their financial model to include for an additional year of projection.

2. *Updates should be made to the financial modelling to account for any change in assumptions surrounding private functions and community hire of the facilities activities as well as updated the financial model to reflect the rent calculation of rent expenses based on the draft lease. (ie. financial model is based on 4 not 5 years)*
 - Council Control –BFC to adjust their financial model to include the rent calculation of rent expenses based on the draft lease.
3. *Council to ensure that it has appropriate oversight and mechanisms in place to pre-approve all subleases between BFC with third-party operators to ensure businesses meet Council's criteria and have sufficient/appropriate insurance coverage. This requirement should be reflected in the lease agreement between Council and BFC.*
 - Council Control – Council to prepare sub-leases required for occupation proposed, including back-to-back applicable terms, to ensure appropriate agreements with any third parties.
4. *To assist with the marketing and activation of the new facility, Council should consider providing ongoing marketing and promotions assistance. In particular, assistance with respect to booking assistance (where possible) would assist with the running cost and promotion of the facilities.*
 - Council Control – BFC will implement a separate function room booking system for the facility and have included a budget for this in their building establishment costs, including marketing. Council has commenced promotion of the new function areas through its established print media, websites, social media pages and the existing business and community relationships. This regular in-kind support will continue into the future.
5. *Prior to signing the lease with BFC, obtain the latest set of financial statements certified by the Club which demonstrate that the Club is solvent and able to meet all of its financial obligations as/when they fall due. This includes obtaining the latest set of available audited financial statements (noting BFC's financial year ends on 30 September).*
 - Council Control – Council Staff have received the latest financial statements (ie FY22), noting the 2023 audited statements will not be available at the time the lease is presented to the Council at its September Meeting. A year-to-date summary will be presented if possible.
6. *Recommend implementing ongoing reporting requirements by BFC to the Council (at least quarterly) on the financial and operational performance of the facility against predetermined Key Performance Indicators (KPI). The reporting requirements and KPIs should be reflected in the eventual lease between Council and BFC.*
 - Council Control – Staff will include the additional KPI reporting requirements within the lease as reflected in the table below.

Key Performance Indicators	Target
Building	
Number of Functions per year - Booking for Function room A + B	17
Meals thru Football Season April 1st -September 30th - Thursday - Sunday	340 meals
Meals thru Non-Football Season October 1st-March 31st - Thursday -Sunday	210 meals
Maintenance	
Undertaking all maintenance in accordance with the maintenance schedule	100%
General and deep cleaning to the Building Cleaning	100%
Community	
Number of Community Group bookings per year - Function Rm B	250
Financial Performance	
Facility is economically sustainable in accordance with the business plan	Profit >= Business plan forecast
Confirmation that BFC have met all of their statutory reporting and payment obligations as an employer, in particular with the Australian Taxation Office.	100%
Confirmation that all required insurances have been maintained and are current.	100%
Confirmation that BFC have no outstanding legal and/or contractual disputes outstanding with any parties.	100%
All sub-lease income that is due and payable has been collected in accordance with appropriate credit terms.	100%
Certified copy of BFC's Balance Sheet and Profit and Loss Statement to be provided to Council to report on the financial performance and position of the Club to ensure that any adverse financial events are made known and discussed on a timely basis between BFC and the Council.	100%
Behavioural Performance	
Escalation of Code of Conduct breaches to Council	0
Operations	
Breaches of Development Approval conditions for operations	0

7. *Recommend ongoing engagement between BFC and the Council's Audit & Risk Committee (ARC) is established whereby at least annually, the Club provides a presentation to the ARC on the status of its operations and reports on the financial performance of its operations.*
 - Council Control – Staff to include a provision in the lease.
8. *BFC to provide Council with a copy of the audited financial statements annually as/when they become available.*
 - Council Control – Staff to include a provision in the lease.
9. *In addition to the KPIs which have been developed by Council, I recommend the following KPI/compliance matters be considered for inclusion as part of the ongoing reporting requirements from BFC to the Council:*
 - *Confirmation that BFC have met all of their statutory reporting and payment obligations as an employer, in particular with the Australian Taxation Office.*
 - *Confirmation that all required insurances have been maintained and are current.*

- *Confirmation that BFC have no outstanding legal and/or contractual disputes outstanding with any parties.*
- *All sub-lease income that is due and payable has been collected in accordance with appropriate credit terms.*
- *Certified copy of BFC's Balance Sheet and Profit and Loss Statement to be provided to Council to report on the financial performance and position of the Club to ensure that any adverse financial events are made known and discussed on a timely basis between BFC and the Council.*
 - Council Control – Staff will include the additional KPIs in the lease.

Broadview Community and Sports Hub – Broadview Football Club Head Lease

Council Administration engaged lawyers Norman Waterhouse to provide legal service to draft and finalise the Lease Agreement with Broadview Football Club.

Council is seeking to enter into a Lease agreement with the BFC for a maximum term of five (5) years which is to commence on handover of the building. The BFC will be the primary tenant with various subleases in place to support both commercial and non-commercial sub-lessees proposed.

BFC's permitted use of the facilities includes the following:

- Clubrooms and changerooms for sporting and community clubs.
- Kitchen, bar, kiosk, commercial restaurant/café.
- Community use by third parties (e.g. for meetings, gatherings and private functions).
- Commercial gymnasium.

Rent for the new facility will be based on the following criteria within the lease:

- Base Rent of \$7,441.46 (ex GST) per annum (this is based on the current rent payable by the BFC at Broadview Oval) which is to be paid annually in arrears on 30 June each year.
- Annual review of the Base Rent to occur on 1 July each year and adjusted for ADL indexed CPI.
- Net Profit Rent component will be payable on 30 June of each year, commencing in Year 2 of the lease calculated as 50% of Lessee's net profit from the previous 1 April to 31 March (a full year's football operations). The 50% portion shall be up to a net profit threshold of \$20,000, with any Net Profit Rent above this threshold calculated at 10% thereafter with no upper cap. This recognises the capacity for the community to benefit from the success of the facility, whilst not financially ruinous to the BFC should profits be lower than anticipated.
- BFC (the Lessee) is responsible for all utility costs.

It is important to note that a key requirement of the Lease is that "Function Room B" must be made available for community use at discounted rates commensurate with the Council's existing fees and charges for similar facilities, to the satisfaction of the Council.

The Broadview Community and Sports Hub Head Lease has been drafted on the basis of the controls outlined within the Broadview Community and Sports Hub - Financial Due Diligence Review Report as well as other relevant criteria as referenced in the Term Sheet contained in **Attachment 3**.

Implications, Related Questions and Further Information

Communications Update

The Council's Communications and Engagement team has continued to keep details of the Broadview redevelopment up to date, both on the Council website and via Engagement Hub. This includes progress photos showcasing the new Hub and details on how to enquire about hiring the new spaces, once completed. In early September, exciting news was posted about the progress of the Hub via all platforms, generating one of September's highest social engagement rates. The team

is currently preparing a promotional flyer to share with community groups and provide further details to those who registered their interest in potentially hiring this new community space earlier in the year. This flyer has been undertaken in partnership with the Broadview Football Club. Further promotional activities are planned, including an update on the project's progress in next week's 'Your Prospect' eNews.

Naming Update

A formal request has been submitted to the Kurna Warra Karrpanthi Group seeking support for a Kurna name for the Broadview Community and Sports Hub. Support for this approach was received from Payinthe Kumangka Steering Group, the Community Reference Group and KYAC. It is anticipated a formal name will be received from the group prior to the building's official opening.

Artwork Update

A scoping framework for a key piece of public art is currently being finalised to seek grant funding for an installation at the entrance of the new building to be developed by a Kurna artist. The proposal has gained support from Payinthe Kumangka Steering Group and has been proposed to the City-wide Public Art Round Table.

The grant is sought from the Department of Premier and Cabinet for Aboriginal Arts and Culture support. Successful applicants will be informed by mid-December 2023.

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

2 to 5 year timeline

CC2.4 Ensure greater recognition and support of precincts and neighbourhood gathering places such as Collinswood Precinct, Broadview Sports and Recreation Precinct / Yarrta Tutu yarta, Nailsworth Hall, Charles Cane / Parndo yerta Reserve, Howard Street precinct across the City:

CC2.4.1 Make these great places and create promotional campaigns

CC2.4.2 Install wayfinding signage (and 'digital trails') in key locations to highlight important and historic sites, as well as shopping and recreational opportunities in those neighbourhoods

CC2.4.3 Develop new place-making and urban renewal initiatives in those neighbourhoods

CC2.4.4 Facilitate the attraction of a key 'anchor' or 'hero' business to each of those key locations

► Active & Engaged

FY 20/21 Measures

AE1.2 Develop model governance frameworks for sporting and community groups to facilitate greater opportunities for involvement and access by residents to their facilities across the city

► 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

2 to 5 year timeline

CI2.1 Attract an anchor business to enhance the innovation brand of our City

► Responsible & Sustainable**2 to 5 year timeline**

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

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

RS2.9 Actively encourage and support all businesses and multi-unit residential sites to equal or better general recycling levels

ATTACHMENTS

1. Memorandum of Understanding [↓](#) 
2. Audit & Risk Committee Meeting Report 13/09/2023 [↓](#) 
3. Proposed Lease Term Sheet [↓](#) 

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MEMORANDUM OF UNDERSTANDING

**BROADVIEW OVAL COMMUNITY AND SPORTS HUB RE-
DEVELOPMENT**

BETWEEN

**CITY OF PROSPECT
(ABN 58 758 236 361)**

AND

**BROADVIEW FOOTBALL CLUB INCORPORATED
(ABN 26 764 433 252)**

T. 08 8113 7100
Level 6/19 Gilles Street
Adelaide SA 5000
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ABN 66 159 460 723
kelleyjones.com.au

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MEMORANDUM OF UNDERSTANDING

Broadview Oval Community and Sports Hub Re-Development

DATE [INSERT]

PARTIES

- 1 City of Prospect (ABN 58 758 236 361), 126 Prospect Road, Prospect SA 5082 (the **Council**)
- 2 Broadview Football Club Incorporated (ABN 26 764 433 252) (the **Club**)

BACKGROUND

- A. The Club currently holds a Licence from the Council to use premises described as *Football Clubrooms and Broadview Oval*, located at Poltawa Terrace (the **Premises**), pursuant to the terms of that Licence.
- B. The Council was successful in its grant application made to the Office for Recreation, Sport and Racing as part of the *2020-21 Grassroots Facilities Program (Round 1)* and the *2020-21 Regional and the Districts Facilities Program (Round) 1* in receiving a total grant amount of \$1,499,964 for the purposes of enhancing 'a regional sports hub with new clubrooms, change rooms, and viewing areas', being a proposed re-development at the Premises (**the Development**).
- C. Subject to the Council ensuring that it meets all due diligence obligations, as required of it as a transparent, accountable and responsible public authority under the *Local Government Act 1999*, including obtaining and considering a report that sets out prudential issues under section 48 of that Act with respect to the Development, the Council has resolved a budget commitment for the Development of \$4M, (RESOLUTION 2021/223) which amount is inclusive of the grant monies received from the Office for Recreation Sport and Racing.
- D. In furtherance of the project, the Council has resolved to enter into this Memorandum of Understanding (**MOU**) with the Club, to enable, in the first instance, the progression of the design brief for the Development.
- E. It is recognised by the Parties that there will be an expectation that the Club will make a financial and in-kind contribution to the Development, the amount and nature of which will be contingent upon the final design brief, as informed by the Council's public consultation process set out under its Community Engagement Plan for the Development (RESOLUTION 2021/223).
- F. The Parties commit to ongoing, open, negotiations with respect to the extent of the Club's financial and other commitments to the Development.
- G. Following practical completion of the Development, the Council has provided in principle support to enter into a Management Agreement with the Club, to manage use of the Premises, for and on behalf of the Council (RESOLUTION 2021/223), for the benefit of the whole community, on terms to be agreed with the Council ("the Management Agreement").
- H. The Council and the Club wish to record the in-principle agreements that have been made, for both the Development, as well as the subsequent management of the Premises, which final arrangements will be incorporated into any new lease entered into

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between the Council and the Club, as well as a Management Agreement.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this MOU:

- 1.1.1 **Chief Executive Officer** means the person appointed as the Chief Executive Officer of the Council and includes any person acting in that position;
- 1.1.2 **Licence** means the licence between the Council and the Club with a commencement date of 1 July 2009, currently 'Holding Over' pursuant to clause 8.4 of the same, under which the Club occupies and uses the Premises. A copy of this Licence is Annexure 1 to this MOU;
- 1.1.3 **Premises** means the area described as per the Licence, and reflected in the Plan annexed to the Licence;
- 1.1.4 **President** means the person appointed as President of the Club;
- 1.1.5 **Development** is the proposal, subject of a public consultation process, to inform the preparation of a design brief, for the purposes of 'enhancing' the Premises with new clubrooms, change rooms and viewing areas.

The outcomes of the development, as described in *Attachment 1 - Grant Details* from the Office for Recreation, Sport and Racing, are as follows:

New sports hub facility, incorporating changerooms, clubrooms, function and meeting rooms, storage facilities and spectators area for the Eastern Adelaide region which provides equitable access to user groups, increases participation, and promotes safety.

1.2 Interpretation

In this MOU, unless the context otherwise requires:

- 1.2.1 a reference to a Party includes its executors, administrators, successors and permitted assigns;
- 1.2.2 a reference to this MOU includes any Schedules and Annexures to this MOU;
- 1.2.3 an unenforceable provision or part of a provision may be severed, and the remainder of this MOU continues in force, unless this would materially change the intended effect of this MOU; and
- 1.2.4 the meaning of general words is not limited by specific examples introduced by 'including', 'for example' or similar expressions.

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Kelley Jones**1.3 Legal effect of this MOU**

1.3.1 This MOU **is not** intended to be legally enforceable and binding on the Parties to the extent of its terms, but rather, is entered into in furtherance of the Development, to enable the progression of the design brief.

1.3.2 The purpose of the MOU is to enable the Council and the Club to record the in principle agreements that have been made for the Development, a new lease or licence to use and occupy the Premises, and the subsequent management of the use of the Premises.

1.3.3 Nothing in this MOU binds the Parties, and does not, and cannot, displace, the Council's obligations, at all times, to act as an informed, responsible decision maker, in the interests of its community.

2. EXTENT OF RESPONSIBILITIES**2.1 COUNCIL RESPONSIBILITIES**

2.1.1 The Council will conduct public consultation on the Development in accordance with the Community Engagement Plan and the resolved Terms of Reference for the Community Reference Group (RESOLUTION 2021/223), in preparing the project brief.

2.1.2 The Council will provide a maximum financial contribution to the Development of \$2.5M, in addition to the grant funding received from the Office for Recreation, Sport and Racing, the total funding amount of \$4M being made available for the Development, prior to any financial contribution to be made by the Club.

2.1.3 The Council will continue to work in a cooperative manner with the Club in furtherance of the Development, and in doing so, recognises the Club is a key stakeholder and notes the Club's following requirements as part of the Development, which are intended to be captured as elements of the Management Agreement, and to endure for the period of the Management Agreement:

- that the Club retains its 'identity', following practical completion of the Development;
- that the Club remains the 'head' or 'primary' lease or licence holder of the Premises, on practical completion of the Development;
- that the Club has exclusive use of the Oval and associated facilities at the times it requires, in furtherance of its Football activities;
- that the Council does not issue any lease or licence to another person(s) and/or community group(s), the effect of which would be to compromise

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the Football operations, or the financial position, of the Club;

- following practical completion of the Development, the Club will be the sole licensee of the licensed premises at the Premises (the Bar), for the period of the Management Agreement;
- following practical completion of the Development, the Council agrees to enter into open and transparent negotiations with the Club with respect to entering into a lease or licence for the Club's right to occupy and use the Premises.
- that any terms and conditions of the lease entered into as between the Council and the Club, do not compromise the Club's operations or its financial position, which has a focus on the development of juniors and female participation in football; and
- following practical completion of the Development, the Council agrees to enter into open and transparent negotiations with the Club with respect to it entering into a Management Agreement with the Council to manage the Premises.

2.2 CLUB RESPONSIBILITIES

- 2.2.1 The Club agrees to use its best endeavours to conduct fundraising activities, and/or otherwise, seek sponsorship and/or grant opportunities, for the purposes of making a financial commitment to the Development, such financial commitment also including 'in kind' proposals.
- 2.2.2 The Club agrees to work cooperatively with the Council, in ensuring the project design brief reflects the best possible outcome for the community with respect to the Development.
- 2.2.3 The Club recognises that the Premises are owned by the Council and that the Development is to be undertaken for and on behalf of the community, as a whole.
- 2.2.4 The Club understands that the grant funding, as well as the Council's funding commitment, is provided on the basis that on practical completion of the Development, equitable access to the Premises will be made available to all user groups, subject to the conditions of any lease or licence held by any other person(s) and/or community group(s), including the Club, and there is to be a focus on increasing participation and the promotion of safety, in the use of, and access to, the Premises.

3. MANAGEMENT AGREEMENT

- 3.1 The Parties agree that they will work cooperatively and in good faith to consider the appropriate management of the Premises on practical completion of the

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Development.

- 3.2** In furtherance of the same, following practical completion of the Development, the Council has provided in principle support to enter into a Management Agreement with the Club, to manage use of the Premises, for and on behalf of, the Council (RESOLUTION 2021/223), for the benefit of the whole community, on terms to be agreed with the Council.

- 3.3** In making this commitment, the Council has considered the following key in principle elements, as proposed by the Club:

- 3.3.1** the Club will provide all documentation reasonably required by the Council in making an informed, responsible and transparent decision on entering into a Management Agreement with the Club, including Profit and Loss statements, banking records and other, relevant, financial documentation;
- 3.3.2** on entering into a Management Agreement, the terms of which are to be agreed as between the Club and the Council and will include Key Performance Indicators, the Club will engage a Facility Manager, to manage and oversee maintenance, access and use of the Premises by all users;
- 3.3.3** any associated new lease to be entered into by the Club with the Council, to use and occupy the Premises, will contain a clause that permits the Club to sub-let or sub-licence the Premises, subject to certain conditions;
- 3.3.4** the Club will be responsible for the upkeep, cleaning and maintenance of the Premises, details of which will be negotiated as part of the lease agreement;
- 3.3.5** the Club recognises the requirement to facilitate community use of the Premises, and will work in consultation with the Council in setting fees and terms for the same, noting the Club must be provided with an opportunity to, at a minimum, 'cost-recover' essential elements of the 'cost of use', such costs for management and access, upkeep, cleaning and maintenance;
- 3.3.6** the Club will encourage and welcome community users, and will work cooperatively with the Council in promoting such availability;
- 3.3.7** the Council and the Club will work together to refer community users to a booking system for the venue, to assist in raising awareness of access and availability;
- 3.3.8** the management of the gym and canteen will be sub-leased to third party providers, and made available for public use so far as is reasonably practicable, taking into account the access and use requirements under any lease or licence held by the Club, as well as any other person(s) and/or community group(s);
- 3.3.9** the Club will be the sole licensee of the Bar for the period of the Management Agreement, and intends to make available the same for private functions and/or dining opportunities, subject to Club requirements and licensing

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conditions.

3.3.10 the kitchen at the Premises will be opened for Club events, functions, and dining opportunities, subject to Club requirements, and will be made available for other users, provided the prior consent of the Club is obtained.

4. GOVERNANCE

- 4.1 In furtherance of the principle agreements set out in this MOU, and noting the Club role as a key stakeholder, the Parties agree to establish a Working Group, consisting of two (2) representatives from the Council, as nominated by the CEO (which may include the CEO) and two (2) representatives of the Club, as nominated by the President (which may include the President), who will meet on an 'as needs' basis, but at least once a month, on a date and time to be agreed as between the representatives.
- 4.2 The role of the Working Group is to ensure the promotion and progression of the Development, and, on practical completion of the Development, to have subsequent discussions regarding the entering into of a new lease or licence to use and occupy the Premises, and to negotiate the future management of the Premises, by way of a Management Agreement as between the Council and the Club.
- 4.3 The Working Group is to prepare a Summary Report of the matters discussed at each meeting, and any agreed actions, outcomes and/or recommendations, which Report is to be made available within five (5) days of any such meeting, to both the CEO and the President (insofar as the CEO and/or President are not members of the Working Group).
- 4.4 Meetings are not required to be 'in person', but can be conducted via electronic means including Zoom, or Microsoft Teams), or by way of email exchange.
- 4.5 For the avoidance of doubt, the Working Group is not established under the *Local Government Act 1999*, and has no authority to act or make decisions which are binding on the Council, but rather, has a recommendatory role with respect to the matters pertaining to the Development, Lease or licence to the Club to use and occupy the Premises, and the management of the Premises, as identified in this MOU.
- 4.6 The Working Group is required to give consideration to any consultation outcomes arising from the Council's public consultation processes, as well as any actions and/or recommendations made by the Community Reference Group, in its discussions and recommendations made to the Council on the progression of the Development.
- 4.7 Any dispute that may arise as between the Working Group, is to be raised in the first instance with the CEO and the President, so that they may meet to negotiate and discuss the same.
- 4.8 At the CEO's sole discretion, the Working Group may be disbanded, which decision

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will be communicated in writing, which may include email, to the President.

5. GOVERNING LAW

5.1 This MOU is governed by the law in South Australia.


5.2 The parties irrevocably submit to the exclusive jurisdiction of the courts in South Australia.

6. COSTS

Each party must pay its own costs of preparing this MOU and any document required by it.

EXECUTION

Executed for and on behalf of the Council in accordance with Resolution 2021/223 by


Chris White - CEO (Feb 17, 2022 10:56 GMT+10.5)
.....
Sign

.....
Chris White

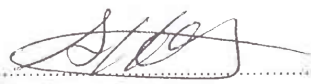
.....
Chief Executive Officer

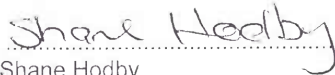

Paul Caretti (Feb 17, 2022 11:01 GMT+10.5)
.....
Witness Sign

Paul Caretti


.....
Witness Name

Executed by the Club in accordance with the *Associations Incorporation Act 1985 (SA)*:


.....
Signature of President


Shane Hodby


.....
Signature of Secretary / Treasurer


Name of Secretary / Treasurer

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA13 SEPTEMBER 2023

5 REPORTS FOR DECISION**5.1 BROADVIEW COMMUNITY AND SPORTS HUB - FINANCIAL DUE DILIGENCE REVIEW****File Number:** IC23/248**Author:** Dwaine Bickerdike, Project Manager**Responsible Executive:** Sam Dilena, Director City Works & Presentation**EXECUTIVE SUMMARY**

Council is undertaking a redevelopment of the existing Broadview Football Clubrooms at the Broadview Oval/Yarnta Tutu yarta and establishing it as the Broadview Community and Sports Hub. The new facility will provide for function rooms, food and beverage facilities, new changerooms for male and female Australian Rules Football and Cricket, a medical room, umpires changeroom and a commercial gymnasium.

Dean Newbery was engaged in October 2021 to undertake a Prudential Review of the Broadview Community and Sports Hub Project prior to the Council fully committing to the project.

The Prudential Report (**Attachment 1**) identified eleven (11) risk items and all but one item (finalising a Lease) have now been closed. Item 8 being the financial due diligence review of the Broadview Football Club (BFC) is a significant component assessing the viability of their ongoing capacity to operate the new facility and is the subject of this report.

This report summarises the assessment from the independent due diligence report prepared by consultants Dean Newbery who were engaged by City of Prospect on 17 November 2022. It outlines the process undertaken as part of assessing both the operational structure and assumptions made by the BFC to operate the facility. It also assesses the financial model and challenges the assumptions including revenue generated and expenses to operate the building.

Risk associated with the BFC operating the facility are outlined in detail, noting the key risk is the ability for the BFC to execute their operating model and generate the revenue to operate the facility profitably and sustainably. Recommendations provided in this report provide for mitigating approaches to manage these risks and staff have provided further control mechanisms to implement these recommendations.

The Audit & Risk Committee are presented with a Financial Due Diligence Review (**Attachment 2**) of the Broadview Football Club Business Plan to operate the new facility. The purpose is to allow the committee to consider its findings and proposed controls to be put in place prior to Council considering execution of a lease agreement with BFC. A draft Lease has been produced by Council's lawyer and will be subject to the controls outlined within this report.

The building works associated with the Broadview Community and Sports Hub are progressing well and within budget. The timing for completion of the main building, triggering handover and occupation by the BFC is currently scheduled for 31 October 2023. Following their occupation of the new facility, the existing clubrooms will be demolished and remaining carparking and landscape works finalised.

Note: Attachment One of the Financial Due Diligence Review has been circulated under separate cover due to commercial in confidence nature of aspects of the financial summary provided.

RECOMMENDATION**That Council:**

- 1. Having considered Item 5.1 Broadview Community and Sports Hub - Financial Due Diligence Review receives and notes the report.**
- 2. Supports the findings of the Independent Financial Due Diligence Review – Broadview Football Club (as presented in Attachment 2).**

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA**13 SEPTEMBER 2023**

3. **Notes the sensitivity of the Broadview Football Club Business Plan to reductions in Gross Profit.**
4. **Notes that with each 5% increment reduction in Gross Profit than projected in the Business Plan a negative cumulative impact of \$63,636 on net profit occurs over the life of the plan.**
5. **Notes control measures that are proposed to mitigate risks identified in this Financial Due Diligence Review as detailed in this report and ensure appropriate oversight of the financial and operational performance of the Broadview Football Club.**
6. **Requests the Council ensure that the Broadview Football Club provides a presentation to the Audit and Risk Committee annually on finalising its end of year audited financial statements, detailing the status of its operations and financial performance of its operations.**

DISCUSSIONBackground

The incumbent primary tenant of the Broadview Community and Sports Hub is the Broadview Football Club (BFC) who will manage the facility with the support of a full-time Facilities Manager. The BFC's intent is to sub-lease the commercial kitchen to a food operator who will provide meals and catering to functions. The function rooms will be hired out to community, corporate and not-for-profit organisations. The gymnasium will also be sublet to a third-party gymnasium operator for commercial purposes.

A Memorandum of Understanding (MOU) was agreed between City of Prospect (Council) and the Broadview Football Club (Primary tenant) and executed outlining the intent of the redevelopment and obligations of each party. The project budget was revised to \$5.204 million in the Ordinary Council Meeting of August 2022.

Critically a key component of this agreement was the establishment of a working group with representatives from City of Prospect and the Broadview Football Club. The working group has been diligently working through all aspects of establishing how the facility will be operated and the financial model to be implemented.

The key objectives are summarised as follows:

1. BFC to produce a Financial Model within the Business Plan including but not limited to outlining their management approach for the facility, financial forecast, income and expense forecasting, marketing approach and the assumptions upon which the Business Plan is based.
2. Operating costs – Assist in forecasting the liabilities of the new facility for the BFC with specific regard to maintenance costs, cleaning and consumption costs of the new plant.
3. Independent due diligence assessment of the Business Plan.
4. Produce a new Lease for the facility.

Council staff have provided accurate costs to allow BFC to consider the true operating expenses relating to maintenance, cleaning, and utility costs. Council administration has supported the accuracy of these costs through the following measures;

- The maintenance costs associated with the full operations of the new building were assessed and quoted by the contractors building the new facility.
- The cleaning was accurately scoped and priced by two of the City of Prospect regular cleaning companies.
- Utility costs were modelled by the building services engineers against anticipated usage of the facility across each week of a typical year.

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA**13 SEPTEMBER 2023**

These costs were tabled with the BFC, considered and included within the financial model of the Business Plan. This reduces the risk associated with these three (3) key operating expense areas being understated resulting in cost pressures and an unsustainable financial conditions developing beyond that forecast. Combined, these costs equate to approximately \$108k/annum in the first full year of operations.

A due diligence review of the financial model was undertaken by Dean Newbery. The scope of services of Dean Newbery can be summarised as follows:

- To review financial projections submitted by BFC to assess and comment on whether appropriate information has been provided to the Council for the purposes of undertaking a financial due diligence assessment on the ability of BFC to operate the proposed facilities at the Broadview Community and Sports Hub.
- Assist the Council to identify any potential risks and/or deficiencies.
- Assist the Council to develop mitigating controls to address the identified recommendations.

Prudential Report

Council engaged Dean Newbery in October 2021 to undertake a prudential review.

The Prudential Review highlighted eleven (11) risk items which have all now been partially or fully closed out.

A brief description of each matter and their status is provided in the below table.

