District Council Of Loxton Waikerie

Notice of Special Council Meeting

A special meeting of the District Council of Loxton Waikerie will be held in the Council Chamber, East Terrace, Loxton on Tuesday 7 February 2017 commencing at 5.30 pm

Peter Ackland  
Chief Executive Officer  
3 February 2017

AGENDA

1. Present
2. Apologies
3. On Leave
4. Member’s Declaration of Interest

Elected members are required to:
1. Consider Section 73 and 75 of the Local Government Act 1999 and determine whether they have a material, actual or perceived conflict of interest in any matter to be considered in the agenda, and
2. Disclose these interests in accordance with the requirements of Sections 74 and 75A of the Local Government Act 1999 on the approved ‘Declaration of Elected Members Conflict of Interest form (accessible via the Elected Members Extranet or upon request) and forward to the Executive Assistant no later than 12 noon on the day prior to the meeting.

5. Business

5.1 Audit Committee – minutes of meeting held 25 January 2017

Recommendation:

That the minutes of the Audit Committee meeting held 25 January 2017 be received.
5.1.1 **Key Financial Indicator Targets**

Recommendation:

That council endorse the recommendation from the Audit Committee meeting held 25 January 2017 being:

1. The Audit Committee recommend Council’s adoption of the following key financial indicator targets / target ranges:
   
   **Operating surplus ratio:**
   To achieve, on average over time, an operating surplus ratio of between 0% and 10% and averaging 2.5% over a rolling 3 year period.
   
   **Net financial liabilities ratio:**
   To be greater than zero and less than 100% of total operating revenue.
   
   **Asset Sustainability ratio:**
   Capital outlays on renewal / replacement of assets net of proceeds from sale of replaced assets are greater than 90% but less than 110% of the level proposed in the Infrastructure and Asset Management Plan.

2. The Audit Committee recommend Council’s current draft long term financial plan (currently out for public consultation) be amended to incorporate the above key financial indicators.

3. That the Audit Committee notes that the 2016/17 LGA rates survey report that average rural rates in SA Councils for 16/17 are $1295 and Loxton Waikerie Councils are $1000.
5.1.2 **Loxton Sporting Precinct Update**

Recommendation

That council endorse the recommendation from the Audit Committee meeting held 25 January 2017 being:

1. The Audit Committee note the work performed in progressing the development of the Loxton Sporting Precinct and endorse Councils proposed actions moving forward as outlined within report 16.2 Loxton Sporting Precinct Update and Next Stage Endorsement.

2. The Audit Committee recommends to Council the following actions be implemented:

   2.1 Includes in all deliberations an option to build the mezzanine component, excluding fit out as part of stage one.

   2.2 That the Audit Committee be provided with the opportunity to consider the outcome of the prudential review and any other updated financial advice prior to council finalising a decision on this project.

   2.3 Consideration be given to the recently announced State, Local Government Infrastructure Projects Funding.

5.2 **State Local Government Infrastructure Partnership funding program and other grant options – Loxton Recreation Centre project**

Report attached
6. Confidential

6.1 Audit Committee – confidential portion of minutes of meeting held 25 January 2017

The CEO recommends this matter be considered in confidence pursuant to Section 90 (3) (e) of the Local Government Act on the basis it contains information affecting the security of council, members or employees of the council, or council property, or the safety of any person.

Internal Controls Update

Recommendation

That the minutes of the confidential portion of the Audit Committee meeting held on 25 January 2017 be received.

7. Closure
District Council Of Loxton Waikerie

Minutes of the Audit Committee held on Wednesday 25 January 2017 in the Loxton Council Chamber commencing at 9:31am

1. **Present:** John Comrie (Chair), Mayor Leon Stasinowsky, Cr Jody Flavel, Cr Trevor Norton and Cr Michael Vowles.

   **In Attendance:**

   Manager Corporate Services, Nathan Wishart; Accounting Officer, Adrian Dick; Continuous Improvement Officer, Robyn Cusick; and Administration Support, Terri Weston.

