

# Council Meeting Agenda & Reports

**2 December 2024**

## **Our Vision**

*A City which values its heritage, cultural diversity,  
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable  
and socially cohesive, with a strong community spirit.*

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City of Norwood Payneham & St Peters  
175 The Parade, Norwood SA 5067

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City of  
Norwood  
Payneham  
& St Peters

28 November 2024

## To all Members of the Council

### NOTICE OF MEETING

I wish to advise that pursuant to Sections 83 and 87 of the *Local Government Act 1999*, the next Ordinary Meeting of the Norwood Payneham & St Peters Council, will be held in the Council Chambers, Norwood Town Hall, 175 The Parade, Norwood, on:

**Monday 2 December 2024, commencing at 7.00pm.**

Please advise Tina Zullo on 8366 4545 or email [tzullo@npsp.sa.gov.au](mailto:tzullo@npsp.sa.gov.au), if you are unable to attend this meeting or will be late.

Yours faithfully



Mario Barone  
**CHIEF EXECUTIVE OFFICER**

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City of  
Norwood  
Payneham  
& St Peters

1.	KAURNA ACKNOWLEDGEMENT .....	1
2.	OPENING PRAYER .....	1
3.	CONFIRMATION OF THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 25 NOVEMBER 2024 .....	1
4.	MAYOR'S COMMUNICATION.....	1
5.	DELEGATES COMMUNICATION .....	1
6.	QUESTIONS WITHOUT NOTICE.....	1
7.	QUESTIONS WITH NOTICE .....	1
7.1	QUESTIONS WITH NOTICE – VERGE GREENING INCENTIVE FUND - SUBMITTED BY CR KESTER MOORHOUSE .....	2
7.2	QUESTIONS WITH NOTICE – ANN STREET, STEPNEY – PEDESTRIAN CROSSING - SUBMITTED BY CR SCOTT SIMS .....	3
8.	DEPUTATIONS .....	4
8.1	DEPUTATION – EASTERN HEALTH AUTHORITY – DRAFT LEASE AGREEMENT .....	5
9.	PETITIONS.....	6
10.	WRITTEN NOTICES OF MOTION .....	6
10.1	WRITTEN NOTICE OF MOTION - EASTERN HEALTH AUTHORITY - DRAFT LEASE AGREEMENT – SUBMITTED BY CR KESTER MOORHOUSE .....	7
	<i>Attachments – Item 10.1.....</i>	9
10.2	WRITTEN NOTICE OF MOTION – REVIEW OF LIBRARY SERVICES – SUBMITTED BY CR SCOTT SIMS.....	10
11.	STAFF REPORTS .....	12
	<b>Section 1 – Strategy &amp; Policy.....</b>	<b>13</b>
11.1	CORPORATE EMISSIONS REDUCTION PLAN 2020-2030 – IMPLEMENTATION REPORT .....	14
	<i>Attachments – Item 11.1.....</i>	22
	<b>Section 2 – Corporate &amp; Finance.....</b>	<b>23</b>
11.2	EXTERNAL AUDITORS REPORT 2023-2024 .....	24
	<i>Attachments – Item 11.2.....</i>	27
11.3	CASH ADVANCE DEBENTURE FACILITY LOAN.....	28
	<i>Attachments – Item 11.3.....</i>	31
	<b>Section 3 – Governance &amp; General.....</b>	<b>32</b>
11.4	HOLMESDALE MEMORIAL TENNIS CLUB - DRAFT LEASE AGREEMENT .....	33
	<i>Attachments – Item 11.4.....</i>	37
11.5	AUDIT & RISK COMMITTEE TERMS OF REFERENCE AND MEMBERSHIP.....	38
	<i>Attachments – Item 11.5.....</i>	42
12.	ADOPTION OF COMMITTEE RECOMMENDATIONS.....	43
13.	OTHER BUSINESS .....	44
14.	CONFIDENTIAL REPORTS .....	44
14.1	MUNICIPAL SOLID WASTE DISPOSAL AND PROCESSING TENDER.....	45
14.2	2025 AUSTRALIA DAY AWARD NOMINATIONS .....	46
14.3	STAFF RELATED MATTER – STAFF RECRUITMENT.....	47
15.	CLOSURE.....	48

**VENUE** Council Chambers, Norwood Town Hall

**HOUR**

**PRESENT**

**Council Members**

**Staff**

**APOLOGIES** Cr Victoria McFarlane

**ABSENT**

1. **KAURNA ACKNOWLEDGEMENT**
2. **OPENING PRAYER**
3. **CONFIRMATION OF THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 25 NOVEMBER 2024**
4. **MAYOR'S COMMUNICATION**
5. **DELEGATES COMMUNICATION**
6. **QUESTIONS WITHOUT NOTICE**
7. **QUESTIONS WITH NOTICE**