Task Reference	Task Description	Task Completed (Y/N)	Additional Task Comments
1	Council has not adopted an up-to-date LTFP which includes the carry forward financial performance and balance sheet position from FY 2021	Y	LTFP Updated accordingly.
2	The draft LTFP assumes \$550k in recurring savings are identified in Year 1 FY 23 which have not yet been identified.	Y	LTFP Updated accordingly. Align to (Prudential & other) Risk/s 1, 14, 25, 26 & 28 in Broadview Community Hub Risk Register. Financial/Policy risks
3	Costed detailed designs have not been prepared that meet the \$4m budget	Y	Final design aligns with the Council endorsed budget adjustment in the August 2023 Council Meeting. Aligned to (closed) Prudential Risk 19 in Broadview Community Hub Risk Register.
4	Whole of life costs have not been prepared	Y	WOL costs included in Business Plan including in the LTFP. Align to (Prudential & other) Risk/s 19, 25 & 37 in Broadview Community Hub Risk Register.
5	A development application for the project has not been lodged	Y	Development Approval obtained & ongoing operating restrictions to be embedded in lease. Align to Risk 2 in Broadview Community Hub Risk Register. Closed.
6	An agreed business model with supporting financial forecasts has not been prepared between Council and the Broadview Football Club	Y	This has been submitted by BFC and reviewed by Dean Newbery by way of an Independent Financial Due Diligence Review – Broadview Football Club. See Risks 19/25/37 of Risk Register
7	Lease agreement which includes a management agreement with the Broadview Football Club has not been completed	N	Lease Drafted - Term Sheet to be presented to Council in the September Ordinary Council Meeting
8	Independent financial due diligence of the Broadview Football Club should be undertaken	Y	Independent Financial Due Diligence Review completed by Dean Newbery 8 September 2023. Align to Risk 37 in Broadview Community Hub Risk Register. Project risks. Due Diligence/MOU controls.
9	Council to consider whether operation of the gym will require principals of competitive neutrality	Y	As per the MOU it is expected that the Broadview Football Club will sublease the proposed gym to third party providers. Competitive neutrality issues will not apply. Align to (Prudential & other) Risk/s 10, 18, & 25 in Broadview Community Hub Risk Register. Financial/Policy risks.
10	Not all intended capital works identified within the Broadview Oval Masterplan have been considered	Y	Future stages of the masterplan are subject to separate funding and have no bearing on the Broadview Community & Sports Hub project. Align to (Prudential & other) Risk/s 3, 10, & 14 in Broadview Community Hub Risk Register. Consultation/Design & Community Plan requirements.
11	All the above matters should be addressed should the Council proceed with the project	Y	Project risks being managed as project progresses. Include monitoring Broadview (Prudential) Community Hub Risk Register.

With the exception of the Lease agreement, controls for all other risk items have now been completed.

A detailed whole of project Risk Register (Broadview Community Hub Risk Register) has been developed to ensure appropriate management of significant risks associated with this project's delivery, including Prudential Risks identified in above table. A copy of this Risk Register is contained in **Attachment 3**.

Further detail regarding the status of the lease for this facility is provided later in this report.

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA**13 SEPTEMBER 2023**Broadview Community and Sports Hub - Operational Overview

BFC have submitted a proposed financial model and Business Plan to Council based on a period from 2023 – 2027 financial years.

BFC will continue to run their football programs and club operations from Broadview Oval along with bar facilities and game day kiosk food and beverages and will be responsible for the employment of all staff (and engagement of volunteers) as required.

The fitness gym will be leased to a private operator to run and operate, which will be available to the public also. BFC will be responsible for finding a suitable tenant to run and operate the gym facilities under a sublease arrangement and will be entitled to all the sublease income generated.

Kitchen and kiosk (non-game day) facilities will be operated by a private food operator under a separate sublease arrangement between BFC and the operator. BFC will be responsible for finding a suitable tenant to run and operate these operations and be entitled to all the sublease income generated.

BFC will be entitled to all community facility hire income derived from private bookings (ie function room and meeting room hire).

BFC will be responsible for meeting the ongoing utility connection and consumption costs which includes electricity, water, sewer and gas.

BFC will be responsible for meeting the annual facility lease payment to Council (which is to be negotiated and agreed with BFC and the Council – further details are provided later in this report).

Council estimated that the total costs of the Project will be \$5.204 million and it is assumed that the assets will have an approximate life of 40 years and will recognise depreciation expense of approximately \$130k over the life of the asset within Council's own financial statements.

The Administration estimates the annual building maintenance costs will be approximately \$34,733 (ex GST) of which, \$27,593 will be directly payable by the BFC (based on Year 1 estimates). To assist facilitate discounted community access, and to ensure the appropriate management of high-risk maintenance works, the Council will retain responsibility for costs associated with the vertical lift and essential safety provisions (ie exit and emergency light, fire management) which is currently estimated at approximately \$7,000 (ex GST) per annum as supported at the 27 June 2023 Ordinary Council Meeting.

Independent Financial Due Diligence Review - Key Findings

Given that the 2023 financial year for BFC has now near ended (30 September year-end), Year 1 of the lease will be the 2024 financial year and accordingly, full 5-year basis of the lease are not reflected in the financial projections provided to Council.

The financial projections provided by BFC however do provide an overview as to the expected financial performance of the facility which has been reflected in the assessment below. Figures provided by BFC are based on annual total projected income and expenses and have not been broken down further to seasonally adjusted forecasts. The income and expenses relating to the private functions, community room hire, and gymnasium sublease have assumed to commence in Year 2 of the financial model.

The financial modelling prepared by BFC, forecasts that at the end of the 5-year term, BFC will achieve a cumulative operating surplus of \$56,331, this is an average of \$11,266 per annum. It demonstrates that BFC is not projecting to achieve a significant short-term financial advantage from the use of the facility.

The financial modelling also highlights that should there be any material adverse events and/or errors in the assumptions, that BFC will have limited financial capacity to absorb these events.

It assumes that bar sales will increase by 25% in Year 2 and then a further 12% increase year-on-year thereafter for the remaining life of the lease. It assumes bar sales from function packages will attract total income of \$48,263 in Year 2 and then achieve growth of 30% in Year 3. 5% annual growth has then been estimated for Years 4 and 5.

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA**13 SEPTEMBER 2023**

An independent gym operator will sublease the gym facilities and operate a private gym from Year 2 onwards. BFC estimates that it will generate \$51,000 of lease income over the life of the plan. The financial modelling is silent on the proposed terms and conditions of the sublease with respect to the recovery of any outgoings.

The kitchen and kiosk operations are expected to be outsourced and BFC to collect annual sublease fees from a private operator. The private operator would also be used for private function hire of the facilities. The financial modelling is silent on the terms and conditions of the proposed sublease with respect to the recovery of any outgoings.

Key Risks

The Independent Due Diligence Report (**Attachment 2**) identified 14 risks, these are summarised below:

1. BFC are not able to secure a gym operator for the site resulting in an adverse financial impact to the financial projections.
2. BFC secure a gym operator to occupy the site for a rate less than included in the financial model which results in financial targets not being met.
3. Gym operator suffers financial losses which results termination of sublease and BFC not being able to find a suitable replacement which results in financial targets not being achieved.
4. Reputation loss to both the Council and BFC through gym related sublease risks being realised.
5. An independent food and hospitality operator cannot be secured which results in kitchen and kiosk operations not meeting financial targets and/or reduction in patronage of the facility.
6. Hospitality provider suffers financial losses which results termination of sublease and BFC not being able to find a suitable replacement which results in financial targets not being achieved.
7. Growth targets and/or margins in food, hospitality and facility hire are not met which results in adverse financial performance and financial projections not being met.
8. Reputation loss to both the Council and BFC through Hospitality sublease and facility hire related risks being realised.
9. Management/Board of BFC changes which results in the financial and operational performance of the Club deteriorating.
10. BFC are relegated from Division 1 Amateur Football League which results in reduced patronage/interest in BFC by players and/or supporters.
11. BFC undertake other projects that adversely impact on the financial position of the Club which result in their inability to meet their financial obligations under the lease.
12. At the end of the 5-year lease term, BFC is unable to continue with an additional lease which results in the Council needing to find alternate use/tenants for the facility.
13. Operating costs associated with the running and operation of the facility are understated which result in financial projections not being met.
14. BFC do not agree to the terms of the draft lease.

Sensitivity Analysis

A sensitivity analysis was performed on the financial modelling prepared by BFC to highlight the financial impact on the Club should there be an adverse trend on the Gross Profit from Trading Income assumptions (these include Bar, Canteen and Function activities).

The analysis considered the impact on the cumulative Net Profit included in the financial model based on a 5% incremental decrease in Gross Profit from Trading Income. The analysis assumes that at all times, the targeted Gross Profit Margin will be achieved relative to the value of sales recorded for the purposes of the analysis.

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA**13 SEPTEMBER 2023**

The results of the analysis have been summarised in the below table.

Incremental Decrease Gross Profit from Trading Income	Financial Impact on Projected Net Surplus
<5%	- \$63,636
<10%	- \$127,272
<15%	- \$190,908
<20%	- \$254,543

The sensitivity analysis demonstrates that a 5% downturn in trading activities may result in the estimated cumulative Net Surplus for the life of the financial plan being eliminated and BFC requiring finances from other activities and/or financial assistance to meet ongoing costs. It should be noted that the sensitivity analysis does not take into account the impact on other costs as a result of the estimated decrease in trading income which may occur (ie conservative).

Key Recommendations

The Independent Due Diligence Report identified several recommendations, these are summarised below:

1. *Council to engage with BFC to update the financial model for the appropriate 5-year term which is to reflect the expected commencement date of the Lease.*
 - Council Control – BFC to adjust their financial model to include for an additional year of projection.
2. *Updates should be made to the financial modelling to account for any change in assumptions surrounding private functions and community hire of the facilities activities as well as updated the financial model to reflect the rent calculation of rent expenses based on the draft lease. (ie. financial model is based on 4 not 5 years)*
 - Council Control –BFC to adjust their financial model to include the rent calculation of rent expenses based on the draft lease.
3. *Council to ensure that it has appropriate oversight and mechanisms in place to pre-approve all subleases between BFC with third-party operators to ensure businesses meet Council's criteria and have sufficient/appropriate insurance coverage. This requirement should be reflected in the lease agreement between Council and BFC.*
 - Council Control – Council to prepare sub-leases required for occupation proposed, including back-to-back applicable terms, to ensure appropriate agreements with any third parties.
4. *To assist with the marketing and activation of the new facility, Council should consider providing ongoing marketing and promotions assistance. In particular, assistance with respect to booking assistance (where possible) would assist with the running cost and promotion of the facilities.*
 - Council Control – BFC will implement a separate function room booking system for the facility and have included a budget for this in their building establishment costs, including marketing. Council has commenced promotion of the new function areas through its established print media, websites, social media pages and the existing business and community relationships. This regular in-kind support will continue into the future.
5. *Prior to signing the lease with BFC, obtain the latest set of financial statements certified by the Club which demonstrate that the Club is solvent and able to meet all of its financial*

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA**13 SEPTEMBER 2023**

obligations as/when they fall due. This includes obtaining the latest set of available audited financial statements (noting BFC's financial year ends on 30 September).

- Council Control – Council Staff have received the latest financial statements (ie FY22), noting the 2023 audited statements will not be available at the time the lease is presented to the Council at its September Meeting. A year to date summary will be presented if possible.
- 6. *Recommend implementing ongoing reporting requirements by BFC to the Council (at least quarterly) on the financial and operational performance of the facility against predetermined Key Performance Indicators (KPI). The reporting requirements and KPIs should be reflected in the eventual lease between Council and BFC.*
 - Council Control – Staff will include the additional KPI reporting requirements within the lease.
- 7. *Recommend ongoing engagement between BFC and the Council's Audit & Risk Committee (ARC) is established whereby at least annually, the Club provides a presentation to the ARC on the status of its operations and reports on the financial performance of its operations.*
 - Council Control – Staff to include a provision in the lease.
- 8. *BFC to provide Council with a copy of the audited financial statements annually as/when they become available.*
 - Council Control – Staff to include a provision in the lease.
- 9. *In addition to the KPIs which have been developed by Council, I recommend the following KPI/compliance matters be considered for inclusion as part of the ongoing reporting requirements from BFC to the Council:*
 - *Confirmation that BFC have met all of their statutory reporting and payment obligations as an employer, in particular with the Australian Taxation Office.*
 - *Confirmation that all required insurances have been maintained and are current.*
 - *Confirmation that BFC have no outstanding legal and/or contractual disputes outstanding with any parties.*
 - *All sub-lease income that is due and payable has been collected in accordance with appropriate credit terms.*
 - *Certified copy of BFC's Balance Sheet and Profit and Loss Statement to be provided to Council to report on the financial performance and position of the Club to ensure that any adverse financial events are made known and discussed on a timely basis between BFC and the Council.*
 - Council Control – Staff will included the additional KPI's in the lease.

Lease

Council engaged lawyers in May 2023 to draft and finalise the Lease agreement with Broadview Football Club.

It is proposed to enter into a lease agreement with the BFC for a maximum term of 5 years which is to commence on completion/handover of the building. The BFC will be the primary tenant.

BFC's permitted use of the facilities include the following:

- Clubrooms and changerooms for sporting and community clubs.
- Kitchen, bar, kiosk, commercial restaurant/café.
- Community use by third parties (eg for meetings, gatherings and private functions).
- Commercial gymnasium.

Rent for the new facility will be based on the following criteria within the lease:

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA**13 SEPTEMBER 2023**

- Base rent of \$7,441.46 (ex GST) per annum (this is based on the current rent payable by the BFC at Broadview Oval) which is to be paid annually in arrears on 30 June each year.
- Annual review of the base rent to occur on 1 July each year and adjusted for ADL indexed CPI.
- Turnover rent payable on 30 June of each year, commencing in Year 2 of the lease calculated as 2.5% of Lessee's Sales for the previous 1 April to 31 March.
 - Rent is inclusive of outgoings, rates and taxes.
 - BFC (the Lessee) is responsible for all utility costs.

Other relevant criteria as referenced in the Proposed Lease Term Sheet are contained in **Attachment 4**.

Implications, Related Questions and Further InformationCost of Due Diligence Review

The cost to undertake this Independent Due Diligence assessment and produce this report is \$5,390 (ex GST).

Broadview Football Club contributions to the new facility

Council entered into a Capital Works Contribution Agreement with BFC in April 2023 which will result in BFC committing to a financial (cash) contribution of \$107,000 (ex GST) towards the Project. The Agreement was prepared by Council's legal advisors. The cash contribution was due and payable by 30 June 2023. As at the time of preparing this report, no payment had been made by BFC as the \$107k is currently being adjusted to account for items in the building scope which are now being procured directly by BFC and integrated into the works.

In addition to the cash contribution component, BFC are expected to directly procure fit-out items that will bring the entire value of the Club's cash contribution towards the Project equal to approximately \$250k.

Relevance to Core Strategies / Policy**Community Plan: Towards 2040****► Connected & Caring****2 to 5 year timeline**

- CC2.2 Facilitate new bars, cafes, restaurants and other businesses which diversify our local offerings
- CC2.4 Ensure greater recognition and support of precincts and neighbourhood gathering places such as Collinswood Precinct, Broadview Sports and Recreation Precinct / Yarrta Tutu yarta, Nailsworth Hall, Charles Cane / Parndo yerta Reserve, Howard Street precinct across the City:
 - CC2.4.1 Make these great places and create promotional campaigns
 - CC2.4.2 Install wayfinding signage (and 'digital trails') in key locations to highlight important and historic sites, as well as shopping and recreational opportunities in those neighbourhoods
 - CC2.4.3 Develop new place-making and urban renewal initiatives in those neighbourhoods
 - CC2.4.4 Facilitate the attraction of a key 'anchor' or 'hero' business to each of those key locations

SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA**13 SEPTEMBER 2023****► Active & Engaged****FY 20/21 Measures**

AE1.2 Develop model governance frameworks for sporting and community groups to facilitate greater opportunities for involvement and access by residents to their facilities across the city

► Inclusive & Diverse**2 to 5 year timeline**

ID2.6 Create opportunities for new culturally diverse citizens to be actively involved in Council programs and activities





► 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

2 to 5 year timeline

CI2.2 Develop an innovation ecosystem including facilitation of Prospect Innovation Awards, formation of Prospect Innovation Roundtable and promotion of the Innovation Precinct

ATTACHMENTS

1. Prudential Report [↓](#) 
2. Independent Financial Due Diligence Review [↓](#) 
3. Project Risk Register [↓](#) 
4. Term Sheet - Proposed Lease Broadview Football Club [↓](#) 

DeanNewbery

City of Prospect

Broadview Oval Community and Sports Hub Project

Section 48 Local Government Act 1999

Prudential Report

April 2022

Dean Newbery

214 Melbourne Street

North Adelaide SA 5006

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City of Prospect
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Broadview Oval Community and Sports Hub Project

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1. Introduction

1.1 Scope of Engagement

- 1.1.1 This Prudential Report has been prepared by John Jovicevic, Partner, Dean Newbery (**Reviewer**) for the City of Prospect (**Council**).
- 1.1.2 The Council has engaged Dean Newbery to prepare a Prudential Report for the Broadview Oval Community and Sports Hub Project (**Project**).
- 1.1.3 In preparing this Report, the prescribed criteria for the prudential review outlined in Section 48 of the *Local Government Act 1999* (**Act**) has been applied.
- 1.1.4 In addition to addressing all prescribed requirements under the Act, this Report summarises matters considered by the Reviewer to be outstanding for the purposes of Elected Members making a fully informed decision regarding the Project.
- 1.1.5 As a general comment based on past experience with similar projects, cost projections for large scale and potentially complex projects are based on many variables and assumptions which the Council may have limited or no ability to appropriately control.
- 1.1.6 To prepare this Report I have relied upon the information and materials provided to me by Council's Administration.
- 1.1.7 No due diligence work as to the financial or technical standing of the information provided by the Council's Administration for the purposes of preparing this Prudential Report has been undertaken by Dean Newbery.
- 1.1.8 A draft copy of this Report has been provided to Council's Administration for their review and comment as well as to ensure the accuracy and completeness of information presented in this Report.
- 1.1.9 This Report should be read together with the Council Administration's report which is to be prepared in conjunction with the findings and recommendations outlined in this Report.
- 1.1.10 **For completeness, some information referenced in this Report has been sourced from materials which at the time of their publication, were recorded as "Confidential". Confidential information has been referenced in this Report so that Elected Members were presented with all relevant information pertaining to the Project.**
- 1.1.11 **The Elected Members and Administration need to consider whether any information contained in this Report needs to remain confidential when making this Report available to the Public.**



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2. Project Outline

2.1 Project Overview

- 2.1.1 The Project is the redevelopment of the existing clubrooms and changerooms facilities situated at Broadview Oval (**Oval**). Broadview Oval is located between Collingwood Ave and McInnes Ave Broadview.
- 2.1.2 The current facilities and oval are occupied by the Broadview Football Club Incorporated (**Broadview Football Club**) under a License agreement held with the Council.
- 2.1.3 The current annual lease income received by Council from the Broadview Football Club from the License agreement is \$7,818.15 (GST Incl.) plus recovery of outgoing costs for utility charges (water, gas and electricity).
- 2.1.4 Council entered into a Memorandum of Understanding (**MoU**) with the Broadview Football Club on 17 February 2022, stipulating the following:

- E. It is recognised by the Parties that there will be an expectation that the Club will make a financial and in-kind contribution to the Development, the amount and nature of which will be contingent upon the final design brief, as informed by the Council's public consultation process set out under its Community Engagement Plan for the Development (RESOLUTION 2021/223).
- F. The Parties commit to ongoing, open, negotiations with respect to the extent of the Club's financial and other commitments to the Development.
- G. Following practical completion of the Development, the Council has provided in principle support to enter into a Management Agreement with the Club, to manage use of the Premises, for and on behalf of the Council (RESOLUTION 2021/223), for the benefit of the whole community, on terms to be agreed with the Council ("the Management Agreement").
- H. The Council and the Club wish to record the in-principle agreements that have been made, for both the Development, as well as the subsequent management of the Premises, which final arrangements will be incorporated into any new lease entered into

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Kelley Jones

between the Council and the Club, as well as a Management Agreement.

Source: Memorandum of Understanding – Broadview Oval Community and Sports Hub Redevelopment

- 2.1.5 Per the MoU, Council and the Broadview Football Club intend that the Club will assume management of the facility post construction.
- 2.1.6 As at the time of preparing this Report, Council's negotiations with the Broadview Football Club have not finalised to determine the financial and in-kind contribution which is to be made

Broadview Oval Community and Sports Hub Project

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nor has a new Lease agreement been entered into which outline the proposed terms and conditions of a Management Agreement for the running of the facility.

- 2.1.7 In addition to the Broadview Football Club, the surrounding facilities at the Oval are also utilised under separate agreements held with Council by the following community sporting organisations:

- 2.1.7.1 Broadview Tennis Club
- 2.1.7.2 Prospect District Cricket Club
- 2.1.7.3 Prospect Broadview Bowling Club
- 2.1.7.4 Collingrove Tennis Club

- 2.1.8 Council has adopted the Broadview Oval / Yarnta Tutu yarta Master Plan (**Master Plan**). An extract from Minutes of the Council Meeting held on 19 January 2021 recorded the following motion:

Item 10.3 Broadview Oval / Yarnta Tutu yarta Draft Master Plan for Endorsement

Cr S Rypp moved Cr A Harris seconded

- (1) Council having considered Item 10.3 Broadview Oval/ Yarnta Tutu yarta Draft Master Plan receive and note the report.
- (2) Council endorse the Broadview Oval/ Yarnta Tutu yarta Master Plan – (as presented in Attachment 1-8) subject to final amendments to reflect Option 1 - Centre Wing as the preferred location of the Broadview Community and Sports Hub, noting that minor updates to the Master Plan may occur as part of future concept designs.

Cr K Barnett requested to move an amendment to Part (2) of the Motion.

Mayor D O'Loughlin sought leave of the meeting, with the consent of the mover and seconder of the Motion, to change the wording from 'Attachment 1-8' to 'Attachment 7' in Part (2) of the Motion.

Leave was granted. Cr S Rypp as the mover and Cr A Harris as the seconder agreed to vary the motion to include the amendment proposed by Cr K Barnett.

The Motion as varied:

- (1) Council having considered Item 10.3 Broadview Oval/ Yarnta Tutu yarta Draft Master Plan receive and note the report.
- (2) Council endorse the Broadview Oval/ Yarnta Tutu yarta Master Plan – (as presented in Attachment 7) subject to final amendments to reflect Option 1 - Centre Wing as the preferred location of the Broadview Community and Sports Hub, noting that minor updates to the Master Plan may occur as part of future concept designs.

Carried Unanimously 4/2021

- 2.1.9 Included within the Master Plan is a “*proposed two story community and sporting hub*” complex. This Project relates to the construction of the complex and excludes all other proposed elements of the Master Plan project for the site.
- 2.1.10 The Project is referred to at Item 1 (out of a proposed 23 upgrades noted to the Oval) per the Masterplan.
- 2.1.11 The proposed facilities are expected to include the following:



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- 2.1.11.1 Changerooms (four change unisex rooms)
- 2.1.11.2 Clubrooms
- 2.1.11.3 Gym
- 2.1.11.4 Kiosk
- 2.1.11.5 Kitchen and bar facilities
- 2.1.11.6 Public toilets
- 2.1.11.7 Function and meeting rooms
- 2.1.11.8 Storage facilities
- 2.1.11.9 Spectators' area
- 2.1.12 **Council's expectation is that the construction cost of the project will not exceed \$4 million (M).**
- 2.1.13 Preliminary cost estimates prepared by Capisce Qs (external quantity surveyor consultants) as at 27 October 2021 estimated a construction cost of \$5.209M. This cost was based on the Master Plan design Option 1 (the preferred design option as noted above).
- 2.1.14 Council has subsequently engaged City Collective to provide architectural, structural, services and civil design services with the intention to bring the scope of the Project back to the required total \$4M construction cost.
- 2.1.15 **Council will need to be satisfied that final approved designs of the facilities can be built within the required budget, taking into account the current building industry market rates and that it can continue to meet the service standard expectations of all Project stakeholders.**
- 2.1.16 Council has engaged Chris Sale Consulting to provide cost management services throughout the design and construction phase of the Project.
- 2.1.17 Council successfully secured State Government grant funding of \$1.5M in June 2021 which is to be applied to the construction cost of the Project.
- 2.1.18 Council has subsequently obtained approval from the Minister for Recreation, Sport and Racing on 6 January 2022 to extend the term of the original funding agreement which now requires Council to commence the Project no later than 31 August 2022 and for practical completion of the Project to be completed by 30 September 2023.
- 2.1.19 The Project requires that Council funds the additional \$2.5M construction cost, assuming a total cost of \$4M for the Project.
- 2.1.20 Council's draft Long Term Financial Plan (LTFP) (refer to comments on the LTFP in Section 2.2) forecasts that Council's \$2.5M construction cost expenditure will be funded via additional loan



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borrowing (Council will utilise funding available from Cash Advance Debenture (CAD) facilities).

- 2.1.21 Council currently has a CAD facility limit of \$11M - it will need to increase the facility limit over the life of the LTFP to be able to fund forecasted capital expenditure. The draft LTFP assumes that Council will need to increase its CAD borrowing limit up to at least \$14.2M by Year 10.
- 2.1.22 Council's draft LTFP indicates that borrowings are related to the funding of capital works given the Operating Cash Flows remain positive over the ten-year period.
- 2.1.23 There are no financial projections beyond Year 10 of the draft LTFP. Given that the CAD facility is then projected to be a high of \$14.2M, Elected Members need to be provided with more long-term projections in particular for loan borrowings.
- 2.1.24 **In our opinion, Council has limited, if any, financial capacity to absorb material increases in Project construction costs and/or to entertain significant new capital projects over the life of the LTFP.**
- 2.1.25 Council has prepared the *Broadview Oval Yarnta Tutu yarta Community and Sports Hub Project Plan (Project Plan)* for the Project.
- 2.1.26 Council has nominated the Project Manager Property Services officer to as the Project Manager who will be responsible for the planning, construction and handover/delivery phases of the Project. Council has engaged external architects and cost consultants to provide technical assistance to the Project Manager.
- 2.1.27 All facilities constructed will be owned and managed by the Council post construction.
- 2.1.28 The Council will be responsible for the care, control and funding of all ongoing costs associated with owning the facility for the expected life of the asset (including for depreciation).



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2.2 Outstanding Project Matters identified by the Prudential Review

- 2.2.1 Council has not adopted an up-to-date Long Term Financial Plan (LTFP) which includes the carry forward financial performance and Balance Sheet position from FY2021. We note that on 7 March 2022, Council's Audit Committee considered the draft LTFP 2023 – 2032 with four different model options presented. At that meeting, the Audit Committee adopted resolution 2022/2 recommending 'model 8' be adopted by Council including the noted modifications recorded per the resolution. An extract of the Audit Committee draft minutes from the meeting are provided below:

Subject to confirmation

AUDIT COMMITTEE MEETING MINUTES

7 MARCH 2022

Meeting procedures extended to 6.50pm.

Meeting procedures extended to 7:15pm.

Meeting procedures resumed at 7.20pm.

COMMITTEE RESOLUTION 2022/2

Moved: Mr Peter Fairlie-Jones

Seconded: Mr Peter Scargill

That Audit Committee:

1. Having considered Item 6.1 Long Term Financial Plan 2023 - 2032 receives and notes the report.
2. That the Committee recommend Council adopt model 8, as per the staff report (Item 6.1), with the following modifications;
 - a) Average rates (excluding growth) to increase by the combined LGPI forecast by the March quarter rate of each year as a minimum
 - b) That Council aim to achieve savings in the order of \$550K in 2022/23
 - c) Aim to achieve the 5 year average operating surplus ratio by 2023/24
 - d) Aim to achieve the 1 year operating surplus ratio by 2024/25.

CARRIED

- 2.2.2 The draft LTFP assumes that \$550K in 'recurring savings' are identified in Year 1 (FY23) which have not yet been identified. This remains a significant outstanding matter for the Administration to address.
- 2.2.3 Obtaining costed detailed designs for the Project which confirms that the facility can be built for the \$4M construction cost stipulated by Council. We recommend the Administration provide Elected Members with an assessment of Council's financial capacity to undertake the Project should the construction cost be greater than the estimated \$4M.
- 2.2.4 Council has not as at the time of preparing this Report undertake a detailed analysis and estimate of whole-of-life costs associated with owning and maintaining the assets connected with the Project. Whole-of-life cost estimates have been limited to the information contained within the 10-year LTFP. The expected life of assets constructed are expected to be maintained beyond the 10-year life of the LTFP and Elected Members need to be mindful that an evaluation of these costs has not been prepared and presented by Management for their consideration. We recommend that Management undertakes an assessment and calculates



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the estimated whole-of-life costs for the Project which is to be presented to Elected Members as part of evaluating whether to proceed and commit with the Project.