2. **Apologies:** Nil

3. **On leave:** Nil

4. **Members declaration of interest:** Nil

5. **Confirmation of previous minutes of the Audit Committee meeting held on Friday 30 September 2016.**

   Mayor Leon Stasinowsky moved Cr Michael Vowles seconded

   **That the minutes of the previous meeting held on Friday 30 September 2016 be taken as read and confirmed.**

   CARRIED

6. **Business Arising**

6.1 **Work Programme / Action Plan**

   Outstanding actions reviewed, with staff to follow up on the outstanding actions, in particular community land and lease actions with an update report to be included in the next agenda.

6.2 **Financial Statement and Internal Controls**

   Nathan advised that the auditor provided unqualified opinions on both Council’s end of year financial statements and internal controls. All copies of reports, as issued by Dean Newbery and Partners will be formally included in the agenda of the next Audit Committee meeting.

7. **Deputations / Guests** Nil

8. **Correspondence** Nil
9.  Recommendation Reports

9.1 Departmental Budget Analysis

Cr Trevor Norton moved Cr Michael Vowles seconded

That report 9.1 be received  

CARRIED

9.2 Key Financial Indicator Targets

Cr Trevor Norton moved Mayor Leon Stasinowsky seconded

1. The Audit Committee recommend Council's adoption of the following key financial indicator targets / target ranges:

   - Operating surplus ratio:
     To achieve, on average over time, an operating surplus ratio of between 0% and 10% and averaging 2.5% over a rolling 3 year period.

   - Net financial liabilities ratio:
     To be greater than zero and less than 100% of total operating revenue

   - Asset Sustainability ratio:
     Capital outlays on renewal / replacement of assets net of proceeds from sale of replaced assets are greater than 90% but less than 110% of the level proposed in the Infrastructure and Asset Management Plan.

2. The Audit Committee recommend Council's current draft long term financial plan (currently out for public consultation) be amended to incorporate the above key financial indicators.

3. That the Audit Committee notes that the 2016/17 LGA rates survey report that average rural rates in SA Councils for 16/17 are $1295 and Loxton Waikerie Councils are $1000.

CARRIED
9.3 Loxton Sporting Precinct Update

Mayor left the meeting at 10.40am

Cr Michael Vowles moved Cr Trevor Norton seconded

1. The Audit Committee note the work performed in progressing the development of the Loxton Sporting Precinct and endorse Councils proposed actions moving forward as outlined within report 16.2 Loxton Sporting Precinct Update and Next Stage Endorsement.

2. The Audit Committee recommends to Council the following actions be implemented:

2.1 Includes in all deliberations an option to build the mezzanine component, excluding fit out as part of stage one.

2.2 That the Audit Committee be provided with the opportunity to consider the outcome of the prudential review and any other updated financial advice prior to council finalising a decision on this project.

2.3 Consideration be given to the recently announced State, Local Government Infrastructure Projects Funding.

CARRIED

10. Information Reports Nil

11. Confidential Report

11.1 Internal Controls Update

Cr Michael Vowles Moved Cr Jody Flavel seconded

That agenda item 11.1 be considered in confidence pursuant to Section 90 (3) (e) of the Local Government Act 1999 as it contains matters affecting the security of the Council, members or employees of the Council, or Council property, or the safety of any person, with the exception of Nathan Wishart, Adrian Dick, Robyn Cusick and Terri Weston.

CARRIED
Cr Trevor Norton Moved Cr Michael Vowles seconded

That pursuant to Section 91 (7) of the Local Government Act, Committee makes an order that the discussion, reports and minutes in relation to agenda item 11.1 be treated as confidential and remain in confidence for a period to be determined by the Chair John Comrie.

CARRIED

12. General Business: Nil

13. Next Meeting

The next meeting is scheduled tentatively for March 2017, subject to the outcomes of the Loxton Recreation Centre Project deliberations.