**7.1 QUESTIONS WITH NOTICE – VERGE GREENING INCENTIVE FUND - SUBMITTED BY  
CR KESTER MOORHOUSE**

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**QUESTION WITH NOTICE:** Verge Greening Incentive Fund  
**SUBMITTED BY:** Cr Kester Moorhouse  
**FILE REFERENCE:** qA1040  
**ATTACHMENTS:** Nil

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**BACKGROUND**

Cr Moorhouse has submitted the following Question with Notice:

Can staff please provide an update on the rollout of the Verge Greening Incentive Fund that was funded within the 2024-2025 financial year Budget?

**REASONS IN SUPPORT OF QUESTION**

Nil

**RESPONSE TO QUESTION**

**PREPARED BY GENERAL MANAGER, INFRASTRUCTURE & MAJOR PROJECTS**

As part of Council's asset renewal program, every resident who lives adjacent a footpath that is scheduled for renewal, is approached and receives a letter offering the opportunity to have soil installed in their verge instead of rubble. Soil installation is undertaken where the resident indicates they will submit a verge application to plant and maintain the verge.

As a result of this process, over 40 verge applications have been received, resulting in assessment of each application and working with residents to ensure compliance with Council requirements and approvals issued.

In respect to the Verge Greening Incentive Program, which is in addition to the verges that are referred to as part of the Footpath Renewal Program, will be commenced in early 2025, following the appointment of the Manager, City Services.

**7.2 QUESTIONS WITH NOTICE – ANN STREET, STEPNEY – PEDESTRIAN CROSSING -  
SUBMITTED BY CR SCOTT SIMS**

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**QUESTION WITH NOTICE:** Ann Street, Stepney – Pedestrian Crossing  
**SUBMITTED BY:** Cr Scott Sims  
**FILE REFERENCE:** qA1040  
**ATTACHMENTS:** Nil

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**BACKGROUND**

Cr Sims has submitted the following Questions with Notice:

Could staff please provide an update on the progress of the pedestrian crossing on Ann Street, Stepney?

Additionally, can you confirm whether it can be funded within the existing resources of the current Budget, or if additional funding will be required from the 2025-2026 Budget?

**REASONS IN SUPPORT OF QUESTION**

Nil

**RESPONSE TO QUESTIONS  
PREPARED BY GENERAL MANAGER, INFRASTRUCTURE & MAJOR PROJECTS**

Design for the Ann Street crossing has been through a series of changes to retrofit a compliant crossing into an existing street configuration, whilst achieving the desired safety comes in a cost effective manner.

Unfortunately, the Department of Infrastructure (DIT) has not approved Council's proposed design and as such, engineering consultants were engaged to redesign the crossing in the latter half of 2024.

The design is expected to be finalised by January 2025, with funding already in the 2024-2025 Budget for construction.

No additional funding is required in the 2025-2026 Budget to complete the Project.

**8. DEPUTATIONS**

## 8.1 DEPUTATION – EASTERN HEALTH AUTHORITY – DRAFT LEASE AGREEMENT

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4568  
**FILE REFERENCE:** qA1041  
**ATTACHMENTS:** Nil

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### **SPEAKER/S**

Councillor Peter Cornish

### **ORGANISATION/GROUP REPRESENTED BY SPEAKER/S**

Eastern Health Authority Board

### **COMMENTS**

Councillor Peter Cornish has written to the Council requesting that he be permitted to address the Council in relation to Item 10.1 of the Agenda relating to the draft lease agreement for Eastern Health Authority.

In accordance with the *Local Government (Procedures at Meetings) Regulations 2013*, Councillor Peter Cornish has been given approval to address the Council.



**9. PETITIONS**  
Nil

**10. WRITTEN NOTICES OF MOTION**

**10.1 WRITTEN NOTICE OF MOTION - EASTERN HEALTH AUTHORITY - DRAFT LEASE AGREEMENT – SUBMITTED BY CR KESTER MOORHOUSE**

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**NOTICE OF MOTION:** Eastern Health Authority – Draft Lease Agreement  
**SUBMITTED BY:** Cr Kester Moorhouse  
**FILE REFERENCE:** qA1039  
**ATTACHMENTS:** A - B

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Pursuant to Regulation 12(1) of the *Local Government (Procedures at Meetings) Regulations 2013*, the following Notice of Motion has been submitted by Cr Kester Moorhouse.