- 2.2.5 A Development Application for the Project has not been prepared as at the time of preparing this Report and will be a requirement prior to construction commencing. We recommend that there are ongoing Development laws/regulation compliance mitigating controls factored in the proposed Project Risk Register.
- 2.2.6 An agreed 'business model' with supporting financial forecasts for the facility has not been prepared between Council and the Broadview Football Club. Depending on the final 'business model' agreed with the Broadview Football Club, this can impact on the level of annual funding/contribution required by Council to meet ongoing operating costs.
- 2.2.7 Council has not completed its negotiations with the Broadview Football Club to enter into a new Lease Agreement which includes a Management Agreement over the running of the facilities.
- 2.2.8 Ideally, Council should undertake an independent financial due diligence of the Broadview Football Club, to be satisfied that it has the ability to fulfil all future contractual requirements for the Project.
- 2.2.9 Council to consider whether the operation of the gym facilities will require the principals of competitive neutrality to be applied. This is dependent on the final business model adopted for the running of the facility and services.
- 2.2.10 Whilst not specifically related to the Project, it should be noted that all other intended capital works and upgrades relating to the Oval (of which there are 22 proposed projects per the Master Plan) have not been considered as part of this Project or Report. Enquiries made with Council's Administration regarding the status of other projects per the Master Plan noted that Council has no adopted program or allocated budget to complete all of the other works listed in the Master Plan. Accordingly, we recommend that Council considers this matter and how it will better monitor and track the progress of meeting the intended objectives of the original Master Plan.
- 2.2.11 In discussions with Council's Administration, it is expected that all of the above outstanding matters will be addressed should the Council proceed with the Project and more information is obtained.



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3. Key Project Risks

3.1 Summary of Key Project Risks identified by the Prudential Review

- 3.1.1 As a general comment, large scale construction projects have significant potential for cost overruns which highlights the importance of Council ensuring that it has in place a high standard of contract management and documentation that specifically addresses and mitigates risks.
- 3.1.2 Interest rates increase to a rate higher than that forecasted in the draft LTFP which results in increased loan servicing costs and an adverse impact on the ten-year financial performance projections.
- 3.1.3 Council is unable to construct the facilities to the required service standard level within the current \$4M allocated construction cost. There is a risk that the facilities will not meet the long-term Council/community needs.
- 3.1.4 Council's stipulation for the project cost not to exceed \$4M when professional cost estimates are significantly in excess of that amount may well create adverse pressure on construction standards.
- 3.1.5 Council fails to appropriately design and construct facilities to include the stipulated amenities per the Grant Agreement which results in Council requiring to refund part and/or all \$1.5M in grant income.
- 3.1.6 The outcome of the competitive tender process is that the facilities cannot be constructed for the Council stipulated \$4M construction cost.
- 3.1.7 Council is unable to secure an external contractor to undertake the works in a timely manner given the unavailability of contractors and/or materials required. This may result in an adverse impact to Project costs and/or impact to the Broadview Football Club's ability to assume management of the facility.
- 3.1.8 Council is not able to complete the Project within the timeframes required of the Grant application which results in a financial and/or reputational loss to the Council.
- 3.1.9 The potential impact of future COVID-19 restrictions on the ability for the Broadview Football Club to operate the facility at targeted capacity levels (or at all should a lock-down situation occur) which may adversely impact the financial performance and require Council financial assistance to meet ongoing operating costs.
- 3.1.10 Unforeseen site contamination and/or issues with relocation of utility services lead to cost blowouts and design cost issues.
- 3.1.11 The Broadview Football Club is not able to continue to Manage the facility which results in financial loss to the Council and the site being under-utilised unless a suitable replacement tenant can be found.



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4. Relationship Between the Project and Relevant Strategic Management Plans

4.1 Project Alignment – Annual Business Plan

4.1.1 The project is included within Council's FY22 Annual Business Plan (ABP) and LTFP adopted on 29 June 2021.

4.1.2 Council's web site reports the following concerning the Project's inclusion in the FY22 ABP:

Council has made provision within the ABP to contribute \$5.15M of matched funding towards a combination of these three projects. These projects are:

- Broadview Oval Community Hub & Sports Hub (total cost \$4.0M)
- Churchill Road; Road Reconstruction & Drainage Upgrade (total cost \$4.5M)
- Livingstone Avenue; Road Reconstruction & Drainage Upgrade (total cost \$2.3M)

Reference: (https://www.prospect.sa.gov.au/_data/assets/pdf_file/0033/929562/Annual-Business-Plan-2021-2022-V2_1-Adopted-BR1.pdf, accessed 29 March 2022),

4.1.2.1 Elected Members have considered and factored the Project as part of the FY22 ABP consultation and adoption process.

4.1.2.2 The Project therefore has a direct relationship with projects included within the Council's FY22 ABP and LTFP.

4.1.2.3 Given the Project is included in Council's adopted ABP, I conclude that the Project strategically aligns with Council's existing strategies.

4.2 Project Alignment – Long Term Financial Plan

4.2.1 Included within the FY22 ABP, Council included its LTFP 2022 – 2031 which included the intended \$4M capital construction cost of the Project.

4.2.2 The LTFP reflected the following capital spend on the Project:

Table 1: LTFP Projected Construction Cost

Financial Year	Projected Capital Spend (\$)
FY22 (Year 1)	\$1 million
FY23 (Year 2)	\$3 million
Total Capital Construction Cost	\$4 million

Reference: FY22 ABP – Page 53

4.2.3 As noted in 2.2 above, on 7 March 2022, Council presented a revised draft LTFP 2023 – 2032 to the Audit Committee.

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- 4.2.4 Council's Administration advised that the Project's projected capital spend needs to be updated in the draft LTFP to account for the revised carry forward position in FY22 of an estimated \$0.5M which will be updated when the FY23 budget is formulated.
- 4.2.5 **Given the Project has been included in the LTFP, I conclude that the project strategically aligns with Council's existing strategies.**



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5. Objectives of the Development Plan in the Area where the Project is to Occur

5.1 Development Approval

- 5.1.1 Given the nature and size of the development, it is expected that community consultation will be required as part of the Development Application process.
- 5.1.2 Council's Project Manager has advised that the Development Application will require community consultation to be undertaken.
- 5.1.3 As at the time of preparing this Report, Council has not prepared a Development Application for the Project given only concept designs have been developed.
- 5.1.4 Council's Project Manager advised Council's Council Assessment Panel (CAP) will undertake the assessment of the eventual Development Application.
- 5.1.5 A Development Application process will need to be considered and undertaken for Project prior to it commencing and should be flagged as an outstanding item of the proposed Project Risk Register.
- 5.1.6 **We recommend that there are ongoing Development laws/regulation compliance mitigating controls factored in the proposed Project Risk Register.**



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6. The Expected Contribution of the Project to the Economic Development of the Local Area, the Impact that the Project may have on Businesses Carried on in Proximity and if Appropriate, how the Project should be established in a way that Ensures Fair Competition in the Market Place

6.1 Contribution of the Project to Economic Development

6.1.1 The main objective of the Project is to provide upgraded community facilities to the local community.

6.1.2 The Project is not expected to contribute directly to the economic development of the local area.

6.1.3 There may be opportunities for local subcontractors to be engaged during the construction phase however this matter has not been considered as part of the Project to date.

6.2 Impact that the Project may have on Business Carried on in Proximity

6.2.1 The Project is not expected to impact on any businesses carrying on in proximity to the Project given the Project is not expected to compete with any existing businesses.

6.2.2 It is unknown whether any traffic restrictions or other construction activities undertaken during construction phase will have an impact on businesses in close proximity of the Oval. This is a matter for the project management team within Council to be aware of to ensure no businesses are adversely impacted by works that are required to be undertaken.

6.2.3 **Given no final design or endorsement by Council of the Project has been undertaken for the Project, there has been no assessment as to whether any aspect of the Project may have a direct and/or indirect impact to any other businesses carried on within the vicinity of the Project.**

6.2.4 Should Council change the intended use of the facility and provide any services and/or activities which may be deemed a commercial activity where it is potentially competing with a local private business(s), Council will need to consider competitive neutrality principles and how this can impact on the Project.

6.2.5 Should Council undertake to provide gym facilities to the public, it will need to consider whether competitive neutrality principals are to be applied in the event it may impact on local private businesses being carried on in proximity to the Project.

6.3 How the Project should be Established in a way that Ensures Fair Competition in the Market Place

6.3.1 Given the conclusion reached in 6.2 above, this matter has not been considered for the purposes of this Report.



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7. The Level of Consultation with the Local Community, Including Contact with Persons who may be Affected by the Project and the Representations that have been Made by them, and the Means by which the Community can Influence or Contribute to the Project or its Outcomes

7.1 Community Consultation

- 7.1.1 Council received a report (Agenda Item No.: 10.3) at its Council meeting held on 19 January 2021 where the Director Infrastructure and Environment highlighted the summary result of the community consultation process undertaken:

Item 10.3: Broadview Oval / Yarrnta Tutu yarta Draft Master Plan

AGENDA ITEM NO.:	10.3
TO:	Council on 19 January 2021
DIRECTOR:	Simon Bradley, Director Infrastructure and Environment
REPORT AUTHOR:	Chris Newbery, Manager Special Projects
SUBJECT:	Broadview Oval / Yarrnta Tutu yarta Draft Master Plan for Endorsement

1. EXECUTIVE SUMMARY

Council, at its meeting held 27 October 2020, received a report on the Draft Broadview Oval / Yarrnta Tutu yarta Master Plan, following consultation with key stakeholders and the broader community. The report provided an overview of the consultation process undertaken to date and highlighted overall positive community sentiment towards the draft Master Plan.

However, there were a number of submissions from nearby residents concerned about the potential impact of the anticipated Community and Sports Hub (the Hub) on the western side of the Oval. In light of these concerns, the Draft Master Plan was subject to further community consultation, with a postcard delivered to all City of Prospect residences within 500 metres inviting additional feedback on the options for the location of the Hub.

Feedback was provided via a survey hosted on the Council's Engagement Hub website. The feedback that was received confirmed a strong preference from nearby residents for the new facility to be built on the site of the existing clubrooms, while at the same time reaffirming the Broadview Football Club's position that their preference is for the centre wing location. The 'hybrid' location proved to be the least preferred of the three options surveyed.

While this feedback is acknowledged, the centre wing position remains the preferred position of Council Administration. The design of the new facility (which is subject to a separate Report and did not form part of the consultation process on the Draft Master Plan options) has illustrated how concerns regarding visual and environmental impacts can be minimised through sensitive architectural design. The additional consultation process has assisted with a further understanding of how the community feels about each location option.

With general support now indicated for the overall Draft Master Plan, and while the feedback from local residents acknowledged, it is recommended that the Draft Broadview Oval / Yarrnta Tutu yarta Master Plan be endorsed with the future Community and Sports Hub located in the centre wing position (Option 1). This will allow for design development of the Hub to proceed with certainty (alongside the corresponding grant application), and for consideration to be given to how the delivery of the Master Plan as a whole can be prioritised in the future.



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- 7.1.2 Council has established a dedicated Engagement Hub web page on the web site to engage with the community about the Project and to provide a reference point to reports updates. The website can be accessed via the following link: <https://cityofprospect.engagementhub.com.au/broadview-community-sports-hub> (accessed 31/03/2022).
- 7.1.3 In addition, Council has established a Community Reference Group for the Project. Details on the group's terms of reference and access to meeting agenda and notes can be found on the Engagement Hub web site.
- 7.1.4 As noted in 4 above, the Project is included in Council's FY22 ABP which has been out for community consultation.
- 7.1.5 Given the information noted above, Council has undertaken various forms of community consultation on the Project.
- 7.1.6 **Should the Council not be able to deliver the Project in accordance with the current expected scope of costs or design which results in a change to the Project scope, this may well necessitate further community consultation in the future.**



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8. If the Project is Intended to Produce Revenue, Revenue Projections and Potential Financial Risks

8.1 Revenue Projections from the Project

- 8.1.1 As noted in 2.2 above, a 'business model' for the Project has not been completed by Council to determine the operating model for the operations of the new facility.
- 8.1.2 The development of a business model for the operations of the facilities is an outstanding matter noted within this Report as requiring to be addressed by Council.
- 8.1.3 Council's Manager Financial Services has advised that Council's draft LTFP does not include any additional revenues as a result of the new facilities. The existing License Fee charged to the Broadview Football Club has been included in the draft LTFP.
- 8.1.4 **It is not known whether the Broadview Football Club has any additional financial capacity to increase its lease payments to the Council should it be required to meet additional operating costs post-construction of the new facility.**
- 8.1.5 Given a business model has not been developed, a revised Lease Agreement with the Broadview Football Club has not been negotiated which remains an outstanding matter to be addressed.
- 8.1.6 **Elected Members have not considered and endorsed a revised lease fee for the Broadview Football Club when reviewing the LTFP (and draft LTFP when it is presented) in addition to assumptions and associated risks pertaining to the financial operations of the project post-construction.**
- 8.1.7 Given Council has not endorsed a final business model for the Project, the future revenue projections will be highly dependent on the Lease Agreement negotiated with the Broadview Football Club and the business model chosen for the running and operating of the facilities.
- 8.1.8 Ongoing monitoring of the key assumptions and estimates included in the draft updated LTFP should be undertaken as a result of future updates for the Project.

8.2 Potential Financial Risks

- 8.2.1 To fund the construction of the Project, Council will utilise existing CAD facilities (at some future time the existing CAD limit may need to increase).
- 8.2.2 This Report has been prepared based on the financial projections provided by the Council.
- 8.2.3 Risks relating to outstanding matters noted in this Report need to be considered and factored into future updates made to Council's LTFP and Risk Register. In particular, risks relating to the ongoing daily operations/management of the facility, competitive neutrality (where applicable) and any changes in the nature of the operations which can have a financial performance impact.
- 8.2.4 Per the Project Plan, Council's Administration intend on managing the construction phase using internal resources with the assistance of external architectural and cost consultants.



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There is a risk to Council that if the current Project Manager leaves during the course of the Project that Council will need to consider alternate arrangements to fill this crucial role. There is a risk that this may result in adverse financial and/or operational results for the Project.

8.2.5 Given the nature of the Project, the potential inherent High financial risks which Elected Members and the Administration should be aware of are summarised as follows:

8.2.5.1 Higher capital expenditure incurred during construction phase that results in higher level of funding (e.g. either by external borrowings or existing cash reserves). This will lead to higher borrowing costs or lower rates of return on cash reserves invested as well as higher future depreciation charges.

8.2.5.2 Capital costs for the life of the Project are understated and require additional funding.

8.2.5.3 Interest rates are higher than projected resulting in higher borrowing costs.

8.2.5.4 Revenue projections are below forecast which result in adverse financial performance.

8.2.5.5 Operating costs exceed projected forecast which result in adverse financial performance.

8.2.5.6 Design issues with the facility lead to lower patronage and underutilisation over the life of the Project (i.e. obsolescence of facility earlier than expected).

8.2.5.7 As a result of poor procurement and/or contract management practices, adverse Project cost variations result in additional costs that need to be funded by Council.

8.2.5.8 The cost estimates for dismantling and/or disposal of existing assets/facilities have not been appropriately factored and may result in the total estimated Project construction costs being materially understated.

8.2.6 Given the nature of the Project and that all assets will be newly constructed, it is not expected that there will be the need for any significant works over the life of Council's LTFP.

8.2.7 Should there be unforeseen weather events that may cause damage to the reserves and/or equipment on these sites, Council may need to provide further resource and fund future repairs.



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9. The Recurrent and Whole-of-Life Costs Associated with the Project Including and Costs Arising Out of Proposed Financial Arrangements

9.1 Financial Overview

- 9.1.1 Council currently owns and maintains all assets located at the Oval. After construction is completed, Council will continue to own and maintain all constructed assets.
- 9.1.2 Council will continue to be responsible for the care and control of all assets included in the Project.
- 9.1.3 In the absence of any new arrangements, Council will be responsible for any replacement of assets at the end of their life should the Oval remain a regional park facility.
- 9.1.4 Council will need to ensure that future updates to the LTFP and Infrastructure & Asset Management Plan (**IAMP**) will factor revised operating and capital costs associated with the whole-of-life costs of the assets.
- 9.1.5 Council's draft LTFP will need to be updated with revised income and costs associated with owning the new facility based on the eventual facility operating model adopted by Council.
- 9.1.6 Council's Administration is yet to develop a business model for the facility which projects the estimated income and expenses which is to be considered by the Elected Members.
- 9.1.7 As previously highlighted within this Report, the construction cost estimates are not currently based on detailed designs which are yet to be completed.
- 9.1.8 Given a final design has yet to be resolved, there remains a significant risk that the estimated construction cost is subject to further changes which may result in unfavourable variations and additional ongoing operating costs not yet factored in the LTFP.

9.2 Cost of Financial Arrangements

- 9.2.1 To fund the construction cost of the Project, Council is expected to utilise available funds from its CAD facility.
- 9.2.2 Based on a \$4M construction cost, the following key estimates and assumptions relating to external borrowings have been factored in the draft LTFP:
 - 9.2.2.1 Borrowings are to be sourced from the LGFA (consistent with current borrowing arrangements) using undrawn funds capacity within existing CAD facilities.
 - 9.2.2.2 Repayment of the CAD is not based on a set determined period (i.e. fixed period with a maturity date) given Council intends on using CAD facilities.
 - 9.2.2.3 **There is a significant risk that if interest rates increase above rates factored in the draft LTFP that this will put additional pressure on the Council to fund the increased servicing costs (interest expense).**

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- 9.2.2.4 There is a significant risk that construction costs are understated given final design works have yet to be finalised.
- 9.2.2.5 The draft LTFP assumes that \$550K in 'recurring savings' are identified in Year 1 (FY23). This is a significant outstanding matter for the Administration to address as part of the FY23 ABP and budget formulation process being undertaken as at the time of preparing this Report. Council recently held a Councillor Information & Workshop Session on 29 March 2022 where proposed savings were considered.
- 9.2.2.6 Council's Manager Financial Services has confirmed that annual depreciation of \$153K has been included in the draft LTFP to account for the additional depreciation on the facilities constructed.
- 9.2.2.7 The proposed operating model for the facility has not been reflected in the draft LTFP given the business model has not been developed for the management and operations of the facility. This is an outstanding matter for the Administration to address.
- 9.2.2.8 There is a significant risk that ongoing financial contributions/costs associated with running the facility are understated given the final operating model and Management Agreement have not been resolved.
- 9.2.3 An extract of Council's Key Financial Indicators as included in the LTFP have been provided below to demonstrate Council is projected to meet its expected financial targets:

City of Prospect 10 Year Financial Plan for the Years ending 30 June 2032 KEY PERFORMANCE INDICATORS - MODEL 8 Scenario: Rates 3.5% + Growth, \$550k Savings		Current Year 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
			<div><div><div>● Within green benchmark (green min and/or green max)</div><div>● Within amber benchmark (amber min and/or amber max)</div><div>● Not within benchmark (amber min and/or amber max)</div></div><div><div>— Within green benchmark</div><div>↗ above green maximum and below amber maximum</div><div>↘ below green minimum and above amber minimum</div><div>↑ above amber maximum</div><div>↓ below amber minimum</div></div></div>									
Council's Target Benchmarks												
Note 15 Ratios												
Operating Surplus Ratio	Snapshot	● ↓	● ↓	● ↓	● ↓	● ↘	● —	● —	● —	● —	● —	● —
	Actual Ratio	-7.0%	-2.9%	-2.3%	-0.7%	1.0%	0.2%	1.8%	3.5%	5.0%	6.7%	11.7%
Net Financial Liabilities Ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
	Actual Ratio	62%	76%	77%	76%	77%	76%	70%	68%	62%	60%	54%
Asset Renewal Funding Ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
	Actual Ratio	193%	193%	118%	118%	120%	118%	121%	124%	119%	118%	118%
Interest Ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
	Actual Ratio	2.6%	2.1%	2.4%	2.4%	2.4%	2.4%	2.3%	2.1%	1.9%	1.8%	1.7%

Source: Audit Committee Meeting Agenda – 7 March 2022, page 25

- 9.2.4 A review of the Key performance Indicators per the draft LTFP highlight that Council is within its benchmark targets in most financial years presented with the exception of the Operating Surplus Ratio in Years 1 – 3. In the latter years of the draft LTFP, the Operating Surplus Ratio is expected to exceed targets which is why they are indicating as not benchmark rates.



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- 9.2.5 It is important to note when considering Council's financial capacity to undertake the Project, no consideration has been given to other strategic priorities and/or long-term commitments Council may be considering.
- 9.2.6 As with all large Projects, there is a risk that any adverse material cost variations from this Project may prohibit the Council in being able to fund other desired projects and/or services.
- 9.2.7 **The above key financial indicators demonstrate that Council has the financial capacity to undertake the Project, based on the assumptions and estimates modelled included in the updated LTFP. Elected Members however need to be mindful of the risks which have been highlighted within the Report and the increase in CAD facility borrowing capacity requirements forecasted by the Administration in future years of the draft LTFP.**
- 9.3 **Whole-of-Life Costs Associated with the Project**
- 9.3.1 At the end of the economic working life of the constructed assets, it is highly likely that a majority of Project's assets will need to be replaced and/or upgraded as is the case with the current facility located at the project site.
- 9.3.2 The replacement of the assets is a matter for consideration for future Elected Member bodies of the Council to consider. This matter has therefore been excluded from this Report.
- 9.3.3 Council should also be mindful that once constructed, the facility will most likely require annual subsidies to be funded from Council's general operating revenues to fund the operating costs of the facility unless the Broadview Football Club can generate sufficient revenues to cover all costs over the entire term of the Management Agreement.
- 9.3.4 Invariably, given the high number of assumptions and estimates that are built into financial models, there is a high risk that Council may incur financial losses greater than those projected. Council will need to ensure that it has adequate contingency arrangements in place to ensure that if it incurs losses greater than those forecasted that it is able to meet the financial obligations of running the facility for the life of the Project.
- 9.3.5 The Administration needs to consider the application of Australian Accounting Standards (AASB) 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment* need to be considered for asset valuation, asset recognition, impairment and depreciation expense purposes for the life of the Project's assets.
- 9.3.6 As part of the work undertaken for this Report, a review into the depreciation and valuation methodology has not been completed.
- 9.3.7 No consideration as to the treatment of costs on a capital versus operating costs for accounting purposes for the Project has been completed for the purposes of preparing this Report. Council's Administration will need to separately consider the applicable accounting treatment of costs incurred per applicable Australian accounting standards.
- 9.3.8 Council needs to be aware that a whole-of-life cost assessment of the Project has not been conducted to determine the whole-of-life costs over the life of all assets constructed.



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10. The Financial Viability of the Project, and the Short and Long Term Estimated Net Effect of the Project on the Financial Position of Council

10.1 Financial Viability of the Project

10.1.1 The Project is not regarded as a 'for-profit' undertaking.

10.1.2 Depending on the eventual lease agreement (including the Management Agreement for the facility), Council may be required to annually subsidise the cost of running the facility. As at the time of preparing this Report, the annual financial contribution to be made by Council over the life of the Project is unknown.

10.1.3 As the Project is not intended on breaking-even financially, the Project is not deemed to be financially viable without the ongoing need for Council financial assistance.

10.2 Short and Long Term Estimated Net Effect of the Project on the Financial Positions of the Council

10.2.1 Commentary relating to the draft LTFP and the long-term projected Key Financial Indicators has been included in 9.2 above.

10.2.2 The financial viability of the Project can be assessed against Council's ability to generate sufficient revenues to meet the financial obligations associated with the Project and ensure that forecast financial targets continue to be met – including all operating costs and loan repayment obligations.

10.2.3 Council's updated LTFP demonstrates that it has the financial capacity to undertake the Project over the ten-year life of the LTFP based on the assumptions and estimates included in the financial modelling.

10.2.4 The Council needs to be aware of the risks identified within this Report which should be continually monitored and reported back to Elected Members so that any adverse events that impact on the financial performance and position of the Council can be identified and addressed.

10.2.5 To ensure ongoing viability, regular updates to the LTFP should be undertaken.



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11. Any Risks Associated with the Project, and the Steps that can be Taken to Manage, Reduce or Eliminate those Risks

11.1 Risk Management

11.1.1 This Report has highlighted a number of identified risks in relation to the specific matters to be considered under the scope of the Prudential Review.

11.1.2 This Report also highlights the actions undertaken or that are being considered by the Council.

11.1.3 In preparing this Prudential Report, I have not prepared a risk register or risk management plan for the purposes of this Project. This work is outside the scope of the Prudential Review.

11.1.4 A *Risk Assessment Process - Broadview Community & Sports Hub* document (**Risk Assessment**) has been completed as at 9 November 2021. The Risk Assessment document has been prepared by the Administration which identified 24 specific risks for the Project.

11.1.5 A review of the Project risks noted that there were no 'Very High' residual risks assessed for the Project.

11.1.6 There was only 1 'High' assessed residual risk for the Project relating to the risk that project construction costs are inaccurate. Based on the matters raised within this Report, the High risks assessment noted is deemed appropriate.

11.1.7 Based on previous experience with other similar projects and other matters raised in this Report, 'Low' assessed residual risks were given to risks relating to:

11.1.7.1 The design adequacy meeting community expectations (Risk 3).

11.1.7.2 Risk that contractors engaged to undertake work on delivery of the Project components do not achieve the required objectives of the physical build and functionality (Risk 4).

11.1.7.3 No Business Case process for the project has been developed. Prudential Requirements are not met (Risk 10).

11.1.7.4 Risk of key stakeholders leaving or absent during the Project leading to delays (Risk 16).

11.1.8 Noting the risks highlighted in 11.1.7, we recommend that the risk rating be reviewed and potentially increased to at least 'Medium' given the risks noted in this Report relating to the construction cost estimates, ongoing operating costs and market conditions.

11.1.9 **The risk register does not take into account post construction risks associated with owning and operating the facility which we recommended is considered and developed.**

11.2 Risk Mitigation Measures

11.2.1 Elected Members should consider the outstanding matters noted within this Report that have been identified as needing to be considered for the Project prior deciding whether to proceed.



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12. The Most Appropriate Mechanism or Arrangements for Carrying Out the Project

12.1 Project Phases

12.1.1 The Project will be delivered in the following phases:

12.1.1.1 Investigation and Planning Phase.

12.1.1.2 Establishment and Construction Phase.

12.1.1.3 On-going Operations and Maintenance Phase.

12.1.2 Council has prepared a Project Plan which outlines the roles and responsibilities of all stakeholders involved in the Project.

12.2 Investigation and Planning Phase

12.2.1 As at the time of preparing this Report, Council is presently in this phase.

12.2.2 There may be a need to engage more consultants to provide assistance with assessing technical and financial information as well as legislative compliance review to address some of the risks highlighted within this Report.

12.2.3 Council needs to complete the development of the business model for the ongoing operations of the facility which is to be used to develop the Lease and Management Agreement with the Broadview Football Club.

12.2.4 Elected Members will need to separately consider the business model, lease agreement and Management Agreement.

12.3 Establishment and Construction Phase

12.3.1 Council's nominated Project Manager will be responsible for the supervision and delivery of the Project per the Project Plan.

12.3.2 The Council will be bound by Council's adopted Tendering and Procurement Policies and Procedures when undertaking procurement activities to engage external contractors.

12.3.3 A probity review into the procurement practices undertaken by Council to date in the engagement of contractors connected with the Project has not been undertaken and is outside the scope of this Report.

12.4 On-Going Operations and Maintenance Phase

12.4.1 Council is intending on transferring the day-to-day management of the facilities to the Broadview Football Club with ongoing assistance and oversight to be provided by Council.

12.4.2 Given a lease and Management Agreement has not been negotiated as at the time of preparing this Report, it is assumed that Council will have ongoing responsibility for the maintenance and capital replacement of assets.



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- 12.4.3 The Council will need to ensure that future updates to the Council's Budget and LTFP should reflect assessed on-going costs associated with the long-term operation of the facility as well as the ownership of the Council's assets connected with the Project.