14. Closure The meeting closed at 11.04am
Strategy & Governance Recommendation Report

<table>
<thead>
<tr>
<th>Report Number</th>
<th>5.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject</td>
<td>State Local Government Infrastructure Partnership funding program and other grant options – Loxton Recreation Centre project</td>
</tr>
<tr>
<td>Author of report</td>
<td>Peter Ackland</td>
</tr>
<tr>
<td>People consulted</td>
<td>Local Government Association (Chris Russell)</td>
</tr>
<tr>
<td>Strategic Plan</td>
<td></td>
</tr>
<tr>
<td>Other document reference</td>
<td>State Local Government Infrastructure Partnership funding program FAQ and Guidelines Agenda item 15.5 Council meeting 20 January 2017</td>
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<tr>
<td>File Reference</td>
<td></td>
</tr>
<tr>
<td>Financial implications</td>
<td>Considered as a possible funding source for the Loxton Recreation Centre and outside Courts renewal and upgrade</td>
</tr>
<tr>
<td>Risk/Asset Management</td>
<td>A degree of risk in that the advice leaves open the degree of eligibility of the project</td>
</tr>
<tr>
<td>Attachments</td>
<td></td>
</tr>
<tr>
<td>Expected outcomes:</td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td>Potential opportunities for grants to secure the renewal and upgrading of the Loxton Recreation Centre</td>
</tr>
<tr>
<td>Social</td>
<td>Ensure continued provision of sporting facilities for the wellbeing of the community</td>
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<tr>
<td>Environmental</td>
<td></td>
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**Recommendation**

That Council receive and note the advice from the Local Government Association regarding the question of eligibility of the Loxton Sporting Precinct for the State Local Government Infrastructure Partnership funding program, noting that the information does not provide a definitive answer.

Council further note the cost estimate for Section 51 to use the base information it has on hand from the preparation of a grant application to the Building Better Regions fund to lodge applications for this project with the State Local Government Infrastructure Partnership funding program and also the Office of Sport and Recreation Community Recreation and Sporting Facilities program, and authorise the engagement of that company to prepare and lodge said applications.

**REPORT**

I refer to agenda item 15.5 of the Council meeting 20 January where the grant conditions for the State Local Government Infrastructure Partnership were outlined, together with projects being initially considered for same.
At that meeting I advised that, now that the guidelines had been released, the initial projects being considered for this funding were not considered to be eligible and on that basis I had sought clarification from the Local Government Association regarding the eligibility of the Loxton Recreation Centre project.

The particular query was that even though the project was included in Councils Long Term Financial Management Plan as a capital spend of $6.1M plus $400,000 for preliminaries, only $3.45 had been funded in the Plan, on the basis that the unfunded portion was to be sought from grants or other funding sources, and on this basis was that unfunded portion of the project considered to be eligible.

Advice has been received from the State Government via the Local Government Association and it does not provide a definitive answer.

One hand the advice considers the project may not be eligible given that as the project is in our LTFP “it wouldn’t have put it there if Council didn’t have a reasonable expectation of gaining the other funding and the project happening anyway – and on its own that expects the project to proceed before the July, 2019 “bring forward” date”

It then goes on to state that “I cant give you a definitive position (they are clear that without the application in front of them it’s hard to provide clear guidance)”. It then goes on to suggest that an application would need to be framed in a way to demonstrate how it met the funding criteria, which is the same requirement for all applications.

Council has resolved to engage Section 51 to write the grant for the Federal Building Better Regions Fund, including the preparation of a significant volume of supporting information.

Staff have sought a cost estimate from this company to prepare an application for the State Local Government infrastructure Partnership and also separately the Office of Sport and Recreation Community Recreation and Sporting Facilities program, on the basis that they will have already prepared a significant amount of information that could be adapted for use in these other grant opportunities.

The cost estimate to prepare the State Local Government infrastructure Partnership is $1,640 - $3,280 and for the Office of Sport and Recreation $3,280 - $6,560.

Given the relatively small cost for preparation of the State Local Government infrastructure Partnership application it is recommended that the risk of possible eligibility is worth testing for that cost, and similarly that given the track record of this company in securing grant, they also be engaged to prepare an application to the Office of Sport and Recreation.