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13. If the project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the Land Valuers Act 1994

13.1 Disposal of Properties

13.1.1 The Project proposes no disposal of land.

13.1.2 No further consideration of this section is required.



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14. Conclusion

- 14.1.1 This Prudential Report has been prepared in accordance with the information provided by Council's Administration and has considered the prescribed scope of matters per Section 48 of the *Local Government Act 1999*.
- 14.1.2 This Prudential Report should be read in conjunction with the Administration Report being prepared by the Administration which I am advised will address matters raised in this Report.
- 14.1.3 A draft copy of this Report has been reviewed by the Administration to verify the accuracy of all contents, as well as to ensure that no information has been omitted for Elected Member's consideration.
- 14.1.4 This Report has highlighted areas where it is considered further information is required or clarified on the Project for Elected Members consideration before committing to the Project.
- 14.1.5 No analysis has been included in the scope of works conducted to determine whether this Project is the optimum financial investment or best use of available resources for the Council and its community.
- 14.1.6 The Administration's Report for the Project is expected to outline a number of financial and operational matters to consider as a result of further investigations completed since information has been provided to me to prepare this Report.
- 14.1.7 **Elected Members should now consider the findings and recommendation within this Report and the Administration's Report.**

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8 September 2023

Mr. Sam Dilena
Director City Works & Presentation
City of Prospect
PO Box 171
PROSPECT SA 5082

Sent via email: sam.dilena@prospect.sa.gov.au**Confidential**

Dear Mr. Dilena

RE: Independent Financial Due Diligence Review – Broadview Football Club

The City of Prospect (**Council**) has requested Dean Newbery (**DN**) to complete an independent financial due diligence review of the Broadview Football Club Inc. (**BFC**) for the purposes of entering into a lease agreement with the Council for the Broadview Oval Community Hub facility.

Please find my Report detailed below addressing the key matters requested to be considered.

A draft copy of this Report was provided to the Council's Administration to consider the findings and recommendations and to verify the completeness and accuracy of the information.

1. Background

- 1.1 Council is undertaking the redevelopment of the clubrooms and changeroom facilities situated at Broadview Oval. BFC is the current tenant at the site.
- 1.2 The redevelopment of Broadview Oval was as a result of Council proceeding with the Broadview Oval Community and Sports Hub Project (**Project**).
- 1.3 The Project was reported to be approximately 50% complete in a report provided to Elected Members at their meeting held on 27 June 2023.
- 1.4 Council established a Working Group with representatives from the Administration and BFC to work through the issues and risks identified within the Prudential Review completed for the Project back in April 2022.

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Independent Financial Due Diligence Review – Broadview Football Club

- 1.5 Council has entered into a Capital Works Contribution Agreement with BFC in April 2023 which will result in BFC making a financial (cash) contribution of \$107,000 (GST excl.) towards the Project. The Agreement was prepared by Council's external legal advisors Kelliedy Jones Lawyers.
- 1.6 The cash contribution was due and payable by 30 June 2023. As at the time of preparing this Report, no payment had been made by BFC however Council's Project Manager Consultant officer advised that *"The \$107k is currently being adjusted to account for items in the building scope being procured by BFC"*.
- 1.7 In addition to the cash contribution component, BFC are expected to directly procure fit out items that will bring the entire value of the Club's contribution towards the Project equal to at least \$250k.

2. Engagement Scope

- 2.1 Council has requested DN to undertake the following scope of works:
 - 2.1.1 To review financial projections submitted by BFC to assess and comment on whether appropriate information has been provided to the Council for the purposes of undertaking a financial due diligence assessment on the ability of BFC to operate the proposed facilities at the Broadview Community Hub.
 - 2.1.2 Assist the Council to identify any potential risks and/or deficiencies noted in 2.1.1.
 - 2.1.3 Assist Council to develop mitigating controls to address matters identified in 2.1.1 and 2.1.2.

3. Operational Overview

- 3.1 Council is seeking to enter into a lease agreement with the BFC for a maximum term of 5 years which is to commence on completion/handover of the building.
- 3.2 Council intends to enter a 5-year lease with BFC as the main tenant. Norman Waterhouse Lawyers have been engaged to draft the lease document.
- 3.3 BFC's permitted use of the facilities include the following:
 - 3.3.1 Clubrooms and changerooms for sporting and community clubs.
 - 3.3.2 Kitchen, bar, kiosk, commercial restaurant/café.
 - 3.3.3 Community use by third parties (e.g. for meetings, gatherings and private functions).
 - 3.3.4 Commercial gymnasium.
- 3.4 Rent for the facility is based on the following assumptions within draft lease:
 - 3.4.1 Base rent of \$7,441.46 (GST excl.) per annum (this is based on the current rent payable by the BFC at Broadview Oval) which is to be paid annually in arrears on 30 June each year.
 - 3.4.2 Annual review of the base rent to occur on 1 July each year and adjusted for CPI.

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Independent Financial Due Diligence Review – Broadview Football Club

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- 3.4.3 Turnover rent payable on 30 June of each year, commencing in Year 2 of the lease calculated as 2.5% of Lessee's Sales for the previous 1 April to 31 March period.
 - 3.4.4 Rent is inclusive of outgoings, rates and taxes.
 - 3.4.5 BFC (the Lessee) is responsible for all utility costs.
 - 3.5 BFC have submitted a proposed financial model to Council based on the following operating model:
 - 3.5.1 The financial model runs from 2023 – 2027.
 - 3.5.2 Per the Council Administration's report provided to Elected Members at their meeting held on 27 June 2023, Perks Accountants & Wealth Advisors was engaged to assist BFC in preparing the financial model.
 - 3.5.3 BFC to continue to run their football programs and club operations from Broadview Oval.
 - 3.5.4 BFC to run and operate all Bar facilities, canteen and BBQ operations.
 - 3.5.5 BFC will be responsible for the employment of all staff (and engagement of volunteers) as required.
 - 3.5.6 The fitness gym will be leased to a private operator to run and operate which will be available to the public. BFC will be responsible for finding a suitable tenant to run and operate the gym facilities under a sublease arrangement. BFC will be entitled to all sublease income generated.
 - 3.5.7 Kitchen and kiosk facilities will be operated by a private operator under a separate agreement between BFC and the operator under a sublease arrangement. BFC will be responsible for finding a suitable tenant to run and operate these operations. BFC will be entitled to all sublease income generated.
 - 3.5.8 BFC will be entitled to all community facility hire income derived from private bookings (i.e. function hire, meeting rooms, etc.).
 - 3.5.9 BFC will be responsible for meeting the ongoing utility costs which includes electricity, water and gas utility costs.
 - 3.5.10 BFC will be responsible for meeting annual facility lease payment to Council (which remains as an outstanding matter to be negotiated and agreed with BFC).
 - 3.6 Council estimates that the total construction cost of the Project will be \$5.204 million. Council has assumed that the assets will have an approximate life of 40 years.
 - 3.7 Council estimates the annual maintenance costs will be approximately \$34,733 (GST excl.) of which, \$27,593 will be paid directly by BFC (based on Year 1 estimates through on-charges to BFC). Council will be responsible for the statutory maintenance of the lift, Essential Safety Provisions (exit and emergency lighting) and fire systems which it will not be passing onto BFC.

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Independent Financial Due Diligence Review – Broadview Football Club

4. Findings, Risks & Recommendations**4.1 Key Findings**

- 4.1.1 The financial model has been prepared for the financial years 2023 – 2027.
- 4.1.2 Given that the 2023 financial year for BFC is ending (BFC have a 30 September financial year-end), Year 1 of the lease period will now be the 2024 financial year. Consequently, the full 5-year basis of the lease has not been reflected in the financial projections provided to the Council.
- 4.1.3 The financial projections provided by BFC however do provide an overview as to the expected financial performance of the facility which has been reflected in the assessment below.
- 4.1.4 Figures provided by BFC are based on annual total projected income and expenses. Projections have not been broken-down to seasonally adjusted forecasts (e.g. monthly).
- 4.1.5 Income and expenses relating to the private functions, community room hire and gym sublease have assumed to commence in Year 2 of the financial model. There may be income and expenditure derived from these activities in Year 1 of operation once the financial model is updated (per the recommendations included in 4.3 below).
- 4.1.6 Based on the financial modelling prepared by BFC, it forecasts that at the end of the 5-year term, that BFC will achieve a cumulative operating surplus of \$56,331.
- 4.1.7 Based on the financial modelling provided, it demonstrates that BFC is not projecting to achieve a significant short-term financial advantage from the use of the facility based on their estimates and assumptions.
- 4.1.8 The financial modelling also highlights that should there be any material adverse events and/or errors in the assumptions, that BFC will have limited financial capacity to absorb these events.
- 4.1.9 In noting the above key findings, I draw your attention to the key assumptions and risks included within the financial modelling which Council should ensure it is aware of and implement mitigating controls (where possible) to protect Council's interests.
- 4.1.10 Assumes that bar sales will increase by 25% in Year 2 and then a further 12% increase year-on-year thereafter for the remaining life of the lease.
- 4.1.11 Assumes Bar Sales from function packages will attract total income of \$48,263 in Year 2 and then achieve growth of 30% in Year 3. 5% annual growth has then been estimated for Years 4 and 5.
- 4.1.12 BFC will run and operate the Canteen & BBQ function.
- 4.1.13 An independent gym operator will sublease the gym facilities and operate a private gym from Year 2 onwards. BFC estimates that it will generate \$51,000 of lease income. The financial modelling is silent on the proposed terms and conditions of the sublease with respect to the recovery of any outgoings.

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Independent Financial Due Diligence Review – Broadview Football Club

- 4.1.14 The kitchen and kiosk operations are expected to be outsourced and BFC will collect annual sublease fees from a private operator. The private operator would also be used for private function hire of the facilities. The financial modelling is silent on the terms and conditions of the proposed sublease with respect to the recovery of any outgoings.
- 4.1.15 The financial modelling prepared by BFC does not breakdown the rent cost on the basis of Base Rent and Turnover Rent conditions proposed per the draft Lease agreement prepared by Norman Waterhouse.

4.2 Key Risks**Gym Operations**

- 4.2.1 BFC are not able to secure a gym operator for the site resulting in an adverse financial impact to the financial projections.
- 4.2.2 BFC secure a gym operator to occupy the site for a rate less than included in the financial model which results in financial targets not being met.
- 4.2.3 Gym operator suffers financial losses which results termination of the sublease and BFC not being able to find a suitable replacement. Financial targets therefore may not be achieved.
- 4.2.4 The above risks can result in reputation loss to both the Council and BFC.

Food/Hospitality Operations

- 4.2.5 An independent food and hospitality operator cannot be secured which results in kitchen and kiosk operations not meeting financial targets and/or reduction in patronage of the facility.
- 4.2.6 Hospitality provider suffers financial losses which results termination of sublease and BFC not being able to find a suitable replacement. Financial targets therefore may not be achieved.
- 4.2.7 Growth targets and/or margins in food, hospitality and facility hire are not met which results in adverse financial performance and financial projections not being met.
- 4.2.8 The above risks can result in reputation loss to both the Council and BFC.

BFC Operations & Financial Risks

- 4.2.9 Management/Board of BFC changes which results in the financial and operational performance of the Club deteriorating.
- 4.2.10 BFC are relegated from Division 1 Amateur Football League which results in reduced patronage/interest in BFC by players and/or supporters.
- 4.2.11 BFC undertake other projects that adversely impact on the financial position of the Club which result in their inability to meet their financial obligations under the lease.
- 4.2.12 At the end of the 5-year lease term, BFC is unable to continue with an additional lease which results in the Council needing to find alternate use/tenants for the facility.

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City of ProspectIndependent Financial Due Diligence Review – Broadview Football Club

- 4.2.13 Operating costs associated with the running of the facility are understated which result in financial projections not being met.
- 4.2.14 BFC do not agree to the terms of the draft lease.
- 4.2.15 BFC are unable to achieve targeted trading income volumes and/or margins which results in an adverse financial performance and financial targets not being achieved.
- 4.2.16 BFC have no previous experience running a facility to the proposed scale and standard of the proposed facilities.

4.3 Key Recommendations**Financial Modelling**

- 4.3.1 Council to engage with BFC to update the financial model for the appropriate 5-year term which is to reflect the expected commencement date of the draft lease.
- 4.3.2 Updates should be made to the financial model to account for any change in assumptions surrounding private functions and community hire of the facility's activities noting the revised start date and timing of the lease.
- 4.3.3 The financial model should be updated to reflect the rent cost based on the proposed terms and conditions of the draft lease.
- 4.3.4 The financial model should be updated for any other changes in assumptions/conditions that have occurred since it was prepared to account for now known factors.

Council Administration Oversight & Support

- 4.3.5 Council to ensure that it has appropriate oversight and mechanisms in place to pre-approve all subleases between BFC with third-party operators to ensure businesses meet Council's criteria and have sufficient/appropriate insurance coverage. This requirement should be reflected in the lease agreement between Council and BFC.
- 4.3.6 To assist with the marketing and activation of the new facility, Council should consider providing ongoing marketing and promotions assistance.
- 4.3.7 In particular, assistance with respect to booking assistance (where possible) would assist with the running cost and promotion of the facilities.
- 4.3.8 Prior to signing the lease with BFC, Council should obtain the latest set of financial statements certified by the Club which demonstrate that the Club is solvent and able to meet all financial obligations as/when they fall due.

Ongoing Reporting and Council's Audit & Risk Committee Engagement

- 4.3.9 Recommend implementing ongoing reporting requirements by BFC to the Council (at least quarterly) on the financial and operational performance of the facility against predetermined Key Performance Indicators (KPI).
- 4.3.10 The reporting requirements and KPIs should be reflected in the eventual lease between Council and BFC.

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Independent Financial Due Diligence Review – Broadview Football Club

- 4.3.11 Recommend ongoing engagement between BFC and the Council's Audit & Risk Committee (ARC) is established whereby at least annually, the Club provides a presentation to the ARC on the status of its operations and reports on the financial performance of its operations.
- 4.3.12 BFC to provide Council with a copy of the audited financial statements annually as/when they become available.
- 4.3.13 In addition to the KPIs which have been developed by Council, I recommend the following KPI/compliance matters be considered for inclusion as part of the ongoing reporting requirements from BFC to the Council:
- 4.3.13.1 Confirmation that BFC have met all of their statutory reporting and payment obligations as an employer, in particular with the Australian Taxation Office.
- 4.3.13.2 Confirmation that all required insurances have been maintained and are current.
- 4.3.13.3 Confirmation that BFC have no outstanding legal and/or contractual disputes outstanding with any parties.
- 4.3.13.4 All sub-lease income that is due and payable has been collected in accordance with appropriate credit terms.
- 4.3.13.5 Certified copy of BFC's Balance Sheet and Profit and Loss Statement to be provided to Council to report on the financial performance and position of the Club to ensure that any adverse financial events are made known and discussed on a timely basis between BFC and the Council.

5. Sensitivity Analysis

- 5.1 A sensitivity analysis was performed on the financial modelling prepared by BFC to highlight the financial impact on the Club, should there be an adverse trend on the Gross Profit from Trading Income assumptions (these include Bar, Canteen and Function activities).
- 5.2 The analysis considered the impact on the cumulative Net Profit included in the financial model based on a 5% incremental decrease in Gross Profit from Trading Income.
- 5.3 The analysis assumes that at all times, the targeted Gross Profit Margin will be achieved relative to the value of sales recorded for the purposes of the analysis.
- 5.4 The results of the analysis have been summarised in the below table.

Incremental Decrease Gross Profit from Trading Income	Financial Impact on Projected Net Surplus
<5%	- \$63,636
<10%	- \$127,272
<15%	- \$190,908
<20%	- \$254,543

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- 5.5 The sensitivity analysis demonstrates that a 5% downturn in trading activities may result in the estimated cumulative Net Surplus for the life of the financial plan being eliminated and BFC requiring finances from other activities and/or financial assistance to meet ongoing costs.
- 5.6 It should be noted that the sensitivity analysis does not take into account the impact on other costs as a result of the estimated decrease in trading income which may occur.
- 5.7 The sensitivity analysis demonstrates the importance of Council's ongoing engagement with BFC to ensure it is fully aware of the financial and operational performance of the facility.

Summary

This Report provides the Council with an overview of the proposed operations of the Broadview Community Hub by BFC along with the identified risks and further recommendations for Council to consider prior to proceeding with the execution of the lease agreement. A copy of the Financial Model prepared by BFC has been included as an attachment to this Report.

As at the time of preparing this Report, Council and BFC have yet to agree on the final terms and conditions of the proposed lease which remains an outstanding issue and which may result in further changes to the operating model and financial projections.

My recommendation is for Council to continue to work closely with BFC over the 5-year lease term to ensure Council is appropriately informed of the ongoing longer-term risks associated with the ownership and management of the facility when it needs to renegotiate/consider the next lease for the facility. The close working relationship will also ensure that Council becomes aware of any adverse matters on a timely basis so that it can assist with addressing them where possible.

Council should be aware that the proposed lease will not result in the Council recovering all estimated costs for owning the facility (including depreciation expense). Based on the financial modelling provided, BFC will likely require ongoing financial and operational support from the Council.

Should you require any further information, please contact me on the details provided below.

Yours sincerely

DEAN NEWBERY



John Jovicevic

Director

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Incl. Attachment One – BFC 5 Year Financial Projection

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SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA

19 SEPTEMBER 2023

BROADVIEW COMMUNITY SPORTS HUB - ASSESSMENT

RISK ASSESSMENT PROCESS - BROADVIEW COMMUNITY & SPORTS HUB

Establishing the Context	
Risk Assessment relating to (Name event/project/issue being assessed):	Redevelopment of Broadview Oval Clubrooms - Broadview Sports & Community Hub (Yarnta Tutu yarta)
Risk Assessment Group:	Risk Assessment Workgroup - Risk/Project/Property/Finance
Risk Assessment Date:	9/11/21, updated April 2022 (Prudential). Updated June 2022 (extra financial funding). Updated August/September 2022 - Funding Model/MoU Update - Financial due diligence
Department (Responsible Directorate):	Infrastructure & Environment - now City Works & Presentation
Responsible Person/s:	Project Manager - Property, Contracted Position
Context: (considers Strategic requirements, background/history, stakeholders, expectations):	City of Prospect is redeveloping Broadview Oval's Club room facilities to continue to meet the needs of the Community. There are many aspects of this significant project which require careful analysis and evaluation from project design & financing (including grant funding) to hand over & final activation. Budget is in the vicinity of \$4-4.5m. Updated Budget figure > \$5m

Risk Assessment Process											
NO	RISK DESCRIPTION (E.g. impact ? / Problem ?)	Risk Category	Existing Controls to mitigate identified impacts (What are the controls currently in place to reduce the risk, E.g. a Contract, procedure, policy)	Likelihood: (Risk Assessment Criteria)	Consequence (Risk Assessment Criteria)	Initial Risk Rating	Revised/further Controls to be applied: (are further controls required? Not always required if initial controls are adequate)	Likelihood (Risk Assessment Criteria)	Consequence (Risk Assessment Criteria)	Revised Risk Rating	
6	There is a risk that extraordinary inclement weather will result in delays to timeframes and milestones. Extreme Heat & winter weather (2022/23)	Environmental	~ Planned Contingencies ~ Project Milestones ~ Contractual requirements/inclusions	Possible	Minor	Low	~ Monitor & review ~ Contractor/builder relationship	Possible	Minor	Low	
1	There is a risk that there will be discrepancies between original wishes/requirements and those designed/costed for the project, leading to unanticipated budget over-run (>10%)	Financial / Infrastructure	~ Budget allocation ~ Grant funding allocation ~ Prudential review process (external) ~ Consultation with key stakeholders ~ Internal Project Lead ~ Annual Budget/LTFP	Possible	Major	High	~ Monitor & review ~ Tight procurement delivery ~ Reaction to Prudential Review (from March/April 2022) ~ Project Lead/Council to negotiate a fixed price deal (undertaken) ~ Monthly risk meeting ~ Peer review/assurance - Audit Committee - Budget/LTFP ~ Evaluation Panel - Procurement PROCESS ~ Fixed price architect ~ Extra Funding	Possible	Moderate	Medium	
7	Lack of prudent project management protocols leads to "project cost creep" that is not appropriately managed, resulting in cost blowout, including professional fees	Financial / Infrastructure	~ Project Lead ~ Project Management Milestones ~ Fixed price allocation ~ Scheduled meetings with Contractor	Unlikely	Major	High	~ Monitor & review ~ Project lead ensures formal stakeholder relationships ~ Reporting of milestones ~ Assurance - Audit Committee/Reference Group ~ Liaison with Club/s	Unlikely	Moderate	Low	
8	Risk that built scope is varied (mid construction) resulting in increased capital cost & delays	Financial / Infrastructure	~ Project Lead ~ fixed design ~ Project Management Milestones ~ Scheduled meetings with Contractor	Unlikely	Major	High	~ Monitor & review ~ Contractor/builder relationship ~ Fixed price contract ~ risk based scheduled meetings	Unlikely	Moderate	Low	
9	Risk that the overall project costs to build increase beyond budget during build/construction	Financial / Infrastructure	~ Project Lead ~ Project Management Milestones ~ Fixed price allocation ~ Scheduled meetings internally/externally - no surprises	Possible	Major	High	~ Monitor & review ~ Contractor/builder relationship ~ Fixed price contract ~ Reporting to AC & Council ~ Prudential review outcomes ~ risk based scheduled meetings	Unlikely	Major	High	
11	The overall Project budget does not include a contingency component (of at least 10%) to meet any undefined/unexpected/inflated costs	Financial / Infrastructure	~ Project Lead ~ Fixed priced contractual arrangement ~ Prudential review/advice ~ Conservative allocation	Possible	Moderate	Medium	~ Monitor & Review ~ Project Lead ~ Fixed priced contractual arrangement. Milestones monitored & reported ~ Reporting to AC/Council ~ Extra Funding provided	Possible	Moderate	Medium	
19	There is a risk that the new facility could result in an increase in running/maintenance costs (for Council) compared with the current facilities, resulting in a negative impact on the long term financial plan	Financial / Infrastructure	~ Operational Model being developed ~ Costings to be applied ~ Stakeholder consultation	Likely	Moderate	High	~ Monitor & review ~ Budget process formalised ~ Third party agreement for their responsibilities ~ Incorporated into Business Plans	Possible	Moderate	Medium	
23	"COVID"-related supply chain impacts/Cost of building materials	Financial / Infrastructure	~ Project Lead ~ Fixed price allocation ~ Scheduled meetings with Contractor	Possible	Moderate	Medium	~ Monitor & review ~ Reporting	Possible	Moderate	Medium	
25	Broadview Club unable to continue within a prudent/sustainable management model. Leads to financial loss & site being under utilised	Financial / Infrastructure	~ Continued arrangement with Club ~ Continued negotiations with Club ~ Overarching tenancy	Possible	Major	High	~ Monitor & review ~ Consultation with Council ~ Further analysis of Prudential Report ~ Financial Due Diligence (external)	Possible	Moderate	Medium	
26	Costs associated with daily ongoing operations /management of the new facility may result in a negative financial impact (Council)	Financial / Infrastructure	~ Overall budget alignment (LTFP/Annual) ~ Continued negotiations with Club	Possible	Major	High	~ Monitor & review ~ Consultation with Council ~ Further analysis of Prudential Report	Possible	Moderate	Medium	
16	There is a risk that key project stakeholders leave the project, or are absent during critical periods of the project, resulting in delays in project delivery and reporting	People	~ Project Framework implemented ~ Project Lead role ~ Project milestones defined ~ Contractual/third party arrangements formalised ~ Record keeping as per Council conventions	Possible	Moderate	Medium	~ Monitor & review ~ Project Lead Role is defined & documented ~ Stand alone Project Management protocols formalised ~ Contract Terms ~ Risk Register	Possible	Moderate	Medium	
2	There is a risk that the design for the new facility does not meet planning/regulatory requirements, resulting in delays in achieving development approval (or negative community sentiment if approved)	Regulatory / Policy / Strategy	~ Internal Project Lead ~ Planning/Regulatory requirements implemented ~ External Consultancy	Unlikely	Moderate	Low	~ Monitor & review ~ Project Lead to consult with stakeholders ~ Formal notification of approval/requirements	Unlikely	Moderate	Low	

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SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA

19 SEPTEMBER 2023

BROADVIEW COMMUNITY SPORTS HUB - ASSESSMENT

Risk Assessment Process										
10	No Business Case process for the project has been developed. Prudential requirements are not met.	Regulatory / Policy / Strategy	<ul style="list-style-type: none">~ Project Lead~ Ongoing Community engagement/consultation (2015 -)~ Grant Allocation process. Provided to Government~ Grant Conditions aligned to project design/build~ Prudential Review	Possible	Major	High	<ul style="list-style-type: none">~ Monitor & review~ History of information from 2015 (conceptual)~ Report Grant Conditions met (extension approved)	Possible	Moderate	Medium
15	Inability to fulfil Grant Application requirements leading to funding being delayed or withdrawn. Continue to monitor	Regulatory / Policy / Strategy	<ul style="list-style-type: none">~ Grant Funding approval - criteria met~ Project Lead/ELT Reporting~ Milestones fulfilled - quarterly reporting~ Grant Criteria (original concepts)?~ Managing new political environment	Possible	Major	High	<ul style="list-style-type: none">~ Monitor & review~ Project milestones committed to Grant Application criteria~ Reporting/assurance~ Local/State Government relationship~ Timeframe change by August - Planning consent to be lodged shortly	Possible	Moderate	Medium
18	There is a risk that a future operational (model) is not considered, consulted and understood by all stakeholders (third party arrangements)	Regulatory / Policy / Strategy	<ul style="list-style-type: none">~ Consultation with Third Party users~ Operational model defined & accepted during consultation~ Stakeholder agreement/acceptance	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Model defined & finalised by agreement~ Third Party agree to future model~ Reporting to Council	Possible	Minor	Low
20	There is a risk that procurement and contract management protocols do not meet internal (or general) requirements	Regulatory / Policy / Strategy	<ul style="list-style-type: none">~ Adherence with Procurement Framework~ Contractual arrangements defined & formalised~ Conditions met	Unlikely	Moderate	Low	<ul style="list-style-type: none">~ Monitor & review~ Ensure procurement milestones are documented~ Reporting to Council/Audit Committee	Unlikely	Moderate	Low
22	Communication protocol (to relevant stakeholders) inappropriate or ineffective	Regulatory / Policy / Strategy	<ul style="list-style-type: none">~ Project Framework implemented~ Project milestones defined- reporting process to Council/Audit Committee~ Social Media/Internet updates. Community Hub	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Management of Community Hub~ Reporting	Possible	Moderate	Medium
24	A significant tree at car park location adjacent to development area – risk exposure that structural root zone/tree protection zone may impact location of building, or requires engineering building around root zone. COST IMPACT	Regulatory / Policy / Strategy	<ul style="list-style-type: none">~ Review and then engage with Architect and arborist to develop proposal which will be included as part of development application~ Engage with Development Services regarding regulatory options	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Consultation with Council~ Further analysis of Arborist Report	Possible	Moderate	Medium
3	There is a risk that the findings from a community engagement process are misunderstood or not reflected within the final design and layout of the facility, resulting in significant community dissatisfaction	Reputation / Political	<ul style="list-style-type: none">~ Project Lead~ Consultation process defined & formally implemented~ Public Workshops~ Council reporting	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Engagement Hub developed for information access~ Continued reporting mechanisms~ Ensure stakeholder feedback is considered	Possible	Moderate	Medium
5	There is a risk that the Council could change the direction or scope of the project, resulting in delays in the delivery of the new facility	Reputation / Political	<ul style="list-style-type: none">~ Project Lead~ Contractual arrangements~ Project Milestones/Framework	Possible	Major	High	<ul style="list-style-type: none">~ Monitor & review~ Full transparency of design/concepts~ Financial Reporting~ Outcomes of Prudential review/Risk Register~ Feedback from PRG/CRG	Possible	Moderate	Medium
13	There is a risk that an inappropriate or inadequate Community and Stakeholder consultation process is undertaken, resulting in a lack of engagement and understanding as well as potential community dissatisfaction	Reputation / Political	<ul style="list-style-type: none">~ Project Lead~ Consultation process/Relationship networking~ Public Workshops~ Council reporting	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Community Hub - Virtual~ Reporting protocol~ Continued stakeholder information dissemination	Unlikely	Minor	Low
14	There is a risk that the new facility will not be suitable for the delivery of programs, services and functions as described in the Community Plan, resulting in an inability to efficiently achieve Council's long term objectives	Reputation / Political	<ul style="list-style-type: none">~ Community consultation~ Align to Community Plan objectives~ Reporting against financial/LTFP	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Community Hub - Virtual~ Reporting protocol~ Continued stakeholder information dissemination~ Future model alignment	Possible	Moderate	Medium
4	There is a risk that contractors engaged to undertake work on the delivery of the project components do not achieve the required objectives of the physical build & functionality	Services / Project	<ul style="list-style-type: none">~ Project Lead~ Project Management Milestones~ Scheduled meetings with Contractor	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Project lead ensures formal stakeholder relationships~ Reporting of milestones~ Assurance - Audit Committee/Reference Group	Possible	Moderate	Medium
12	A lack of an internal formal project management protocol able to be deployed to manage construction delivery/financial/handover milestones	Services / Project	<ul style="list-style-type: none">~ Project Lead~ Internal Project Management Framework deployed~ Internal/external reporting~ Project milestones defined	Unlikely	Moderate	Low	<ul style="list-style-type: none">~ Monitor & review~ Reporting to key Stakeholders~ Delivery/handover component to Project	Unlikely	Moderate	Low
17	There is a risk that a lack of clear definition of the Project Scope and Milestones could result in various project "creep" (in time, cost or quality)	Services / Project	<ul style="list-style-type: none">~ Project Framework implemented~ Clear scope~ Project milestones defined~ Reporting process to Council/Audit Committee~ Record keeping as per Council conventions	Possible	Major	High	<ul style="list-style-type: none">~ Monitor & review~ Reporting Project Milestones (formal)~ Council/Audit Committee feedback~ Costs managed against original scope	Possible	Moderate	Medium
21	There is a risk that transitional arrangements with current users (Clubs) are inappropriate resulting in sporting interruptions &/or financial hardship	Services / Project	<ul style="list-style-type: none">~ Project Framework implemented~ Clear scope for build timing~ Project milestones defined~ Timing & transition requirements defined	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Continued liaison between Project Lead & Clubs~ Minutes of meetings recorded	Possible	Minor	Low
27	Poor contract documentation leads to increased costs	Services / Project	<ul style="list-style-type: none">~ Internal Contract protocols~ Contractor agreements deployed~ Project Milestones implemented	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Reporting Project Milestones (formal)~ Contract managed against original scope~ Monitor outgoings - liaison with Cost Manager reports	Possible	Moderate	Medium
28	Interest rates increase higher than that forecast in the draft LTFP	Services / Project	<ul style="list-style-type: none">~ Cash advance debenture facility~ LTFP & Budget process~ Forecast process	Possible	Moderate	Medium	<ul style="list-style-type: none">~ Monitor & review~ Continued liaison between Project Lead & ELT/Finance/Council~ Council introduction of Interest Ratio with target ranges	Possible	Moderate	Medium
29	Council is unable to construct the facilities for the current \$4m budget	Services / Project	<ul style="list-style-type: none">~ Budget increase (Council resolution)~ Additional floor plan endorsed	Possible	Major	High	<ul style="list-style-type: none">~ Monitor & review~ Continued liaison between Project Lead & ELT/Finance/Council~ Cost Manager Reporting	Possible	Moderate	Medium
30	The \$4m budget may create pressure on construction standards	Services / Project	<ul style="list-style-type: none">~ Budget increase (Council resolution)~ Additional floor plan endorsed~ Contingency allocation	Possible	Major	High	<ul style="list-style-type: none">~ Monitor & review~ Continued liaison between Project Lead & ELT/Finance/Council~ Cost Manager Reporting	Possible	Moderate	Medium
31	Grant funding agreement may be revoked or reduced should the stipulated outcomes of the grant approval not be delivered.	Services / Project	<ul style="list-style-type: none">~ Ensure Grant conditions are met~ Liaison with Office of Rec/Sport	Possible	Major	High	<ul style="list-style-type: none">~ Monitor & review~ Continued liaison between Project Lead & ORSR~ Monitor Grant Conditions	Possible	Moderate	Medium

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SPECIAL AUDIT & RISK COMMITTEE MEETING AGENDA

19 SEPTEMBER 2023

BROADVIEW COMMUNITY SPORTS HUB - ASSESSMENT

Risk Assessment Process										
32	Competitive tender process exceeds the project budget	Services / Project	~ Consideration of value management options ~ Procurement/tender protocols	Possible	Moderate	Medium	~ Monitor & Review outcomes of procurement process ~ Consideration of value management options ~ Procurement/tender protocols followed	Possible	Moderate	Medium
33	Council is unable to secure a contractor to deliver the project in a timely manner resulting in adverse impact to Council and the Broadview Football Club	Services / Project	~ Project Management Framework ~ Tender protocol conditions to mitigate risk	Possible	Major	High	~ Monitor & Review outcomes of procurement process ~ Tender to provide construction programme to form part of contract agreement ~ Tender evaluation criterion	Possible	Moderate	Medium
34	Council is unable to complete the project within the timeframes required by the grant	Services / Project	~ Project Management Framework ~ Mechanism to lodge and application to vary timeframes of Grant milestones ~ Monitor with stakeholders	Possible	Major	High	~ Monitor & review ~ Continued liaison between Project Lead & Stakeholders ~ Reporting methodology	Possible	Moderate	Medium
35	Potential future impact of COVID-19 on club operations and capacities	Services / Project	~ Monitor with Government/Health Guidelines	Possible	Moderate	Medium	~ Monitor & review ~ Continued liaison between Project Lead & Stakeholders ~ Reporting methodology	Possible	Minor	Low
36	unforeseen site contamination or service utility relocation issues	Services / Project	~ Independent soil & environmental testing ~ Site identification survey to identify underground service	Possible	Moderate	Medium	~ Monitor & review ~ Continued consideration of remediation requirements ~ Reporting methodology	Possible	Minor	Low
37	Broadview Football Club is unable to manage the facility which results in financial loss to the Council	Services / Project	~ MoU to monitor any issues ~ Independent Due Diligence process ~ Overseen by Independent Working Group	Possible	Moderate	Medium	~ Monitor & review ~ Recommendation of Due Diligence Report ~ Liaison with Project Lead/Working Group	Possible	Minor	Low

**PROPOSED LEASE TO BROADVIEW FOOTBALL CLUB INC****TERM SHEET****1. PREMISES**

- Lease of building (excluding public access toilet)
- Non-exclusive licence of Broadview Oval

2. TERM

- Initial term of five years commencing on completion/handover of the building
- No automatic right of renewal, but option to negotiate with Council as to extension/new lease, with negotiations to commence no later than six months before the expiry of the initial term

3. RENT

- Base Rent of \$7,441.46 (exclusive of GST) per annum (consistent with current rent at existing facility), payable annually in arrears on each 30 June
- Annual review of Base Rent to CPI on each 1 July
- Turnover Rent payable on 30 June starting in the second year of the term and then on each 30 June, calculated as 2.5% of Lessee's Sales for the previous 1 April to 31 March

4. OUTGOINGS AND UTILITIES

- Rent inclusive of Outgoings and Rates and Taxes (no obligation for Lessee to pay)
- Lessee to pay all utilities

5. PERMITTED USE

- Clubrooms and changerooms for sporting and community clubs;
- Kitchen, bar, kiosk, commercial restaurant/cafe but excluding provision of commercial gambling facilities (including but not limited to poker machines) unless approved by the Lessor in writing;
- Community use by third parties for meetings, gatherings or functions; and
- Commercial gymnasium

6. MAINTENANCE AND REPAIR

- Lessee to have obligation for day-to-day maintenance, repair and cleaning for the Premises

YXM/YXM/14122-512076/2498872





- Lessee responsible for maintenance and repair (including capital and structural) for Lessee's equipment (including fit out)
- Council generally responsible for capital and structural maintenance and replacement for building, as well as safety systems (except as required due to default by Lessee including failure to maintain)
- Specific maintenance obligations set out in maintenance table attached at Annexure B

7. **INSURANCE**

- Lessee to insure Lessee's equipment (including fit out) and take out public liability insurance
- Council responsible for building insurance

8. **COMPLIANCE**

Lessee to comply with all laws, including conditions of development approval and liquor licence

9. **DEALINGS WITH PREMISES AND LEASE**

- Lessee required to grant licences/sublicences to The Prospect District Cricket Club Inc and Walkerville Cricket Club Inc (for use of oval and changerooms) on terms approved by Council
- Lessee may grant other subleases/licences of the Premises (but not the Oval) with Council's prior consent and on terms approved by Council
- Lessee permitted to enter into casual or one-off hire arrangements (i.e. events and community use) consistent with the Permitted Use without Council's consent
- All hire arrangements are to be appropriately documented and the Lessee will remain responsible for the Premises and all acts of sublessees/licensees

10. **KEY PERFORMANCE INDICATORS**

- The Lessee has various qualitative and quantitative KPIs that must be complied with, including governance requirements, compliance with a Code of Conduct to be adopted and in the management of the Premises
- Material, repeated, regular and/or persistent failures to meet the KPIs will be a breach of the lease, allowing Council to give notice of the breach requiring it to be rectified and ultimately, to terminate the lease if it is not
- The parties are required to meet every six months to discuss operation of the Premises

YXM/YXM/14122-512076/2498872



**PROPOSED LEASE TO BROADVIEW FOOTBALL CLUB INC****TERM SHEET****1. PREMISES**

- Lease of building (excluding public access toilet)
- Non-exclusive licence of Broadview Oval

2. TERM

- Initial term of five years commencing on completion/handover of the building
- No automatic right of renewal, but option to negotiate with Council as to extension/new lease, with negotiations to commence within three years of the commencement date with the parties having a good faith intention of the Lessee being granted longer term tenure.

3. RENT

- Base Rent of \$7,441.46 (exclusive of GST) per annum (consistent with current rent at existing facility), payable annually in arrears on each 30 June
- Annual review of Base Rent to CPI on each 1 July
- Turnover Rent payable on 30 June starting in the second year of the term and then on each 30 June, calculated as 50% of the Lessee's Net Profit from the previous 1 April to 31 March up to a Net Profit ceiling up to and including \$20,000, with Turnover Rent of 10% payable on any Net Profit exceeding \$20,000 (uncapped)

4. OUTGOINGS AND UTILITIES

- Rent inclusive of Outgoings and Rates and Taxes (no obligation for Lessee to pay)
- Lessee to pay all utilities

5. PERMITTED USE

- Clubrooms and changerooms for sporting and community clubs;
- Kitchen, bar, kiosk, commercial restaurant/cafe but excluding provision of commercial gambling facilities (including but not limited to poker machines) unless approved by the Lessor in writing;
- Community use by third parties for meetings, gatherings or functions; and
- Commercial gymnasium



6. MAINTENANCE AND REPAIR

- Lessee to have obligation for day-to-day maintenance, repair and cleaning for the Premises
- Lessee responsible for maintenance and repair (including capital and structural) for Lessee's equipment (including fit out)
- Council generally responsible for capital and structural maintenance and replacement for building, as well as safety systems (except as required due to default by Lessee including failure to maintain)
- Specific maintenance obligations set out in maintenance table attached to the lease at Annexure B

7. INSURANCE

- Lessee to insure Lessee's equipment (including fit out) and take out public liability insurance
- Council responsible for building insurance

8. COMPLIANCE

Lessee to comply with all laws, including conditions of development approval and liquor licence

9. DEALINGS WITH PREMISES AND LEASE

- Lessee required to grant licences/sublicences to The Prospect District Cricket Club Inc and Walkerville Cricket Club Inc (for use of oval and changerooms) on terms approved by Council (ensuring compliance with the terms of the lease)
- Lessee may grant other subleases/licences of the Premises (but not the Oval) with Council's prior consent and on terms approved by Council (ensuring compliance with the terms of the lease)
- Lessee is permitted to enter into casual or one-off hire arrangements (i.e. events and community use) consistent with the Permitted Use without Council's consent
- All hire arrangements are to be appropriately documented and the Lessee will remain responsible for the Premises and all acts of sublessees/licensees
- That portion of the Premises comprising "Function Room B" must be made available for community use at rates approve by Council from time to time

10. KEY PERFORMANCE INDICATORS

- The Lessee has various qualitative and quantitative KPIs (**refer to attached for quantitative KPIs**) that must be complied with, including governance requirements, compliance with a Code of Conduct to be adopted and in the management of the Premises



- Material, repeated, regular and/or persistent failures to meet the KPIs will be a breach of the lease, allowing Council to give notice of the breach requiring it to be rectified and ultimately, to terminate the lease if it is not
- Representatives of Council and the Lessee must meet at least every quarter to discuss operation of the Premises and the Lessee is required to report to Council on its operational and financial performance under the lease and against the KPIs at that meeting
- In addition, the Lessee must report at least annually to Council's Audit and Risk Committee on its operational and financial performance under the lease

10.3 DRAFT STRATEGIC COMMUNITY PLAN - ENDORSEMENT FOR PUBLIC ENGAGEMENT RELEASE

File Number: IC23/261

Author: Farlie Taylor, Director City Strategy, Culture & Community

Responsible Executive: Farlie Taylor, Director City Strategy, Culture & Community

EXECUTIVE SUMMARY

Pursuant to section 122 of the *Local Government Act 1999* (The Act), Council must prepare a Strategic Community Plan within two years of the general election of the council to identify the council's objectives.

The Strategic Community Plan will be Council's key strategic planning document that sets out its vision and objectives for the next four to ten years, setting a desired future for the community, as well as the City of Prospect's goals and priorities.

In essence, the Strategic Community Plan will identify the core strategies Council intends to undertake to achieve its objectives.

Council set out a tight, but achievable timeframe to have the Strategic Community Plan adopted by November 2023.

In January 2023 Council endorsed the Community Engagement Plan, which outlined a comprehensive journey to develop the Draft Plan through:

- seeking community's ideas and feedback at key marquee events, pop-up installations and engaging local business (February and March 2023);
- results from Council's Residential Satisfaction Survey (Council workshop May 2023)
- a strategic planning weekend for Council Members to map out priorities and 'pitch' future ideas, eventually determining their top four priorities (May 2023);
- three focus groups with general community, local businesses and local youth (July 2023);
- two Council Workshops (August and September 2023);
- activation of City of Prospect's Engagement Hub (from February 2023);
- key article in the Your Prospect Magazine (May 2023); and
- continued promotion through social media and communication channels.

Overwhelming feedback from the community through a variety of engagement processes, highlighted the following priorities:

- Focus on environmental sustainability;
- Commitment to ongoing quality infrastructure (maintenance and new);
- Community programming; and
- Heritage and character protection.

Utilising all the collected data, Council analysed the information at their strategic planning weekend in May 2023, and subsequently identified four key pillars to which the Strategic Community Plan could be built around:

- Community Value
- Environmental Sustainability
- Quality Infrastructure
- Funding our Future

In August 2023, Council again workshopped the four key pillars and associated draft strategies to ensure the engagement results from the targeted focus groups were addressed and incorporated.

Minor feedback was provided, subsequently tweaks were provided to Council for its September 2023 Workshop.

Feedback from Council's September 2023 Workshop was incorporated into the Draft Plan, which reflects:

- An amended graphic design style
- Incorporating a Top 4 priorities as the hero piece of the Draft Plan.

Council Member feedback has been incorporated into the Draft Strategic Community Plan, with two design options provided for endorsement.

Once a Draft Plan is endorsed, it will undertake a four week comprehensive community engagement process, with feedback provided to Council Members via a workshop.

RECOMMENDATION

That Council:

1. **Having considered Item 10.3 Draft Strategic Community Plan - Endorsement for Public Engagement Release receives and notes the report.**
2. **Having considered Item 10.3 Draft Strategic Community Plan - Endorsement for Public Engagement Release, endorses Option X to be released for community engagement.**

DISCUSSION

Roadmap of engagement to date and next steps:



The City of Prospect prides itself on thorough community engagement practices. To ensure a comprehensive engagement journey is undertaken both through the development of the Strategic Community Plan and as part of a Draft Plan's promotion. A variety of push and pull engagement mechanisms were carried out as part of Phase 1 and Phase 2 to collect community feedback, ideas, emerging trends and statistics.

The table below outlines community engagement and planning to date:

Community engagement and planning Phase 1:		
Commence community input Capture blue sky ideas and feedback	<ul style="list-style-type: none"> • Associated communication campaign commences (website, socials, flyers, posters). • Pop up stall at Twilight Festival & Fringe event evenings • Installation (eg: post-it note wall, graffiti wall) at Payinthe & Nailsworth and local markets • Activate Prospect Engagement Hub • Community groups engaged (both internal and external) • Local businesses engaged 	February / March 2023 Feedback open to all community members (non-representative engagement). 4 weeks

2022 Residents Survey Results Workshop	<ul style="list-style-type: none"> Results presented to Elected Members and key focus areas, reflected in the 2022 residents survey results data. 	4 April 2023
Elected Member Strategic Planning Weekend	<ul style="list-style-type: none"> Weekend Planning held to set Strategic Framework, Vision, Principles and initial Goals. 	20 – 21 May 2023
Drafting of Strategic Community Plan outline / framework	<ul style="list-style-type: none"> Consideration of regional, State and national strategies. Finalising Draft key areas of the Strategic Community Plan framework, vision, themes and goals. 	During June 2023
Community Engagement on Key Objectives and Topics Phase 2:		
Community engagement <i>(bringing the community along a journey on the development of the vision, themes and objectives).</i>	<ul style="list-style-type: none"> Targeted engagement on draft themes, goals and principles and how they resonate with the community (groups, businesses, youth). <ul style="list-style-type: none"> For example: Focus Groups, workshops. Survey or online pole Article in Your Prospect Magazine. 	June / July 2023 (2-3 weeks)
Elected Member Workshop	<ul style="list-style-type: none"> Elected Member workshop to discuss Draft Strategic Community Plan prior to Council report seeking endorsement. Presentation on targeted community engagement initial results. 	1 August 2023
Council Report on draft Strategic Community Plan Update	<ul style="list-style-type: none"> Council report for Information, on update of results from Phase 1 and 2 community consultation. Drafting of actual Draft Strategic Community Plan commences. 	22 August 2023
Community Engagement on Draft Strategic Community Plan Phase 3:		
Drafting of Draft Strategic Community Plan	<ul style="list-style-type: none"> Drafting of Plan and potential additional Council Workshop??? 	Aug – Sept
Graphic Design Work on plan	<ul style="list-style-type: none"> Time needed for the Draft Plan to be graphic designed and styled. 	Aug – Sept
Community Engagement commences with key community groups	<ul style="list-style-type: none"> Discussions to be held with key community groups on Council's mailing list. Payinthe Kumangka Steering Group Community Access and Inclusion Group Prospect Engagement Hub activated through Your Prospect Magazine article and socials promotion. 	Aug – Sept
Council Workshop on Draft Plan	<ul style="list-style-type: none"> Presentation to EM's on drafted plan (including one pager from Graphic Design) in prep for Public Release. 	12 September

Report to Council for Public Release of Draft Strategic Plan.	<ul style="list-style-type: none"> Draft report for decision to Council on the Draft Strategic Plan outlining community engagement process. 	26 September
Community Engagement campaign kicks off	<ul style="list-style-type: none"> Community Engagement campaign gets underway, for four weeks. 	Late September
Council Workshop on Engagement feedback	<ul style="list-style-type: none"> Presentation to EM's on engagement feedback and potentially amended plan. 	14 October 2023
Final Strategic Community Plan consideration	<ul style="list-style-type: none"> Council Report and Final Plan for Council's consideration and potential adoption 	

September Workshop Updates

Best intentions to incorporate Council Member feedback and balance all aspirations has been undertaken, with amendments to the Draft Strategic Community Plan including:

- Top 4 priorities have been included;
- The Draft Plan has been shortened;
- Two alternative designs have been developed for discussion;
- Increased hero photos of Prospect (including cultural heritage and diversity and Village Heart); and
- Keep 'what we heard from our community' as a key highlight.

To foster Council Member discussion two designs have been provided, which reflects the workshop feedback.

Community Engagement process:

The community engagement process will commence as soon as the Draft Plan is endorsed.

A four-week community engagement campaign was presented to Council Members by URPS at the Council workshop on 12 September 2023. Feedback from the workshop highlighted a greater engagement with schools would be preferred. This will be incorporated through the community engagement campaign. Other community engagement highlights included:

- Building community buy in for the Plan;
- Shape a story / journey so far for the community;
- Focus on breadth with a focus on accessibility and inclusivity;
- Want to hear from residents, businesses and visitors;
- Whole of City approach – get to where the community is; and
- Incorporate local events and community group programming.

Should Council endorse a Draft Plan for consultation, the project is on track to provide a final Plan for consideration at the November 2023 meeting.

Concept Design:

Option 1 = Concept 2 – photo focused

Option 2 = Concept 3 – playful option

ATTACHMENTS

1. **Concept 2 - Draft Strategic Community Plan** [!\[\]\(3292f5442e3b4027aa0bb60988f9fc82_img.jpg\)](#) 
2. **Concept 3 - Draft Strategic Community Plan** [!\[\]\(655843b308847eeb6852edac6d504d04_img.jpg\)](#) 



CREATING
COMMUNITIES

2023-2027



DRAFT STRATEGIC
COMMUNITY PLAN



ACKNOWLEDGEMENT OF COUNTRY

City of Prospect acknowledges that we are on the traditional country of the Kurna 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 Kurna people living today.

MESSAGE FROM OUR MAYOR

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Matt Larwood, Mayor

TOP 4
PRIORITIES

As your Elected Member body,
we are committed to prioritising
our community’s feedback.

In our ongoing commitment to serve you, Council has identified Top 4 priorities, each designed to shape the future for our residents, businesses and community. This Top 4 represents the foundation of our strategic efforts and we invite you to join us to continue to create our community.



ADDRESS TRAFFIC
AND PARKING

Council has committed to developing an Integrated Traffic Management Plan, which will start to address key parking and traffic challenges which face the City of Prospect.

We want our community to live local and, subsequently we are prioritising the delivery an Integrated Transport Plan (ITP), that meets future needs whilst preserving Prospect’s unique character. Our transport network plays a crucial role in enhancing Prospect’s liveability and resilience to challenges.

The ITP will provide guidance for transport planning, programs, operations and advocacy. Including an analysis of travel patterns, addressing transport challenges and considering community aspirations.

The ITP aims to explore innovative technologies, walkable, neighbourhoods, cycling networks and integrated public transport. Enchaining accessibility, child-friendly street designs, sustainability and heritage considerations.



SUPPORT GOOD
PLANNING OUTCOMES

City of Prospect is committed to supporting sustainable planning outcomes.

We have a focus on promoting heritage preservation, high-quality and environmentally sustainable building design, and amenity in facilities such as parking and waste management. This priority plays a vital role in preserving and enhancing Prospect’s identity, history and sense of community. Council has resolved to undertake a series of actions in coming years to deliver on this commitment, which includes:

- 1 Preparing and Delivering an Historic Thematic Analysis for the City;
- 2 Supporting ongoing advocacy around future state-level strategic planning and code amendments that support Council’s planning goals, and in particular, through effective advocacy into the upcoming revisions to the Greater Adelaide Regional Plan;
- 3 Leading an amendment to the Planning and Design Code to see Representative Buildings recognised throughout all Historic Areas in the City;
- 4 Surveying our City with the intent to identify additional Heritage Areas and Places for the purpose of increasing the number of buildings with heritage protections; and
- 5 Leading an amendment to the Planning and Design Code to put Local Heritage protections into place for the identified Heritage Areas and Places.



PROSPECT OVAL PRECINCT

City of Prospect has taken a clear position to invest in the community’s future, through purchasing a piece of strategic land adjacent Prospect Oval.

This bold decision demonstrates Council's future vision to not only create a world class sporting precinct, but to invest in building improved community facilities, improving connectivity across the City, and building a place of belonging.

- Over the next four years Council will:
- 1 Commit funding to design the lighting upgrade to AFL standard and future broadcasting of domestic cricket matches nationally;
 - 2 Commercially lease the site whilst planning is underway;
 - 3 Investigate innovative ways to fund the redevelopment to reduce the impact on rate payers;
 - 4 Develop a Masterplan for the site, mapping the sites priorities; and
 - 5 Importantly, engage our community on the future of this site.

CHURCHILL ROAD DRAINAGE PROJECT

The City of Prospect places community safety and wellbeing as its number one priority and therefore continues to fund and advocate for flood mitigation actions for its community.

Churchill Road has a history of flood inundation of surrounding residential and commercial properties, with past flooding hitting hardest in the vicinity of Charles Street and Princess Street.

Council is committed to advocating for action through (together with both State and Federal Governments) funding \$4.7m towards the Churchill Road Drainage Upgrade (Stage 1) project.

Stage 1 represents just the first step in addressing flooding risks in the western part of Prospect, with more than \$10million in additional funding committed to further works across the next 10 years. However, completing all necessary works will require significant and ongoing support from both State and Federal Governments in the long term.

This project is Council's priority to be implemented, due to:

- 1 Its potential to enable future upstream connections to the new outfall drain in a staged approach to further reduce flood risk to the area, as the most complex section of the network.
- 2 The upgraded trunk/ outfall drain will also provide some early benefits by assisting the localised trapped low point on Charles Street to drain more freely and effectively.





OUR PRINCIPLES

Council’s guiding Principles, will drive the delivery of our Community Plan, creating a valuable integrated across all levels of Council including Council Members, employees and our community.



CONTEXT

The Plan

The Draft Strategic Community Plan sets out the City of Prospect’s vision and strategic directions, as well as outline the community’s aspirations for the future. It sets out our long-term goals, priorities, and the measures we will use to monitor our success.

THE DELIVERY

The Plan will be delivered through a partnership approach between Council Members, employees and our community, creating a shared journey, which is vital for the Plan to succeed.



COMMUNITY VALUE

Empowering a thriving, engaging and welcoming City

Creating community value fosters trust, civic engagement and a thriving culture. City of Prospect drives transparent strategy and decisions to deliver a sense of ownership, empowerment and connection.

Empowering our future through:

- A vibrant community culture
- A safe, welcoming and accessible City
- Community capacity, connection and value
- Open and transparent communication
- Celebrating cultural heritage and diversity.

How will Council achieve this over ten years?

- Foster communities of practice to share knowledge amongst residents and our community
- Facilitate and support high quality community events, which align with City of Prospect's vision
- Create two-way communication channels for all residents
- Encourage lifelong connection through volunteering, learning and participation
- Support, promote and lead reconciliation
- Create community value through equitable opportunities
- Embrace and celebrate Council's diverse cultures
- Incorporate data-based decision making to complement community responses.

What we heard from our community

Opportunities to participate

Community support

Safety is paramount

Be visible – communicate

Involve local businesses

What success looks like

- An increase in community driven initiatives.
- The community feels safe, supported and engaged.
- Increase in community participation throughout the City.
- An increase in community confidence with Council decision making.



QUALITY INFRASTRUCTURE

Building a sustainable connected City

Quality infrastructure is the foundation for a thriving community, creating spaces for all generations to connect, work and play.

Building our future through:

- City wide focus
- Quality public realm
- Celebrate the City's built heritage
- Spaces for our community to gather
- Fit for purpose community infrastructure

How will Council achieve this over the next ten years?

- Maximising community value for community assets
- Responsible Urban Corridor design and development
- Pursue integrated transport planning across the City
- Research heritage value to inform possible statutory options
- Pursue regulatory options to facilitate environmental sustainability on all new homes and development
- Upgrading open space through quality design and adaptive re-use
- Develop partnerships to foster quality development through government relationships and private ventures.

What we heard from our community

Improve car parking and traffic

Vital to have spaces connect

Be innovative

Connectivity across the City

Focus on core functions

Encourage sustainable development alongside heritage advocacy

What success looks like

- Easily accessible and appropriate public services.
- Community spaces are well utilised and valued.
- Increased community satisfaction around roads, footpaths and connectivity.
- Development considers heritage values.



SUSTAINABILITY

Actively protecting and nurturing our environment

Prioritising sustainability to foster environmental stewardship and a resilient urban community.

Protecting our future through:

- A sustainable urban environment
- Educating and empowering the community to adopt best practice environmental stewardship
- Innovative sustainable waste management
- Resilience to climate change

How will Council achieve this over the next ten years?

- Facilitate support for community groups championing sustainability
- Pursue regulatory change to increase minimum sustainability outcomes
- Investigate carbon reduction opportunities across the City
- Pursue sustainability initiatives which could be directly actioned by Council
- Increase sustainable environmental opportunities for community and business to participate in
- Partner to leverage capacity to deliver key climate change mitigation actions

What we heard from our community

Environmental Stewardship is important

Empower and educate

Trees play a central role

What success looks like

- Increase waste diverted from landfill.
- Quality open space is valued and maintained.
- An increase in sustainability outcomes.
- Increased community participation in environmental programs.

FUNDING OUR FUTURE

Future focused, for the next generation

By diversifying revenue sources, Council can reduce the burden on residents by generating economic growth and attracting investment, to fund our future.

Funding our future through:

- Thriving urban environment
- Sustainable financial focus
- Business friendly culture
- Efficient and effective administration

How will Council achieve this over the next ten years?

- Facilitate City wide business support
- Create incentives for growth and development
- Investigate alternate revenue options and cost mitigation to reduce reliance on residential rates
- Develop partnerships to foster quality investment and development through government relationships and private ventures
- Foster imagination, research and collaboration to create innovative ideas
- Consider alternative non-traditional income streams
- Continuous improvement across all corporate functions

What we heard from our community

Acknowledge the role of businesses in the community.

City wide focus

Precinct promotion

Appropriate development

What success looks like

- Our City attracts investment and grows.
- City of Prospect is recognised as easy to do business with.
- Our community is satisfied with its prosperity.
- Our community is satisfied with Council services.



2023 Draft Strategic
2027 Community Plan

CREATING COMMUNITIES





Acknowledgement of Country

City of Prospect acknowledges that we are on the traditional country of the Kurna 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 Kurna people living today.



Mayor's message

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Matt Larwood
Mayor



Top 4 priorities

As your Elected Member body, we are committed to prioritising our community’s feedback. In our ongoing commitment to serve you, Council has identified Top 4 priorities, each designed to shape the future for our residents, businesses and community. This Top 4 represents the foundation of our strategic efforts and we invite you to join us to continue to create our community.

Address Traffic and Parking

Council has committed to developing an Integrated Traffic Management Plan, which will start to address key parking and traffic challenges which face the City of Prospect.

We want our community to live local and, subsequently we are prioritising the delivery an Integrated Transport Plan (ITP), that meets future needs whilst preserving Prospect’s unique character. Our transport network plays a crucial role in enhancing Prospect’s liveability and resilience to challenges.

The ITP will provide guidance for transport planning, programs, operations and advocacy. Including an analysis of travel patterns, addressing transport challenges and considering community aspirations.

The ITP aims to explore innovative technologies, walkable, neighbourhoods, cycling networks and integrated public transport. Enchainning accessibility, child-friendly street designs, sustainability and heritage considerations.

Support Good Planning Outcomes

City of Prospect is committed to supporting sustainable planning outcomes.

We have a focus on promoting heritage preservation, high-quality and environmentally sustainable building design, and amenity in facilities such as parking and waste management. This priority plays a vital role in preserving and enhancing Prospect’s identity, history and sense of community. Council has resolved to undertake a series of actions in coming years to deliver on this commitment, which includes:

1. Preparing and Delivering an Historic Thematic Analysis for the City;
2. Supporting ongoing advocacy around future state-level strategic planning and code amendments that support Council’s planning goals, and in particular, through effective advocacy into the upcoming revisions to the Greater Adelaide Regional Plan;
3. Leading an amendment to the Planning and Design Code to see Representative Buildings recognised throughout all Historic Areas in the City;
4. Surveying our City with the intent to identify additional Heritage Areas and Places for the purpose of increasing the number of buildings with heritage protections; and
5. Leading an amendment to the Planning and Design Code to put Local Heritage protections into place for the identified Heritage Areas and Places.





Prospect Oval Precinct

City of Prospect has taken a clear position to invest in the community’s future, through purchasing a piece of strategic land adjacent Prospect Oval.

This bold decision demonstrates Council's future vision to not only create a world class sporting precinct, but to invest in building improved community facilities, improving connectivity across the City, and building a place of belonging.

Over the next four years Council will:

- 1. Commit funding to design the lighting upgrade to AFL standard and future broadcasting of domestic cricket matches nationally;
- 2. Commercially lease the site whilst planning is underway;
- 3. Investigate innovative ways to fund the redevelopment to reduce the impact on rate payers;
- 4. Develop a Masterplan for the site, mapping the sites priorities; and
- 5. Importantly, engage our community on the future of this site.



4 Strategic Community Plan

Churchill Road Drainage Project

The City of Prospect places community safety and wellbeing as its number one priority and therefore continues to fund and advocate for flood mitigation actions for its community.

Churchill Road has a history of flood inundation of surrounding residential and commercial properties, with past flooding hitting hardest in the vicinity of Charles Street and Princess Street.

Council is committed to advocating for action through (together with both State and Federal Governments) funding \$4.7m towards the Churchill Road Drainage Upgrade (Stage 1) project.

Stage 1 represents just the first step in addressing flooding risks in the western part of Prospect, with more than \$10 million in additional funding committed to further works across the next 10 years. However, completing all necessary works will require significant and ongoing support from both State and Federal Governments in the long term.

This project is Council's priority to be implemented, due to:

- 1. Its potential to enable future upstream connections to the new outfall drain in a staged approach to further reduce flood risk to the area, and its complexity as the most complex section of the network.
- 2. The upgraded trunk/outfall drain will also provide some early benefits by assisting the localised trapped low point on Charles Street to drain more freely and effectively.



Vision

Prospect, creating community.

Context

The Plan

The Draft Strategic Community Plan sets out the City of Prospect's vision and strategic directions, as well as outline the community's aspirations for the future. It sets out our long-term goals, priorities, and the measures we will use to monitor our success.



The Delivery

The Plan will be delivered through a partnership approach between Council Members, employees and our community, creating a shared journey, which is vital for the Plan to succeed.

Our Principles

Council's guiding Principles, will drive the delivery of our Community Plan, creating a valuable integrated across all levels of Council including Council Members, employees and our community.



Community Value

Empowering a thriving, engaging and welcoming City

Creating community value fosters trust, civic engagement and a thriving culture. City of Prospect drives transparent strategy and decisions to deliver a sense of ownership, empowerment and connection.

Empowering our future through:

- A vibrant community culture
- A safe, welcoming and accessible City
- Community capacity, connection and value
- Open and transparent communication
- Celebrating cultural heritage and diversity

How will Council achieve this over ten years?

- Foster communities of practice to share knowledge amongst residents and our community
- Facilitate and support high quality community events, which align with City of Prospect's vision
- Create two-way communication channels for all residents
- Encourage lifelong connection through volunteering, learning and participation
- Support, promote and lead reconciliation
- Create community value through equitable opportunities
- Embrace and celebrate Council's diverse cultures
- Incorporate data-based decision making to complement community responses

What we heard from our community

Opportunities to participate

Community support

Safety is paramount

Be visible – communicate

Involve local businesses

What success looks like

- An increase in community driven initiatives.
- The community feels safe, supported and engaged.
- Increase in community participation throughout the City.
- An increase in community confidence with Council decision making.

Quality Infrastructure

Building a sustainable connected City

Quality infrastructure is the foundation for a thriving community, creating spaces for all generations to connect, work and play.

Building our future through:

- City wide focus
- Quality public realm
- Celebrate the City's built heritage
- Spaces for our community to gather
- Fit for purpose community infrastructure

How will Council achieve this over the next ten years?

- Maximising community value for community assets
- Responsible Urban Corridor design and development
- Pursue integrated transport planning across the City
- Research heritage value to inform possible statutory options
- Pursue regulatory options to facilitate environmental sustainability on all new homes and development
- Upgrading open space through quality design and adaptive re-use
- Develop partnerships to foster quality development through government relationships and private ventures

What we heard from our community

Improve car parking and traffic

Vital to have spaces connect

Be innovative

Connectivity across the City

Focus on core functions

Encourage sustainable development alongside heritage advocacy

What success looks like

- Easily accessible and appropriate public services.
- Community spaces are well utilised and valued.
- Increased community satisfaction around roads, footpaths and connectivity.
- Development considers heritage values.



Sustainability

Actively protecting and nurturing our environment

Prioritising sustainability to foster environmental stewardship and a resilient urban community.

Protecting our future through:

- A sustainable urban environment
- Educating and empowering the community to adopt best practice environmental stewardship
- Innovative sustainable waste management
- Resilience to climate change

How will Council achieve this over the next ten years?

- Facilitate support for community groups championing sustainability
- Pursue regulatory change to increase minimum sustainability outcomes
- Investigate carbon reduction opportunities across the City
- Pursue sustainability initiatives which could be directly actioned by Council
- Increase sustainable environmental opportunities for community and business to participate in
- Partner to leverage capacity to deliver key climate change mitigation actions

What we heard from our community

Environmental Stewardship is important

Empower and educate

Trees play a central role

What success looks like

- Increase waste diverted from landfill.
- Quality open space is valued and maintained.
- An increase in sustainability outcomes.
- Increased community participation in environmental programs.



Funding our Future

Future focused, for the next generation

By diversifying revenue sources, Council can reduce the burden on residents by generating economic growth and attracting investment, to fund our future.

Funding our future through:

- Thriving urban environment
- Sustainable financial focus
- Business friendly culture
- Efficient and effective administration

How will Council achieve this over the next ten years?

- Facilitate City wide business support
- Create incentives for growth and development
- Investigate alternate revenue options and cost mitigation to reduce reliance on residential rates
- Develop partnerships to foster quality investment and development through government relationships and private ventures
- Foster imagination, research and collaboration to create innovative ideas
- Consider alternative non-traditional income streams
- Continuous improvement across all corporate functions

What we heard from our community

Acknowledge the role of businesses in the community.

City wide focus

Precinct promotion

Appropriate development

What success looks like

- Our City attracts investment and grows.
- City of Prospect is recognised as easy to do business with.
- Our community is satisfied with its prosperity.
- Our community is satisfied with Council services.



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 SECTION 270 REVIEWS - ANNUAL REPORT 2022/23

File Number: IC23/265

Author: Melanie Amezdroz, Corporate Support Coordinator

Responsible Executive: Ginny Moon, Director City Corporate

EXECUTIVE SUMMARY

Section 270(1) of the *Local Government Act 1999* (the Act) requires that a Council must have a procedure for the internal review of decisions of the Council, employees of the Council or other persons acting on behalf of the Council. Examples of the type of decision for which a request for review might be made include a resolution of Council, or Council endorsed objective, a decision made by the Council Administration or a budgetary matter.

The purpose of this report is to provide Council with the Annual Report of Internal Review applications as required by Section 270(8) of the Act. These will also be provided through the Annual Report document once finalised.

Section 270(8) of the Act requires that an annual report on internal review requests be provided to Council which outlines:

- the number of applications for review made under this section;
- the kinds of matters to which the applications relate;
- the outcome of the applications under this section; and
- such other matters as may be prescribed by the regulations.

From 1 July 2022 to 30 June 2023, City of Prospect received one (1) application requesting to review a decision, which is summarised in the body of this report.

RECOMMENDATION

That Council:

1. **Having considered Item 12.1 Section 270 Reviews - Annual Report 2022/23 receives and notes the report.**

DISCUSSION

Council's current '*Internal Review of Council Decisions – Policy and Procedure*' was last reviewed in May 2020 and is scheduled for review in May 2024.

An internal review, or grievance, is not to be confused with a complaint such as missed rubbish collection or a service request for a pothole to be repaired. These are handled under existing policies, procedures and protocols.

An internal review, or expression of dissatisfaction excludes matters that are not council's responsibility such as neighbourly civil disputes or where formal escalation appeal rights exist under other legislation, eg *Freedom of Information Act 1991*, *Litter, Noise and Local Nuisance Act 2016* *Planning, Development & Infrastructure Act 2016* etc.

In the 2022/2023 year, Council received one (1) application requesting to review a decision:

- received by Council in December 2022
- regarding the Broadview Community & Sports Hub
- review conducted by KelledyJones Lawyers, in accordance with Council's 'Internal Review of a Decision Policy'
- results of review presented to Council 28 March 2023
- outcome of review was original decision of Council affirmed.

Relevance to Core Strategies / Policy

- https://www.prospect.sa.gov.au/_data/assets/pdf_file/0029/103889/Internal-Review-of-Council-Decisions-Policy-Adopted-26-05-2020.pdf
- *Local Government Act 1999* (SA) Intelligent Community Indicators

6. Advocacy: Engaging leaders and citizens, businesses and institutions, in identifying opportunities to champion positive change

ATTACHMENTS

Nil

12.2 QUARTERLY PROJECTS UPDATE

File Number: IC23/244

Author: Amir Eskandari, Manager PMO & Project Delivery

Responsible Executive: Sam Dilena, Director City Works & Presentation

EXECUTIVE SUMMARY

This quarterly project update report provides an overview of the progress of Council's capital and operating projects being delivered by the City Works & Presentation team. The purpose of this report is to provide information to Council and highlight potential risks and/or issues associated with each project. The projects have been categorised into the following categories:

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

For detailed information on project budgets, expenditure, timing, and associated issues or risks, please refer to **Attachment 1**.

RECOMMENDATION

That Council:

1. Having considered Item 12.2 Quarterly Projects Update receives and notes the report.

DISCUSSION

The purpose of this report is to provide Council with updates on the current status of public realm works within the City of Prospect. These works encompass projects that are currently underway or are proposed to be undertaken, where 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:

- Transport Assets Renewal Programs
 - Footpath Renewal
 - Kerb and Gutter Renewal
 - Road Design and Reconstruction
 - Bus Shelter Upgrades (DDA Compliance)
 - Car Park Renew: Memorial Gardens & Broadview Sport Hub
 - Pedestrian Kerb Ramps

- Drainage Upgrade Projects
 - Churchill Road Drainage Upgrade - Stage 1
 - Livingstone Avenue Drainage & Reconstruction
 - SMP Stage 2 - HEP Channel Investigation and Design
 - Drainage Design/Construction
- Civil Construction projects
 - Roundabout - Howard Street and Rosetta Street
 - Islington Shared Path Upgrade
- Open Space and Streetscape Projects
 - Peppermint Gums Reserve Upgrade - Design Only
 - Percy Street Reserve Upgrade
 - RL Pash Reserve Upgrade
 - RL Pash Reserve Water Sensitive Urban Design
 - Irish Harp Reserve Upgrade
 - Mathews Reserve Upgrade - Concept and Detailed Design
 - Prospect Road South - Landscaping Improvement Design
 - St Helens Park Lighting Upgrade
 - Broadview Community & Sports Hub Landscape Upgrade
- Recreational Projects
 - Prospect Tennis Club Courts Renewal
 - Broadview Sports Ground Tennis Infrastructure Upgrade
 - Broadview Oval Community & Sports Hub Upgrade
 - Prospect Oval Lighting Design
 - Prospect Oval (Payinthe Yarta) Goal Posts Renewal
 - Prospect Oval (Payinthe Yarta) Centre Pitch Renewal
 - Sporting Fields - Subsurface Drainage Investigation & Design
- Building and Facility Management Projects
 - Charles Cane Reserve Storage Shed
 - Memorial Gardens Pavilion Renewal
 - Toilet Block Renewal (Prospect Oval)
 - Toilet Renewal Works (6 Public Toilets)
 - NAFC Chair Lift
 - St Helens Park Rotunda Upgrade
 - Nailsworth Community Shed - Stage 2
 - Council Buildings & Structures
 - Front Counter Desk Reconfiguration
- Miscellaneous and Operating Projects
 - Fleet Management - Capital Acquisitions
 - Green Tunnel Program
 - Asset Management Condition Assessment
 - Integrated Traffic Plan (ITP)
 - Waste and Diversion Trial
 - Saturated Steam Trial
 - Project Management Framework (PMF)
- External State Government Delivered Projects

Relevance to Core Strategies / Policy

- Annual Business Plan and Budget 2023/2024
- Annual Business Plan and Budget 2022/2023
- City of Prospect Open Space Strategy
- Barker Inlet Central Stormwater Management 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

2 to 5 year timeline

CC2.1 Develop a City Wide Transport and Movement Plan and complete planned upgrades in Broadview locality

CC2.2 Facilitate new bars, cafes, restaurants and other businesses which diversify our local offerings

CC2.3 Continuing to support the success of Prospect Road and its traders

CC2.4 Ensure greater recognition and support of precincts and neighbourhood gathering places such as Collinswood Precinct, Broadview Sports and Recreation Precinct / Yarnta Tutu yarta, Nailsworth Hall, Charles Cane / Parndo yerta Reserve, Howard Street precinct across the City:

► Inclusive & Diverse**2 to 5 year timeline**

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

► 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

► 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. Quarterly Projects Update** [!\[\]\(5b2763ceab768563eecb1b66eb53a3c1_img.jpg\) !\[\]\(7b5b33908d5f452b8e8631bc3826da68_img.jpg\)](#)

City Works & Presentation			Reporting Period: September 2023			
PROJECT PROGRESS						
Project	BIS 2023/24 Budget	Forecasted Completion Date	Current Stage of Progress	Status		
				Budget	Timing/ Program	Issues/ Risks
Trasnpot Assets Renewal Programs						
Footpath Renewal	\$460,048	June 2024	Construction	🟢	🟢	🟢
Kerb and Gutter Renewal	\$981,621	June 2024	Construction	🟢	🟢	🟢
Road Design and Reconstruction	\$1,526,910	June 2024	Construction	🟡	🟢	🟢
Bus Shelter Upgrades (DDA Compliance)	\$50,000	June 2024	Not Commenced	🟡	🟡	🟡
Car Park Renew: Memorial Gardens & Broadview Sport Hub	\$100,000	June 2024	Design	🟢	🟢	🟢
Design Future Projects	\$100,000	June 2024	Procurement	🟡	🟡	🟢
Pedestrian Kerb Ramps	\$28,662	June 2024	Construction	🟢	🟢	🟢
Drainage Upgrade Projects						
Churchill Road Drainage Upgrade - Stage 1	\$4,223,657	June 2025	Concept Design	🔴	🔴	🔴
Livingstone Avenue Drainage & Reconstruction	\$2,262,337	June 2025	Detailed Design	🔴	🟡	🔴
SMP Stage 2 - HEP Channel Investigation and Design	\$600,000	June 2024	Scoping	🟡	🟡	🟢
Drainage Design/Construction	\$54,900	June 2024	Investigation	🟡	🟡	🟡
Civil Construction Projects						
Roundabout - Howard Street and Rosetta Street	\$416,003	June 2024	Procurement	🟢	🟢	🟡
Islington Shared Path Upgrade - Design Only	\$43,000	June 2025	Not Commenced	🟡	🟡	🟡
Open Space and Streetscape Projects						
Peppermint Gums Reserve Upgrade - Design Only (carried forwad from 2022/23 FY)	\$33,977	December 2023	Detailed Design	🟢	🟡	🟢
Percy Street Reserve Upgrade	\$233,488	February 2024	Contract Awarded	🟢	🟢	🟡
RL Pash Reserve Upgrade	\$532,331	June 2024	Detailed Design	🟢	🟡	🟢
RL Pash Reserve Water Sensitive Urban Design	\$228,000	June 2024	Detailed Design	🟢	🟢	🟢
Irish Harp Reserve Upgrade	\$795,364	March 2024	Contract Awarded	🟢	🟢	🟢
Mathews Reserve Upgrade - Concept and Detailed Design	\$60,000	June 2024	Not Commenced	🟢	🟡	🟡
Prospect Road South - Landscaping Improvement Design	\$35,000	June 2024	Not Commenced	🟢	🟡	🟡
St Helens Park Lighting Upgrade	\$120,000	June 2024	Design	🟢	🟢	🟢
Broadview Community & Sports Hub Landscape Upgrade	\$35,000	June 2024	Design	🟢	🟢	🟢
Recreational Projects						
Prospect Tennis Club Courts Renewal	\$405,602	Subject to Grant	Detailed Design	🟡	🟢	🟡
Broadview Sports Ground Tennis Infrastructure Upgrade	\$850,000	Subject to Grant	Concept Design	🔴	🟡	🔴
Broadview Oval Community & Sports Hub Upgrade	\$2,506,705	January 2024	Construction	🟡	🟡	🟡
Prospect Oval Lighting Design	\$200,000	June 2024	Procurement	🟢	🟢	🟢
Prospect Oval (Payinthe Yarta) Goal Posts Renewal	\$100,000	December 2023	Design	🟢	🟢	🟢
Prospect Oval (Payinthe Yarta) Centre Pitch Renewal	\$75,000	December 2023	Design	🟢	🟢	🟢
Sporting Fields - Subsurface Drainage Investigation & Design	\$60,000	December 2023	Design	🟢	🟢	🟢
Building and Facility Management Projects						
Charles Cane Reserve Storage Shed - carried forward from 2022/23 FY	\$60,000	December 2023	Procurement	🟢	🟡	🟡
Memorial Gardens Pavilion Renewal - carried forward from 2022/23 FY	\$80,361	December 2023	Contract Awarded	🟢	🟡	🟡
Toilet Block Renewal (Prospect Oval) - carried forward from 2022/23 FY	\$95,000	December 2023	Contract Awarded	🟢	🟡	🟡
Toilet Renewal Works (6 Public Toilets) - carried forward from 2022/23 FY	\$128,000	December 2023	Contract Awarded	🟢	🟡	🟡
NAFC Chair Lift - carried forward from 2022/23 FY	\$42,121	June 2024	Design/ Scoping	🔴	🟡	🟡
St Helens Park Rotunda Upgrade	\$245,307	March 2024	Design/ Scoping	🟡	🟡	🟡
Nailsworth Community Shed Expansion - Stage 2	\$100,000	June 2024	Design/ Scoping	🟡	🟡	🟡
Council Buildings & Structures Includes: • Broadview Oval (Yamta Tutu Yarta) Storage Shed • Air Raid Shelter Investigations & Design • Nailsworth Hall operable wall • Bike Racks and Cage at Payinthe • Town Hall Roof Restoration.	\$340,000	June 2024	Not Commenced	🟡	🟡	🟡
Front Counter Desk Reconfiguration	\$55,000	March 2024	Procurement	🟢	🟡	🟡
Miscellaneous and Operating Projects						
Fleet Management - Capital Acquisitions	\$164,657	June 2024	Scoping	🟡	🔴	🟡
Green Tunnel Program	\$154,500	June 2024	Scoping	🟢	🟢	🟢
Asset Management Condition Assessment	\$125,000	June 2024	Commenced	🟢	🟢	🟢
Integrated Traffic Plan (ITP)	\$182,000	June 2024	Commenced	🟢	🟢	🟢
Waste and Diversion Trial	\$70,000	March 2024	Commenced	🟢	🟢	🟢
Saturated Steam Trial	\$11,000	June 2024	Commenced	🟢	🟡	🟢
Project Mangement Framework (PMF)	\$50,000	June 2024	Not Commenced	🟡	🔴	🔴
External State Government Delivered Projects						

Stages 3-4 Project
Each Rowset Template

2023-2024 Renewal Program (Transport Assets) Status Report

City Works & Presentation

Period: September 2023

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

Road Name	From	To	Side	Start:	Finish:
May St	Third Avenue	Council Boundary	Both	Oct-23	Oct-23
Edinburgh St	Beartrice St	Victoria St	Both	Aug-23	Aug-23
Moore St	Warren St	Main North Rd	Both	Sep-23	Sep-23
Redin St	King St	York St	North	Oct-23	Oct-23
Guilford Ave	Hillsdale St	Prospect Rd	Both	Oct-23	Nov-23
Updates:					Status
Budget Variations: Nil					Green
Timing/Programme: Nil					Green
Issues/Risks: Nil.					Green

Discussion:

Following an evaluation meeting, Council granted 1 year contract extension to Nova Group Services for the Footpath Constructions.

Project: Kerb and Gutter Constructions					
Road Name	From	To	Side	Start:	Finish:
Azalea Street	Braund St	Prospect Road	South	Feb-24	Mar-24
Farrant Street	Gray Street	Main North Road	South	Aug-23	Sep-23
Redin Street	Miller Street	York Street	Both	Sep-23	Oct-23
Penn Place	Main North Road	Highbury St	Both	Apr-24	May-24
Peel Street	Alpha Rd	Barker Rd	Both	Sep-23	Oct-23
Iona St	Bridges St	Galway St	Both	Oct-23	Nov-23
Miller St	Charles St	Regency Rd	Both	Sep-23	Oct-23
Elderslie Ave	Cotton St	Braund Rd	Both	Sep-23	Oct-23
Redin St	King St	York St	Both	Oct-23	Nov-23
Alabama St	Hillsdale St	Prospect Rd	Both	Sep-23	Oct-23
Iona St	Meredith St	Bridges St	Both	Oct-23	Nov-23
Richards Ln	Olive St	Staple Court	Both	Sep-23	Oct-23
Labrina Avenue	Watkins St	Prospect Rd	Both	Oct-23	Nov-23
May St	Third Avenue	Council Boundary	Both	Sep-23	Oct-23
Gordon Rd	Prospect St	Gray St	Both	Feb-24	Mar-24
Azalea Street	Braund Road	Prospect Road	North	Mar-24	Apr-24
Le Hunte Ave	Braund Rd	Prospect Rd	Both	Mar-24	Apr-24
Updates:					Status
Budget Variations:					Amber
Timing/Programme:					Green
Nil.					
Issues/Risks:					Green
Nil.					
Discussion:					
Following an evaluation meeting, Council granted 1 year contract extension to Allied Kerbing and Concrete for the Kerbing Constructions.					

Project: Road Design/Reconstruction					
Road Name	From	To	Side	Start:	Finish:
Farrant Street	Gray Street	Main North road		TBC	TBC
Eaton Avenue	Livingstone Avenue	Council Boundary		TBC	TBC
Farrant Street	Prospect Road	Gray Street		TBC	TBC
Azalea Street	Braund Road	Prospect Road		TBC	TBC
Devonport Terrace	Allan St	Elizabeth St		TBC	TBC
Braund Rd	Gladstone Rd	Bosanquet Ave		TBC	TBC
Newbon St	Currie St	D'Erlanger St		TBC	TBC
St Peter Place	De costa Ave	College Ave		TBC	TBC
Le Cornu St	Howard St	Rheims St		TBC	TBC
Roseberry Lane	Redmond St	Cassie St		TBC	TBC
Laburnum Lane	Vine St	End (South)		TBC	TBC
Church Lne	Gloucester St	Milner St		TBC	TBC
Cooper St	Gilbert St	D'Erlanger St		TBC	TBC
Updates:					Status
Budget Variations:					Amber
Nil.					
Timing/Programme:					Amber
Nil.					
Issues/Risks:					Amber
Nil.					
Discussion:					
Following a tender process, Council is finalising the tender evaluation and seeking to award a maximum 5-year contract term for the Road Resealing Works. Once it is awarded, the works will commence and the timeframes for works will be provided.					
Project: Bus Shelter Upgrades (DDA Compliance)					
Budget:	\$ 50,000	Start:	October 2023		
Expenditure:	\$ -	Finish:	June 2024		
Grant Funding:	N/A				
Updates:					Status
Budget Variations:					Amber
Timing/Programme:					Amber
The project has not commenced due to resourcing constraints. A Request for tender for Project Management support has been undertaken & responses are currently being evaluated.					
Issues/Risks:					Amber
Nil.					
Discussion:					
Project: Design Future Projects					
Budget:	\$ 100,000	Start:	September 2024		
Expenditure:	\$ -	Finish:	June 2024		
Grant Funding:	N/A				
Updates:					Status
Budget Variations:					Amber
The project budget may not be adequate to complete the full scope due to a large number of works					
Timing/Programme:					Amber
The project has not commenced due to resourcing constraints. A Request for tender for Project Management support has been undertaken & responses are currently being evaluated.					
Issues/Risks:					Green
Nil.					
Discussion:					
The project scope has been finalised with tender documents being prepared. The aim is to award the project by early November.					

Project:	Pedestrian Kerb Ramps		
Budget:	\$ 25,850	Start:	September 2023
Expenditure:	\$ -	Finish:	June 2023
Grant Funding:	N/A		
Updates:		Status	
Budget Variations:		Amber	
Nil			
Timing/Programme:		Amber	
Nil			
Issues/Risks:		Green	
Nil.			
Discussion:			
These will be completed in line with the Kerb & Gutter renewal program to upgrade the pedestrian kerb ramps and to ensure compliance with Australian Standards. Currently, the intersection of Mawson St and Howard St, as well as King Street and Redin Street has been scheduled for Pram Ramp Upgrade in October 2023.			

2023-2024 Capital & Operating Projects Status Report

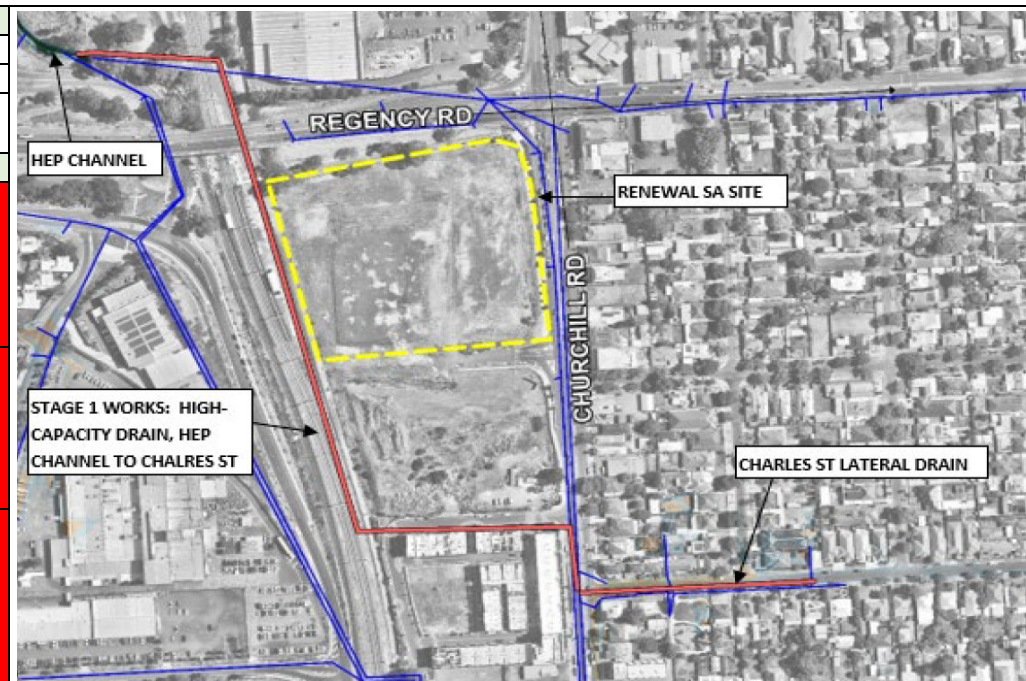
City Works & Presentation

Period: September 2023

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		
2023/2024 Budget:	\$ 4,223,657	Start:	March 2022
YTD Expenditure:	\$ -	Finish:	June 2025
Grant Funding:	\$1.5 million contribution by National Flood Mitigation Fund \$1.5 million contribution by SMA.		
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 have significant impacts on the project costs.	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 additional budget requirements.	Red		
Issues/Risks: Cost, timing and constructability implications with drain crossing the railway lines and a road bridge, and congestion of services under Churchill Road. 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:

The project has undergone several stages of strategy and design development, optimisation, and flood modelling to determine the most appropriate and cost-effective solution to resolve flooding issues in the City of Prospect (Council). Its objectives include preventing floodwaters from affecting the ARTC rail line and rail depot sites, reducing flood damages and flood-affected properties, improving flood protection of private property, improving insurability for local residents and businesses within the flood zone, improving property values within the flood zone, unlocking further property development, and providing more developable land by not using land area for stormwater detention.

The project's current budget is \$4.5 million which includes a \$1.5 million co-contribution from Council and grants of \$1.5 million from the National Flood Mitigation Infrastructure Program (NFMIP), coordinated via South Australian Fire and Emergency Services Commission (SAFECOM), and \$1.5 million from the Stormwater Management Authority (SMA).

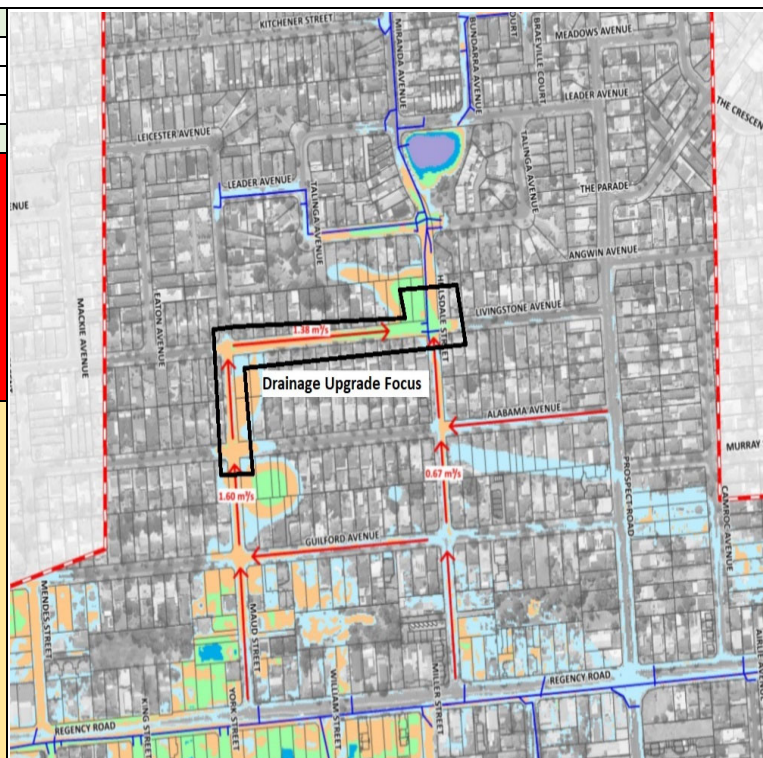
However, the full upgrade of Churchill Road Drainage (Stage 1) is estimated to cost \$14.8 million. Therefore, the project has been broken down into two stages with Stage 1A involving completing a small portion of the high-capacity outfall drain under the rail reserve and the Regency Road bridge until approximately 50 metres south of Regency Road. Stage 1B involves the continuation of the trunk drain through the shared path and Churchill Road and connecting it to the low point on Charles Street. The full extent of the Stage 1 project is shown in the figure above.

The SMA has approved the project variation for the reduced scope (i.e. Stage 1A) and new project timeframe. While awaiting variation approval from the Commonwealth, documentation for the Early Contractor Involvement (ECI) Design and Construct (D&C) contract is being prepared. This contract will outline the detailed scope of work, cost, and timeline for the project. The desired outcomes include engaging suitably qualified and experienced contractors/consultants to deliver the works to a quality standard, within budget and project deadline.

Liaison with project stakeholders is ongoing to ensure the project meets the needs of all parties.

A report to Council to seek support for the revised project scope will occur once the Commonwealth advise on the outcome of the Council's project variation request to reduce the scope as per Stage 1A detail above.

Project:	Livingstone Avenue Drainage & Reconstruction		
2023/2024 Budget:	\$ 2,262,337	Start:	April 2022
YTD Expenditure:	\$ -	Finish:	December 2024
Grant Funding:	\$1,150,000 contribution through Local Government		
Updates:	Status		
Budget Variations:	Red		
Project boundaries have increased to include upgrades to stormwater infrastructure at Maud Street, near intersection with Alabama Avenue. This increase is required to adequately manage stormwater within the catchment.			
The project may exceed the original budget and require de-scoping of several elements throughout the project.			
Timing/Programme:	Amber		
The project is behind the initial schedule however an extension of time has been approved by the State Government. Possible long lead time to procure precast concrete drainage has been allowed in the new timeframe.			



Issues/Risks: Multiple underground services have been identified which will require relocation. Current market conditions have resulted in increased cost of civil works over past 2 years. Following termination of the contract with the previous consultant, WGA has been appointed to finalise the detailed design.	Red
Discussion: The previous design consultant was terminated, and a new consultant (WGA) has been engaged to review the previous design and promptly complete the remaining design elements. The scale and complexity of this project necessitate an extended timeline to ensure the design is fit for purpose and achieves the desired outcomes. The State Government has provided approval for the variation request in terms of extension of time to complete the project. The cost estimate for the concept design is likely to be significantly above the project budget available. Staff will look at options to reduce the project costs, and also whether an element of staging can be incorporated into how the project is delivered. Once the cost estimate is finalised and further scope staging considered, it is likely that a workshop be held with Council to consider options to move this project forward.	

Project:	SMP Stage 2 - HEP Channel Investigation and Design		
2023/2024 Budget:	\$ 600,000	Start:	October 2023
YTD Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:	Status		
Budget Variations: The project requires \$300K grant funding from SMA plus contribution from Cities of Port Adelaide Enfield and Charles Sturt. Both Councils have confirmed their contribution. A grant will be sought from the SMA in the near future to support this project's delivery.	Amber		
Timing/Programme: Due to the resourcing constraints, the project has not commenced yet which may impact the end date. A expert consultant PM has been engaged to assist deliver this project once, Stage 1A has been finalised for procurement. Discussions with project partners is ongoing.	Amber		
Issues/Risks: To be confirmed during investigations.	Amber		

Discussion:

The objective of this project is to investigate and design the upgrade of the HEP channel at the following locations:

- D1-C HEP Channel at Pedder Cres – this project is located within PAE Council but the upgrade is required for upstream works entirely for drainage of the Prospect catchment.
- D1-D HEP at Grand Junction Road – this project is located within PAE Council but is a shared cost between the three Councils.

This is Stage 2 as the flood models showed channel at both locations (as highlighted above) should take place prior to any upstream works beyond the Churchill Road Upgrade Stage 1.

Project:	Drainage Design/Construction		
2023/2024 Budget:	\$ 54,900	Start:	July 2023
YTD Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:		Status	
Budget Variations:		Amber	
Timing/Programme:		Amber	
Issues/Risks:		Amber	
Discussion:			
This project is an ongoing project to deal with localised stormwater issues. Currently a joined investigation with PAE is underway for a localised flooding issue on the corner of Galway Ave and McInnes Ave.			

2023-2024 Capital & Operating Projects Status Report

City Works & Presentation

Period: September 2023

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 - CIVIL CONSTRUCTION

Project:	Collinswood Roundabout - Howard Street and Rosetta Street		
2023/2024 Budget:	\$ 416,003	Start:	November 2022
YTD Expenditure:		Finish:	June 2024
Grant Funding:	\$250,000 contribution by SA Government.		
Updates:	Status		
Budget Variations: Nil	Green		
Timing/Programme: Project will shortly go out to tender, and is on track for delivery by end of 23/24 FY.	Green		
Issues/Risks: Additional design works is required to alter the design due to a third party utility pit that was interfering with the design. The cost of moving this pit was prohibitive, so the design is being altered to avoid this substantive cost.	Amber		


Discussion:

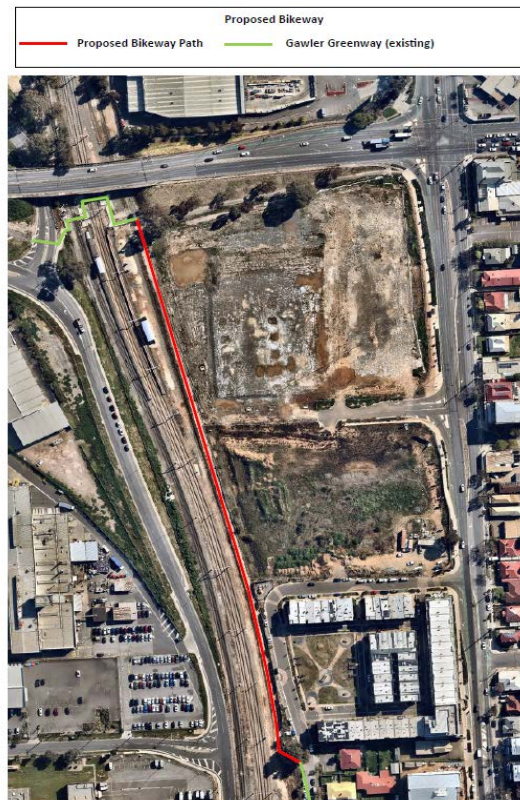
This project was funded by the SA Government as an election commitment. Following development of the concept design, a cost estimate was undertaken and an additional \$200k is required to construct the roundabout. This has been approved by Council in the 2023/24 Annual Business Plan.

The design of this intersection has been awarded to Greenhill Engineers following a competitive tender process. All site investigations including engineering survey, vegetation assessment, and road pavement assessment as well as 100% detailed design has been completed.

A tender process for construction works will commence shortly.

Project:	Islington Shared Path Upgrade - Design Only		
2023/2024 Budget:	\$ 43,000	Start:	TBC
YTD Expenditure:		Finish:	TBC
Grant Funding:			

Updates:	Status
Budget Variations:	Amber
Timing/Programme:	Amber
Issues/Risks:	Amber

**Discussion:**

Project not yet commenced. This project will be delivered with, and is impacted by, Churchill Road Drainage Upgrade Stage 1 whose alignment overlays with this pathway. A grant funding application was submitted to the State Government for the contribution of \$20,000 towards the design of the project through 2023/24 State Bicycle Fund. The design will be included in the Churchill Road Drainage Upgrade works Design & Construct Tender.

The existing shared path, which is part of Gawler Greenway, is in poor condition and this project will complete the upgrade of the shared path to provide a safe and accessible off-road path that will increase the number of people cycling in metropolitan Adelaide and the Greater Adelaide region. Consideration of a temporary seal over the shared path will be put to Council when it next considers the Churchill Rd Stage 1 project to address community concerns regarding its unsealed nature.

Council staff are in early discussions with Renewal SA, DIT & Green Adelaide who are considering a project for biodiversity sensitive urban design (BSUD).

2023-2024 Capital & Operating Projects Status Report

City Works & Presentation

Period: September 2023

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 - OPEN SPACE AND STREETScape

Project:	Peppermint Gums Reserve Upgrade - Design Only (carried		
2023/2024 Budget:	\$ 33,977	Start:	July 2022
YTD Expenditure:	\$ -	Finish:	December 2024
Grant Funding:	NA		
Updates:		Status	
Budget Variations: Nil.		Green	
Timing/Programme: The project has been carried forward from 2022/23 FY due to other priorities and resources constraints.		Amber	
Issues/Risks: Nil.		Green	
Discussion: Peppermint Gums Reserve will be designed and documented to be "shovel ready" for when any grant opportunities may arise. Council staff are working on the details with the consultant to obtain an accurate cost estimate which will be presented to Council in a workshop in October/November 2023. This design project has partly been carried forward into 2023/24 as the project has been impacted by other higher priority open space projects due to limited resource available.			

Proposed Site Arrangement

Map details: The map shows an aerial view of the reserve. A red dashed line outlines the project boundary. Numbered zones (1-12) are marked. Existing trees are shown in green, and trees to be removed are indicated by red circles with an 'X'. Surrounding roads include Barker Road, Oak Street, and Main North Road. A scale bar (0m to 20m) and a north arrow are at the bottom.

Existing Site


This photograph shows the current state of the reserve, featuring a large, mature tree on the left, a grassy area with picnic tables, and a small shelter in the background.



Proposed Upgrade

This photograph illustrates the proposed improvements, including a new paved path, play equipment, and landscaping with new trees and plants. People are shown using the space, and a dog is visible in the foreground.

Project:	Percy Street Reserve Upgrade		
2023/2024 Budget:	\$ 233,488	Start:	July 2022
YTD Expenditure:	\$ -	Finish:	February 2024
Grant Funding:	NA		
Updates:		Status	
Budget Variations: Nil.		Green	
Timing/Programme: The Project will commence construction in October 2023 and expected to be completed by early February 2024.		Green	
Issues/Risks: The tender prices are within the allocated budget with minimum contingency.		Amber	
Discussion: This project construction is being delivered as a package with Irish Harp Reserve upgrade as the two are combined into one tender to ensure cost efficient and quality outcomes. The construction tender has been awarded to LCS Landscapes, who will mobilise to site in October 2023. Play equipment has been procured separately to avoid further delays.			


Project:	RL Pash Reserve Upgrade including Water Sensitive Urban Design		
2023/2024 Budget:	\$ 760,331	Start:	October 2022
YTD Expenditure:	\$ -	Finish:	June 2024
Grant Funding:	\$250,000 contribution by SA Government as election commitment		
Updates:		Status	
Budget Variations: Council approved additional funds to deliver scope outlined in grant funding deed.		Green	
Timing/Programme: The project has been delayed due to easements and requirements to refine the design.		Amber	
Issues/Risks: the budget of \$250,000 from the State Government with Council agreed to fund a portion of the upgrade in the 2023/24 financial year.		Green	
Discussion: Following Council endorsing the concept design, the project has been progressed to detailed design. There has been some minor changes to the design to satisfy utility authorities with respect to easement requirements. The WUSD design has been incorporated into the overall reserve upgrade.			






- replacement exercise equipment:
 - 1 3 pieces each zone
- play equipment:
 - 2 double swing
 - 3 slide mound
 - 4 re-use boat
 - 5 basket swing
 - 6 rock and log edging
- new fencing
- new gates
- youth offering:
 - 7 bouldering wall
 - 8 table tennis
- new all access picnic setting
- informal log seating
- 9 new biofiltration swale (future stage 2)
- 10 retain existing pathways
- 11 retain open space
- retain existing:
 - 12 single burner bbq
 - 13 picnic setting
 - 14 seats
 - 15 drink fountain/bottle refill
 - 16 artwork
- 17 compacted sand surface
- 18 organic softfall
- 19 rubber softfall
- 20 mural opportunity to boundary wall

RL PASH RESERVE UPGRADE - Concept Design



This project is proudly supported by the Government of South Australia through the Department for Infrastructure and Transport

Project:	Open Space Strategy - Irish Harp Reserve		
2023/2024 Budget:	\$ 795,364	Start:	January 2022
YTD Expenditure:	\$ -	Finish:	March 2024
Grant Funding:	\$325,000 contribution Open Space Grant		
Updates:	Status		
Budget Variations: Council has approved the additional budget in 2023/24 Annual Business Plan	Green		
Timing/Programme: The Project will commence construction in October 2023 and expected to be completed in March 2024.	Green		
Issues/Risks: Nil.	Green		
Discussion: This project construction is being delivered as a package with Percy Street Reserve upgrade as the two are combined into one tender to ensure cost efficient and quality outcomes. The construction tender has recently been awarded to LCS Landscapes, who will mobilise to site in October 2023. The State Government has approved an extension of time until March 2024.			



Colours
Powder Coat
Wendgawood
Pale Eucalypt
Corrugated Sheet
N/A
Timber
N/A
HDPE Plastic
Grey/White/Grey
Wire Rope
Olive Green
Fibreglass Slide
Grey
Rotomoulded Plastic
Light Grey



Project:	Mathews Reserve Upgrade - Concept and Detailed Design		
2023/2024 Budget:	\$ 60,000	Start:	November 2023
YTD Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:		Status	
Budget Variations:		Green	
Timing/Programme: Project has not commenced yet.		Red	
Issues/Risks:		Amber	
Discussion:			
Project not yet commenced due to resource constraints and other high priority projects. Seconded landscape architect has been procured to support its delivery.			
Council endorsement for community Consultation is required and it is highly unlikely that the design will be completed by June 2024 due to timeframes associated with a two staged consultation process.			

Project:	Prospect Road South - Landscaping Improvement Design		
2023/2024 Budget:	\$ 35,000	Start:	November 2023
YTD Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:	Status		
Budget Variations:	Green		
Timing/Programme: Project has not commenced yet.	Amber		
Issues/Risks:	Amber		
Discussion:	Project not yet commenced due to resource constraints and other high priority projects.		

Project:	St Helens Park Lighting Upgrade		
2023/2024 Budget:	\$ 120,000	Start:	1 July 2023
YTD Expenditure:		Finish:	30 June 2024
Grant Funding:	Nil		
Updates:	Status		
Budget Variations: Nil	Green		
Timing/Programme: The for construction tender process will commence in September 2023. Construction is planned to be completed by December 2024.	Green		
Issues/Risks:	Green		
Discussion:	The project will soon go out to tender and include upgrading of the existing electrical main switchboard infrastructure, upgrading of the existing pathway lighting and general area floodlights to LED lighting, upgrading of the main distribution board, replacement of the existing distribution switchboards and cabinets and installation of new lighting and an electric barbecue.		

Project:	Broadview Community & Sports Hub Landscape Upgrade		
2022/2023 Budget:	\$ 35,000	Start:	January 2024
YTD Expenditure:		Finish:	March 2024
Grant Funding:			
Updates:	Status		
Budget Variations: Nil	Green		

Timing/Programme: Project will be commenced post completion of the Broadview Community & Sport Hub project.	Green
Issues/Risks: Nil	Green
Discussion:	
Scoping works have commenced to inform final deliverable. The project will seek to intergrate landscaping in the vicinity of the new build into the remainder of the adjoining reserve areas.	

2023-2024 Capital & Operating Projects Status Report

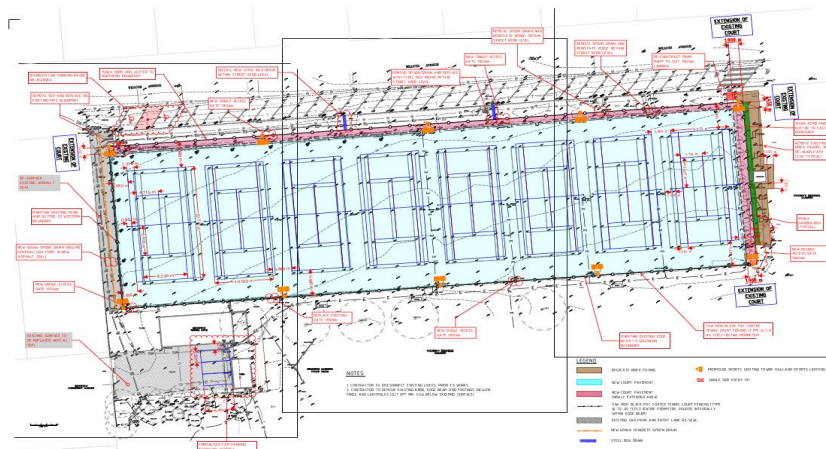
City Works & Presentation

Period: September 2023

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 - RECREATIONAL

Project:	Prospect Tennis Club Courts Renewal including Memorial Garden Car Park		
2023/2024 Budget:	\$ 455,602	Start:	July 2022
YTD Expenditure:	\$ -	Finish:	Subject to Grant
Grant Funding:			
Updates:	Status		
Budget Variations: A cost estimate has been undertaken on the concept design, and is higher than the project budget available. This will be refined as the project continues.	Amber		
Timing/Programme: Subject to Grant	Green		
Issues/Risks: A cost estimate was undertaken following completion of the detailed design. A further approximately \$500k is required to lodge a grant application under the State Government Office of Sport & Recreation facility grant program . At it's September 20 Council meeting, Council allocated additional funding to this project. As such, a grant application can be lodged.	Amber		



Discussion:

WGA have completed the detailed design for the project. Discussions have taken place with the RSL regarding the eastern end of the new court footprint and how they will interact with the existing War Memorial, and a position has been agreed. Council has approved to allocate additional funding to the project required to submit a grant application, therefore a grant application will be lodged for the 23/24 ORSR program.


Project:	Broadview Sports Ground Tennis Infrastructure Upgrade		
2023/20243 Budget:	\$ 850,000	Start:	January 2022
YTD Expenditure:	\$ -	Finish:	Subject to Grant
Grant Funding:			
Updates:	Status		
Budget Variations: The budget for this project is expected to be insufficient to deliver a whole site upgrade.	Red		
Timing/Programme: Project will not submit a grant application in 2023.	Amber		
Issues/Risks: The main risks for the project are insufficient budget, operating models, and project timeframe.	Red		

**Discussion:**

The expression of interest process for the site has been completed. A workshop was held with Council in early September, and a report will be presented to Council in October for its decision. WGA has been engaged for the design for the site, and this process has commenced. Initial investigative works has been undertaken, and a concept developed. Both clubs are providing input in the design process. A lighting designer is also preparing plans to upgrade the lighting at the Broadview Tennis Club, as per the Council resolution. This work is proceeding, and on-site work should begin shortly. The budget for this project is expected to be insufficient to deliver a whole site upgrade and as such, this project may be delivered in stages, ensuring that the stages align with the broader Masterplan for the sports precinct.

Project:	Broadview Oval Community & Sports Hub including car park and landscaping upgrade		
2023/20243 Budget:	\$ 2,591,705	Start:	January 2022
Expenditure:	\$ -	Finish:	January 2024
Grant Funding:	\$1,499,964.00		
Updates:	Status		
Budget Variations: - The Construction Contingency is at 1.80% noting there are separate budget for works items which reduces the overall risk of the project. - Contract Variations are being progressively assessed	Amber		
Timing/Programme: - The project works are 6 weeks behind program; - The external façade and L1 completion is forecast for the end of September 2023 - External Civil Works and Ground Floor works are schedule for 31 October 2023 - this will conclude Stage 1. - Stage 2 will commence in November 2023 - January 2024	Amber		



<p>Issues/Risks:</p> <ul style="list-style-type: none">- Design - Documentation discrepancies - Cost Risk- Delivery program for the facility - Time Impact <p>Building Naming</p> <ul style="list-style-type: none">- building naming underway with a proposal for the building and rooms to be presented to Council. <p>Broadview Football Club Lease</p> <ul style="list-style-type: none">- Financial due diligence Report has been completed and the recommendations and controls supported by the Audit and Risk committee- Lease has been drafted and to be presented to Council in the September Ordinary Council Meeting <p>Statutory Approvals</p> <ul style="list-style-type: none">- None pending nor any issues	<p>Amber</p>																																									
<p>Discussion:</p> <p>Works are well advanced but progress has been challenging due to documentation issues with detailing. The independent due diligence report has been completed and a report presented to the Audit and Risk committee on Wednesday 13 September 2023 who supported the recommendations. The Lease has been drafted and issued to BFC and final negotiations are underway to get alignment between both parties. A separate report is presented to this Agenda on this matter.</p>																																										
<table><tr><td>Project:</td><td colspan="3">Prospect Oval Lighting Design</td><td rowspan="5"></td><td rowspan="5"></td></tr><tr><td>2023/20243 Budget:</td><td>\$ 200,000</td><td>Start:</td><td>September 2023</td></tr><tr><td>YTD Expenditure:</td><td></td><td>Finish:</td><td>June 2024</td></tr><tr><td>Grant Funding:</td><td colspan="3"></td></tr><tr><td>Updates:</td><td colspan="3">Status</td></tr><tr><td>Budget Variations:</td><td colspan="3">Green</td><td></td><td></td></tr><tr><td>Timing/Programme: Delays occurred due to a failed procurement attempt.</td><td colspan="3">Amber</td><td></td><td></td></tr><tr><td>Issues/Risks: Coordinating different components of design and ensuring cost estimates are received by the end of the year.</td><td colspan="3">Amber</td><td></td><td></td></tr></table>			Project:	Prospect Oval Lighting Design					2023/20243 Budget:	\$ 200,000	Start:	September 2023	YTD Expenditure:		Finish:	June 2024	Grant Funding:				Updates:	Status			Budget Variations:	Green					Timing/Programme: Delays occurred due to a failed procurement attempt.	Amber					Issues/Risks: Coordinating different components of design and ensuring cost estimates are received by the end of the year.	Amber				
Project:	Prospect Oval Lighting Design																																									
2023/20243 Budget:	\$ 200,000	Start:	September 2023																																							
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<p>Discussion:</p> <p>First round of procurement failed due to market inability to resource the full package of civil and electrical investigation and design. Therefore, the scope has been broken down into smaller packages with Council staff coordinating the design works. A revised market approach is now underway.</p>																																										

Project:	Prospect Oval (Payinthe Yarta) Goal Posts Renewal		
2023/20243 Budget:	\$ 100,000	Start:	Dec-23
YTD Expenditure:	\$ -	Finish:	Jan-24
Grant Funding:			
Updates:		Status	
Budget Variations:		Green	
Timing/Programme: Works are expected to commence in December		Green	
Issues/Risks:		Green	
Discussion:			
Working group established with NAFC, PDCC and SACA to ensure integration of works with turf upgrade. Works agreement has been drafted and reviewed by NAFC, minor amendments to be made prior to execution. Project to be managed by NAFC.			

Project:	Prospect Oval (Payinthe Yarta) Centre Pitch Renewal		
2023/20243 Budget:	\$ 75,000	Start:	Dec-23
YTD Expenditure:		Finish:	Mar-24
Grant Funding:			
Updates:		Status	
Budget Variations:		Green	
Timing/Programme:		Green	
Issues/Risks:		Green	
Discussion:			
Working group established with NAFC, PDCC and SACA to ensure integration of works with goal posts upgrade. Works agreement has been drafted and reviewed by PDCC, minor amendments to be made prior to execution. Project to be managed by SACA and PDCC.			

Project:	Sporting Fields - Subsurface Drainage Investigation & Design		
2023/20243 Budget:	\$ 60,000	Start:	Sep-23
YTD Expenditure:	\$ -	Finish:	Dec-23
Grant Funding:	N/A		
Updates:		Status	
Budget Variations: Nil.		Green	
Timing/Programme: Nil.		Green	
Issues/Risks: Nil		Green	
Discussion:			
Following a competitive tender process, WGA has been awarded a contract for Professional Services to design the upgrade of the stormwater drainage at Charles Cane Reserve and Broadview Oval. The kick-off meeting and site visit will occur in September 2023, and the design is expected to be completed in December 2023.			



2023-2024 Capital & Operating Projects Status Report

City Works & Presentation

Period: September 2023




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 - BUILDING AND FACILITY MANAGEMENT

Project:	Charles Cane Reserve - Storage Shed & Related Work		
2023/2024 Budget:	\$ 60,000	Start:	July 2022
YTD Expenditure:		Finish:	December 2023
Grant Funding:	Nil		
Updates:		Status	
Budget Variations: Nil		Green	
Timing/Programme:		Amber	
Issues/Risks: Investigation into a proposed new shed location concluded that there is no suitable compliant location on the reserve for an additional shed.		Amber	
Discussion:			
Meetings with various sports clubs have been held. Council staff have recommended a removal of the internal partition within the Lacrosse Club shed as a solution to better utilise the space. The Club President will provide a sketch drawing of their preferred storage layout and submit for Council approval and facilitation. Further works is planned to expand the concrete path area around the clubroom boundary to reduce maintenance. A recycle can enclosure or similar is being investigated as a solution to ongoing can theft. A scope of works will be finalised for Council and stakeholder acceptance and delivery by December 2023.			





Project:	Memorial Gardens Pavilion Renewal		
2023/2024 Budget:	\$ 80,361	Start:	November 2022
YTD Expenditure:		Finish:	January 2024
Grant Funding:	N/A		
Updates:		Status	
Budget Variations: Nil.		Green	
Timing/Programme: Nil.		Amber	
Issues/Risks: DDA compliance cannot be achieved due to the layout and outdated condition of the toilets.		Amber	
Discussion:			
Refurbishment contract has been awarded Programmed Maintenance and works are scheduled to commence in October 2023.			






Project:		Toilet Block Renewal (Prospect Oval)	
2023/2024 Budget:	\$ 95,000	Start:	November 2022
YTD Expenditure:		Finish:	January 2024
Grant Funding:	N/A		
Updates:		Status	
Budget Variations: Nil.		Green	
Timing/Programme: Nil.		Amber	
Issues/Risks: DDA compliance cannot be achieved due to the layout and outdated condition of the toilets.		Amber	
Discussion:			
Refurbishment contract has been awarded Programmed Maintenance and works are scheduled to commence in October 2023.			






Project:	Toilet Renewal Works		
2023/2024 Budget:	\$ 128,000	Start:	November 2022
YTD Expenditure:		Finish:	January 2024
Grant Funding:	N/A		
Updates:		Status	
Budget Variations: Nil.		Green	
Timing/Programme: Nil.		Amber	
Issues/Risks: DDA compliance cannot be achieved due to the layout and outdated condition of the toilets.		Amber	
Discussion:			
Refurbishment contract has been awarded Programmed Maintenance and works are scheduled to commence in October 2023.			






Project:	NAFC Chair Lift		
2023/2024 Budget:	\$ 42,121	Start:	November 2022
YTD Expenditure:		Finish:	June 2024
Grant Funding:	N/A		
Updates:		Status	
Budget Variations: The budget allocated for this project is inadequate to ensure accessibility at Prospect Oval.		Red	
Timing/Programme: Nil			
Issues/Risks: Nil		Amber	
Discussion:			
Fyfe has been engaged by the Council to investigate options for providing accessibility at Prospect Oval. After comparing various design options to determine the most practical and viable solution, the Vertical Platform Lift (VPL) option has been recommended. A detailed design of the proposed solution has been developed and discussed with the NAFC. Currently, Fyfe is undertaking necessary investigations to design the path from the VPL to the accessible shelter, which is expected to be completed in October 2023.			
The design requires considerable changes and modifications, requiring additional funds.			
Once necessary information is available further engagement with the Council will occur on this matter.			



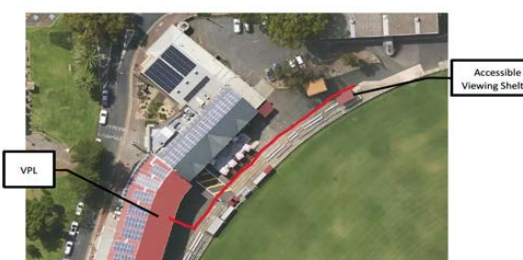
Proposed Location of Vertical Platform Lift



Proposed Accessible Pathway Around the Oval





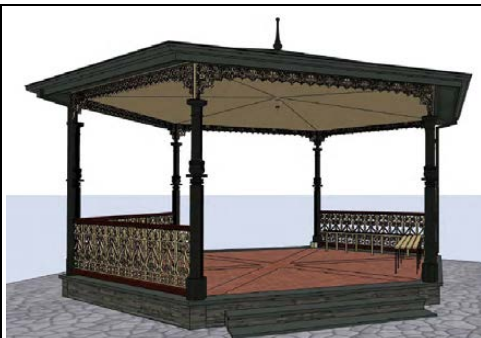
Proposed Location of Vertical Platform Lift



Proposed Accessible Pathway Around the Oval

Project:	St Helens Park Rotunda Upgrade		
2023/2024 Budget:	\$ 245,307	Start:	April 2023
YTD Expenditure:		Finish:	March 2024
Grant Funding:	Nil		
Updates:		Status	
Budget Variations: Budget developed based on high level cost assumptions and to be validated following the completion of design.		Amber	
Timing/Programme: The Development Approval process and community notification outcomes may influence final design and require changes to documents resulting in a longer delivery timeframe.		Amber	
Issues/Risks: The cost to reconstruct the rotunda may exceed the allocated budget. This is dependant on the Development Approval outcomes.		Amber	
Discussion: The St Helens Park Rotunda has been closed since July 2022 due to structural defects and concerns regarding the integrity of the structure. On 28 March 2023 Council resolved to rebuild the rotunda and approved the allocation of \$30,000 for the planning and design in 2022/23 financial year and \$220,000 for construction in the 2023/24 budget. Hosking Willis Architecture, who are specialised in design of heritage structure and conservation have been engaged to provide options for the rotunda rectification and coordinate structural and building engineering inputs into the design. A Development Approval process will be undertaken as part of the required building design elements. Council staff have looked to improve the disability access through the design inputs and further consideration to the close proximity and preservation of the adjacent 'heritage tree'. Ensuring the design of the new structure meets modern standards while maintaining its original heritage listed fabric and aesthetic appearance. Detailed design and 'for tender' documents are currently being produced.			





Project:	Nailsworth Community Shed Expansion - Stage 2		
2023/2024 Budget:	\$ 100,000	Start:	July 2023
YTD Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:	Status		
Budget Variations: While the requirements to make the shed compliant is not fully understood, the project budget is at risk.	Amber		
Timing/Programme: Council staff will continue to work through design options and cost estimates and aim to provide further project direction by end of November 2023.	Amber		
Issues/Risks:	Amber		



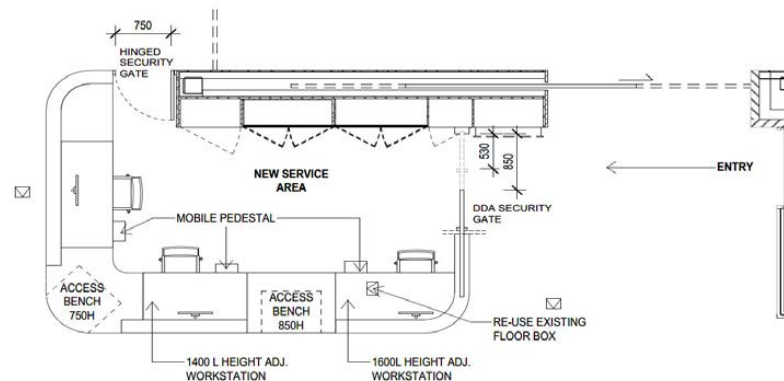
Discussion:

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 may not be suitable for an occupied 'Makers Shed' or deemed an accessible compliant facility.

Investigations are continuing on the extent of works necessary to address current limitations and associated risks. Council staff are obtaining a high level design to upgrade the Class 10A shed to meet Class 9B standards, suitable for function of a community occupied shed and a cost estimate to validate the project budget.

Project:	Council Buildings & Structures		
2023/2024 Budget:	\$ 340,000	Start:	TBC
YTD Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:		Status	
Budget Variations: Budget developed based on high level assumptions and to be validated through detailed scoping and cost estimation.		Amber	
Timing/Programme: Due to resourcing constraints the project has not yet commenced. A market approach for skilled Project Managemnt support has occurred and tenders remain under assessment at present.		Amber	
Issues/Risks:		Amber	
Discussion:			
The project includes: • Broadview Oval (Yarnta Tutu Yarta) Storage Shed • Air Raid Shelter Investigations & Design • Nailsworth Hall operable wall • Bike Racks and Cage at Payinthe • Town Hall Roof Restoration.			

Project:	Front Counter Desk Reconfiguration		
2023/2024 Budget:	\$ 55,000	Start:	June 2023
YTD Expenditure:		Finish:	March 2024
Grant Funding:			
Updates:		Status	
Budget Variations:		Green	
Timing/Programme:		Green	
Issues/Risks:		Green	
Discussion:			
Council's front counter within Payinthe is currently not fit for purpose and poses challenges to staff and users of the facility alike. Council applied to the Local Government Risk Serivces (LGRS) under the Asset Mutual & Works Compensation Scheme for funding of this new desk facility. This has been approved, and now the design is currently being finalised. Following this, quotes will be sought for fabrication of the elements involved, and installation arranged for late 2023 / early 2024.			



2023-2024 Capital & Operating Projects Status Report

City Works & Presentation

Period: September 2023

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 - MISCELLANEOUS

Project:		Fleet Management - Capital Acquisitions	
2023/2024 Budget:	\$ 164,657	Start:	July 2023
YTD Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:		Status	
Budget Variations:		Amber	
Timing/Programme:		Red	
Issues/Risks:		Amber	
Discussion:			
<u>21/22 Fleet Procurement.</u> 2 x Light trucks (multipurpose and chipper truck) have been received. Awaiting 1 x light truck (precinct truck) expected to be delivered in mid December.			
<u>22/23 Fleet Procurement</u> 2 x light trucks (crane truck and dual cab truck) vehicles expected to be delivered later in 23/24 Financial Year.			
<u>23/24 Fleet Procurement</u> Scoping still to be finalised. Significant delays are still being experienced in relation to fleet purchases in particular heavy fleet and body fabrication services.			

Project:	Green Tunnel Program		
2023/2024 Budget:	\$ 154,500	Start:	July 2023
Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:	Status		
Budget Variations:	Green		

Timing/Programme: Planting to take place in April 2024.	Green
Issues/Risks:	Green
Discussion:	
approximately 250 trees have been inspected. Waiting on final quote for trees. Planting to take place in April 2024.	

Project:	Asset Management Condition Assessment		
2023/2024 Budget:	\$ 125,000	Start:	February 2023
Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:		Status	
Budget Variations:		Green	
Timing/Programme: Works expected to be completed by end of November. Open Space and Stormwater condition audit to commence early in the new year.		Green	
Issues/Risks:		Green	
Discussion:			
Building Audit has commenced. Transport audit has been completed. Analysis and plan development is underway. Open space and stormwater to commence in early 2024			

Project:	Integrated Traffic Plan (ITP)		
2023/2024 Budget:	\$ 182,000	Start:	July 2023
Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:		Status	
Budget Variations:		Green	
Timing/Programme:		Green	
Issues/Risks:		Green	
Discussion:			
Council workshop has been undertaken, Traffic Count data collection is ongoing. Report back to Council in coming months with revised brief/project approach. Support resources are currently being sourced via tender process to support ITP delivery.			

Project:	Waste and Diversion Trial		
2023/2024 Budget:	\$ 70,000	Start:	September 2023
YTD Expenditure:		Finish:	March 2024
Grant Funding:			
Updates:		Status	
Budget Variations:		Green	
Timing/Programme: Trial has started as per schedule.		Green	
Issues/Risks:		Green	
Discussion:			
FOGO Trial - Reporting period 14 August 2023 - 18 September 2023			
At time of writing (20 September 2023), 27 households have opted out of the trial.			
55 households have opted up			
147 phone calls and 81 emails received			

Project:	Saturated Steam Trial		
2023/2024 Budget:	\$ 11,000	Start:	September 2023
YTD Expenditure:		Finish:	June 2024
Grant Funding:			
Updates:		Status	
Budget Variations: Project expected to be on budget		Green	
Timing/Programme: Commenced		Amber	
Issues/Risks:		Green	
Discussion:			
The program commenced start of September. We are expecting a report/update towards the end of September. A further more detailed update will be provided in the next quarterly report on observations at that time on the trial.			

Project:	Project Mangement Framework (PMF)		
2023/2024 Budget:	\$ 11,000	Start:	
YTD Expenditure:		Finish:	
Grant Funding:			
Updates:	Status		
Budget Variations:	The project will be outsourced and project costs to be validated with market price.		
	Amber		

Timing/Programme: Due to resourcing constraints, the project has not been able to commence. A Request for tender for Project Management Services to deliver this project is currently under assessment.	Red
Issues/Risks: Resourcing, project timeframe and budget are the main risks.	Red
Discussion:	

2022-2023 External Projects

City Works & Presentation

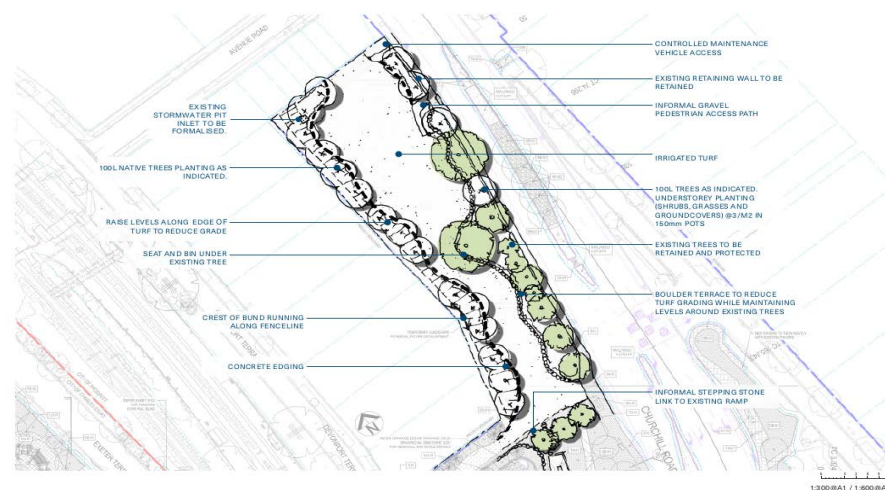
Period: February 2023

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 Pocket Park		
Funding:	\$1m	Start:	May-23
		Finish:	May-24
Updates:	Status		
Timing/Programme: A report was presented to Council in May that presented DIT's plans for the sites. DIT are proposing to landscape the site, and then transfer to Council for it's ownership, care and control. DIT have undertaken community consultation on the concept design, and a report will be brought back to Council for it's review soon. There has been no date set for the commencement of construction.		Green	

OVINGHAM PUBLIC PARKS SKETCH PLANS

CHURCHILL ROAD PARK



Issues/Risks:

There are some raised expectations within the community of what this space will be once handed over from DIT. DIT have undertaken community consultation, and the results of this as well as an updated concept, will be brought back to Council at a later date.

Green

**Discussion:**

The creation of a new Pocket Park is a positive for Council, and one of the very rare examples of land being converted to usable, public space within the Council area. DIT have undertaken community consultation, including a website and several on site sessions. This feedback will inform their final design. This feedback and the final design will be presented to Council at a future meeting for approval. Initial plans for the site show entry / exit access points, landscaping, irrigated turf areas, park furniture and other features, including a flattening of the slope across the site to ensure the site is a usable space.

Project:	Main North Road & Nottage Terrace - Pocket Park		
Funding:	\$1m	Start:	Jul-22
		Finish:	1-Oct-23
Updates:	Status		
Timing/Programme:	Green		
A report was presented to Council in May that showed DIT's plans for the site, which had been developed in consultation with the community and Council staff. Works have almost been completed, with final defect walkovers and other minor works scheduled for the end of September / early October. An opening date will be communicated to Elected Members shortly. A naming process is ongoing, with input from KYAP as part of this process.			
Issues/Risks:	Green		
Discussion:	Works have almost been completed, with final defect walkovers and other minor works scheduled for the end of September / early October. An opening date will be communicated to Elected Members shortly. A naming process is ongoing, with input from KYAP as part of this process.		



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:	Green		
Works have been completed onsite, except for some minor defect and landscaping works. The remaining land not utilised will be disposed of by DIT as per their policy.			
Issues/Risks:	Green		


Nottage Terrace and North East Road Intersection Upgrade

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Australian Government
Government of South Australia
Department for Infrastructure and Transport

Discussion:
<p>The Australian and South Australian Governments are jointly funded (50:50) the \$6 million Nottage Terrace and North East Road Intersection Upgrade. Following community consultation between February and July 2022, the proposed design for the intersection was updated to include:</p> <ul style="list-style-type: none">- 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. <p>The design features of this intersection upgrade include:</p> <ul style="list-style-type: none">- 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 <p>road re-surfacing and new line marking;</p> <ul style="list-style-type: none">- A new eastbound bike lane on Nottage Terrace through the intersection; and- New and upgraded traffic signals, road lighting and drainage.

Project:	Main North Road & Regency Road Intersection Planning Study		
Funding:	\$ 250,000.00	Start:	Nov-22
State Government Funded		Finish:	Completed
Updates:		Status	
Timing/Programme: The Department for Infrastructure and Transport (DIT) presented to Council via an Elected Members Workshop on 14 February 2023. DIT will provide guidance later in 2023 regarding any potential next steps.		Green	
Issues/Risks: More than 70,000 vehicles use the Main North-Regency Rd intersection daily. It's a known safety hotspot where issues include wait times, traffic flow, pedestrian safety and access for local businesses.			
Discussion: Initial investigations for the intersection of Main North and Regency roads have been undertaken. They identified there is an opportunity to: improve congestion, particularly during the peak periods; enhance safety; and improve the experience for people walking across the intersection and accessing public transport. The planning study will further investigate traffic issues at and around the intersection of Main North and Regency roads. The scope for this initiative will cover planning and engagement activities.			





12.3 MAYORAL MONTHLY ACTIVITY REPORT**File Number:** IC23/247**Author:** Kirsty Howlett, EA CEO and Mayor**Responsible Executive:** Chris White, Chief Executive Officer**EXECUTIVE SUMMARY**

This report covers the period from 22 August July 2023 – 25 September 2023, noting the Mayor was unavailable for the period of 1 to 14 August 2023. In brief, the Mayoral activities have included the following:

1. Activities

- North Adelaide played Sturt SANFL, Prospect Oval
- Citizenship Ceremonies
- Mainstreet SA Summit 2023
- Eagles Lacrosse Club Junior Presentation
- SANFL Grand Final – Adelaide Oval

2. Meetings: face to face, by teleconference or video conference

- Ordinary Council Meeting
- Held regular meetings with the CEO and Executive Assistant
- City of Prospect Access and Inclusion Community Advisory Group
- Councillor Information and Briefing Sessions
- Special Council Meeting
- Mandatory Training Session
- Councillor Information Sessions
- Special Audit & Risk Committee
- Meeting with Minister Michaels
- Council Agenda Review Meeting

3. Other

- Media Enquiries.
- Various Phone Calls, Emails, Letters, Video Promotions etc.
- Correspondence and Meetings with Constituents and Co

RECOMMENDATION**That Council:**

- 1. Having considered Item 12.3 Mayoral Monthly Activity Report receives and notes the report.**

ATTACHMENTS**Nil**

12.4 MINUTES OF THE SPECIAL AUDIT & RISK COMMITTEE MEETING HELD 13 SEPTEMBER 2023**File Number:** IC23/267**Author:** Melanie Amezdroz, Corporate Support Coordinator**Responsible Executive:** Ginny Moon, Director City Corporate**RECOMMENDATION**

1. That the Minutes of the Special Audit & Risk Committee Meeting held on 13 September 2023 be received and the recommendations therein be adopted.

ATTACHMENTS

1. **Special Minutes 13/09/2023 - Minutes of Special Audit & Risk Committee Meeting - Wednesday, 13 September 2023** [!\[\]\(e6ddc77b791299d975007937cebef274_img.jpg\)](#) 

SPECIAL AUDIT & RISK COMMITTEE MEETING MINUTES**13 SEPTEMBER 2023**

**MINUTES OF CITY OF PROSPECT
SPECIAL AUDIT & RISK COMMITTEE MEETING
HELD AT THE TIRKANTHI KUU, LEVEL 1 AT PAYINTHI ,128 PROSPECT ROAD, PROSPECT,
VIA ZOOM
ON WEDNESDAY, 13 SEPTEMBER 2023 AT 5:01 PM**

PRESENT: Chairperson Corinne Garrett, Cr Alison De Backer, Mayor Matt Larwood, Mr Peter Fairlie-Jones, Mr Peter Scargill,

IN ATTENDANCE: Ginny Moon (Director City Corporate), Sam Dilena (Director City Works & Presentation), Dwaine Bickerdike (Project Manager Consultant), Andrew Alderson (Manager Finance), Victor DiMaria (Manager Corporate Services), Melanie Amezdroz (Minute Secretary).

GUESTS: John Jovicevic (Partner, Dean Newbery – Reviewer), Shane Hodby (President Broadview Football Club), John Flanagan (Member of Broadview Football Club).

1 ACKNOWLEDGEMENT OF THE KAURNA PEOPLE AS THE TRADITIONAL CUSTODIANS OF THE LAND

Chairperson Corinne Garrett stated:

‘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, present and emerging.

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.’

2 ON LEAVE

Nil

3 APOLOGIES

Nil

4 DECLARATION BY MEMBERS OF A CONFLICT OF INTEREST

Cr De Backer declared a general conflict of interest for *Item 5.1 Broadview Community and Sports Hub - Financial Due Diligence Review* as they have a family member who is involved with the Broadview Football Club. Cr De Backer will remain in the meeting, participate in debate and exercise their right to vote.

SPECIAL AUDIT & RISK COMMITTEE MEETING MINUTES**13 SEPTEMBER 2023****5 REPORTS FOR DECISION**

Mayor Matt Larwood joined the meeting at 5:03pm prior to commencement of the discussion on this matter.

SHORT TERM SUSPENSION

Chairperson Corinne Garrett, with approval of two-thirds leave of the meeting, called for a short-term suspension of proceedings to facilitate a presentation and informal discussion until 6.00pm.

Leave was granted.

Formal meeting procedures were suspended at 5.03pm.

Sam Dilena, Director City Works & Presentation gave a presentation and answered questions by members, with input from attendees and guests at the meeting.

Formal meeting procedures resumed at 5.41pm.

5.1 BROADVIEW COMMUNITY AND SPORTS HUB - FINANCIAL DUE DILIGENCE REVIEW**COMMITTEE RESOLUTION 2023/26**

Moved: Mr Peter Scargill

Seconded: Mr Peter Fairlie-Jones

That Council:

1. **Having considered Item 5.1 Broadview Community and Sports Hub - Financial Due Diligence Review receives and notes the report.**
2. **Supports the findings of the Independent Financial Due Diligence Review – Broadview Football Club (as presented in Attachment 2).**
3. **Notes the sensitivity of the Broadview Football Club Business Plan to reductions in Gross Profit.**
4. **Notes that with each 5% increment reduction in Gross Profit than projected in the Business Plan a negative cumulative impact of \$63,636 on net profit occurs over the life of the plan.**
5. **Notes control measures that are proposed to mitigate risks identified in this Financial Due Diligence Review as detailed in this report and ensure appropriate oversight of the financial and operational performance of the Broadview Football Club.**
6. **Requests the Council ensure that the Broadview Football Club provides a presentation to the Audit and Risk Committee annually on finalising its end of year audited financial statements, detailing the status of its operations and financial performance of its operations.**

CARRIED

SPECIAL AUDIT & RISK COMMITTEE MEETING MINUTES

13 SEPTEMBER 2023

6 MEETING CLOSURE

The Meeting closed at 5.42pm.

The minutes of this meeting will be confirmed at the Audit & Risk Committee held on 16 October 2023.

.....
CHAIRPERSON

13 COUNCIL MEMBER REPORTS AND BRIEFINGS

14 MOTIONS ON NOTICE**14.1 NOTICE OF MOTION - GALWAY AVENUE PARKING RESTRICTION REVIEW****File Number: IC23/262**

I, Councillor Lillian Hollitt, give notice that at the next Ordinary Meeting of Council to be held on 26 September 2023, I intend to move the following motion:

MOTION**That Council:**

- 1. That Council request staff to investigate the operation of the parking restrictions on Galway Avenue between Edwin Avenue & Collins Street (east side) against those required to support current traffic volumes.**
- 2. Subject to the results of that investigation proposing changes to the parking controls in place, community consultation occur and the Chief Executive Officer be delegated to implement any changes if supported.**

RATIONALE

Residents of Galway Avenue, Collinswood have contacted Mayor Larwood and Councillors requesting that the parking restrictions currently in place along Galway Avenue be reviewed.

A southern section of Galway Avenue currently has a "No Standing" restriction in place on weekdays between 7:30am-9:30am and 5:00pm-6:00pm.

Residents feel that a restriction between 7:30am-9:00am is suitable, however restrictions at other times are excessive in light of the traffic in the area.

An investigation into the operation of current restrictions will demonstrate Council regard for local concerns and ensure that any parking restrictions in this area are appropriate.

I commend this Notice of Motion to Council.

CEO COMMENT

The current parking controls on Galway Avenue were initially implemented on 22 October 2019, for a 12-month trial, following a wider review of traffic management in the Collinswood area. After consideration of community feedback, Council, at its meeting of 23 March 2021, adjusted the time of operation as reflected on the current signage on site.

The above Motion will enable staff to investigate the operation of the parking restrictions on Galway Avenue between Edwin Avenue & Collins Street, with consideration of current traffic volumes and community input.

ATTACHMENTS**Nil**

14.2 NOTICE OF MOTION - THE BLUE TREE PROJECT**File Number: IC23/269**

I, Councillor Trinh Nguyen, give notice that at the next Ordinary Meeting of Council to be held on 26 September 2023, I intend to move the following motion:

MOTION**That Council:**

- 1. Authorise representatives of the Prospect and Blair Athol Lions Club to prepare and paint blue the dead tree located near the pavilion at Memorial Gardens as part of The Blue Tree Project.**
- 2. Staff work with representatives of the Prospect and Blair Athol Lions Club on The Blue Tree Project to ensure that appropriate public liability insurance and safe systems of work are in place as well as oversee the delivery of the works.**
- 3. Work in consultation with representatives of the Prospect and Blair Athol Lions Club to investigate options to expand The Blue Tree Project in the City of Prospect area, including:**
 - a) Identification of appropriate trees**
 - b) Determining responsibility for costs, project works and maintenance.**

RATIONALE

From "The Blue Tree Project" website:

The Blue Tree Project is a Not-for-profit organisation which aims to help spark difficult conversations and encourage people to speak up when battling mental health concerns.

One of the core initiatives behind The Blue Tree Project is to paint a dead tree that needs a 'blue lease on life'. By spreading the paint and spreading the message that "it's ok to not be ok," we can help create a mentally healthy future for all Australian's and break down the stigma that's still largely attached to mental health.

We recognise that prevention is better than a cure and are passionate about increasing mental health awareness throughout our community to encourage others to speak up and decrease the devastating side effects of mental illness.

Council participation in this project will raise awareness in the community and could spark conversation about mental health.

I commend this Notice of Motion to Council.

CEO COMMENT

The Blue Tree Project is a growing movement and participation will demonstrate Council's support of mental health awareness. There is some concern around the potential impact of this project on staff resourcing, particularly in regard to the ongoing monitoring of safety, insurance and maintenance requirements.

ATTACHMENTS**Nil**

14.3 NOTICE OF MOTION - TOWN HALL (ELIZA HALL) STAGE ACCESS**File Number: IC23/270**

I, Councillor Trinh Nguyen, give notice that at the next Ordinary Meeting of Council to be held on 26 September 2023, I intend to move the following motion:

MOTION**That:**

- 1. Council request staff investigate options to improve accessibility to the Eliza Hall (Town Hall) Stage, taking into consideration Australian Standards for disability access.**
- 2. The Disability Access and Inclusion Advisory Group be consulted on any proposed solution.**
- 3. The funding of the preferred solution be considered as part of the 2024/25 and 25/26 Business Plan and Budget process.**
- 4. The process for hosting of Citizenship Ceremonies be reviewed to minimise use of the stage until a proposed solution is determined.**

RATIONALE

Eliza Hall is used for a range of community and Council events. The current options for access to the stage are portable steps, a ramp that not compliant with Australian Standards and a vertical lift platform that is cumbersome to use and could be confronting for those required to use it.

As part of Council's ongoing commitment to improving accessibility, it is suggested that Council staff investigate any options that may be available to modernise and improve accessibility to the stage and ensure compliance with Australian Standards for disability access.

I commend this Notice of Motion to Council.

CEO COMMENT

Ensuring Council facilities are accessible and compliant is a priority for Council. However, the nature of older buildings and facilities can sometimes make addressing this complicated and costly. Investigations into potential solutions to accessibility to the stage in Eliza Hall may include portable equipment, fixed options (which would impact on floor space within the Hall) and consideration of the way the stage is used. Marking this project for the 2024/25 and 2025/26 budget process will allow staff to consider all potential solutions and consult with the Disability Access and Inclusion Advisory Group.

ATTACHMENTS**Nil**

15 QUESTIONS WITH NOTICE**15.1 PARKING****File Number:** IC23/245**Author:** Alison De Backer, Councillor**Responsible Executive:** Sam Dilena, Director City Works & Presentation

The following question on notice was received from Cr Alison DeBacker.

Question

At the conclusion of the parking review, consultation and implementation conducted in the Central Ward in 2022-23, is there currently a continuous review process to identify challenges and opportunities for future parking reviews?

If so, when will this occur and how will findings be fed back into system improvements and what would these likely be? "

16 CONFIDENTIAL ITEMS

Nil

17 MEETING CLOSURE