**NOTICE OF MOTION**

That the following resolution of the Council made at its meeting held on 2 September 2024 (Item 11.8, page 56 of the Minutes):

*That Council approves a Lease to Eastern Health Authority for the offices that they currently occupy for five (5) years (all other terms of the Lease to remain the same), noting that it is committed to Eastern Health Authority using the facilities into the future but seeks greater flexibility in the ongoing management of its community land.*

be revoked.

If the above resolution is revoked, it is the intention of Cr Moorhouse to move the following motion:

- 1. That the Council agrees to enter into a Lease with the Eastern Health Authority for the offices that they currently occupy at Unit 3 in St Peters Town Hall Complex for a further twenty (10 + 10) year period.*
- 2. That the draft Lease, as presented to the Council at its meeting held on 2 September 2024 (**Attachment A**), be endorsed for the purposes of community consultation, in accordance with the Council's Community Consultation Policy.*

**REASONS IN SUPPORT OF MOTION**

At the Council Meeting held on 2 September 2024, the Council approved a draft five (5) year Lease for the Eastern Health Authority to continue its occupancy at the St Peters Town Hall Complex, rather than with a twenty (10 + 10) year Lease as had been recommended by staff.

At the Council Meeting held on 4 November 2024, the Council was presented with a letter from the Chief Executive Officer of the Eastern Health Authority Michael Livori, outlining his concerns that this would have negative consequences for the regional subsidiary (**Attachment B**).

During the Eastern Health Authority Board of Management meeting held on 6 November 2024, further concerns were raised by impassioned and perplexed Board Members. One point that was raised was that with only a five (5) year lease the Eastern Health Authority would have to start planning for contingencies, looking into alternative rentals just in case, whereas a longer lease would provide certainty so that it can get on with the job.

The Eastern Health Authority has been at the St Peters Town Hall Complex for over two (2) decades now and its central location is conveniently accessible for residents coming from across the member Councils. As the City of Norwood Payneham & St Peters has no long-term plans to use this space for any other purpose the Council should commit to a full twenty (10 + 10) year Lease period.

**STAFF COMMENT**  
**PREPARED BY GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS**

At its meeting held on 2 September 2024, the Council considered a draft Lease for the tenancy located at Unit 3 in St Peters Town Hall Complex by the Eastern Health Authority.

The term of the draft Lease was for a further twenty (10 + 10) year period under the same conditions as the previous Lease.

Following consideration of the matter, the Council resolved to enter into a Lease with EHA for a five (5) year term, as set out above.

Subsequently, at its meeting held on 4 November 2024, the Council was presented with a letter dated 28 October 2024, from the Chief Executive Officer, EHA requesting that the Council reconsider its position regarding the term of the new lease.

As Elected Members will recall, the Council was advised at that time that in the event the Council did determine to reconsider its position as requested by EHA, the Council can only do so via a Motion with Notice in accordance with the *Local Government (Procedures at Meetings) Regulations 2013*.

## **Attachments – Item 10.1**

# **Attachment A**

**Written Notice of Motion  
Eastern Health Authority - Draft Lease Agreement  
Submitted by Cr Kester Moorhouse**



## **LEASE AGREEMENT**

between

**THE CORPORATION OF THE CITY OF NORWOOD  
PAYNEHAM AND ST PETERS**

and

**EASTERN HEALTH AUTHORITY INCORPORATED**

**UNIT 3, ST PETERS TOWN HALL COMPLEX  
101 PAYNEHAM ROAD, ST PETERS SOUTH  
AUSTRALIA**

**SCHEDULE****Item 1**

The Lessee

**Name:**

Eastern Health Authority Inc.

**Registered Business Number:**

ABN: 52 535 526 439

**Address:**

PO Box 275, Stepney SA 5069

**Item 2**The Complex and the  
Facility**Name of Complex:**

St Peters Town Hall Complex

**Location:**

101 Payneham Road, St Peters SA 5069

(Situated on the western corner of St Peters Street and Payneham Road)

**Name of Facility:**

Eastern Health Authority Office

**Location:**

Unit 3, 101 Payneham Road, St Peters SA 5069

(Situated within the St Peters Town Hall Complex)

Being a portion of the land comprised in Certificate of Title Volume 5827 Folio 303

**Position and Dimensions of Leased Area:**

As coloured in red and labelled 'Tenancy 3' on the Plan annexed to this Lease as Annexure A

**Item 3**

The Lease Period

Ten (10) years

With one (1) renewal option of ten (10) years, commencing on [INSERT], if exercised

**Item 4**

The Commencement Date

[INSERT]

**Item 5**

The Lease Fee \$124,150 per annum (exclusive of GST) for the first year of the Lease Period, and subsequently reviewed annually in accordance with clause 3.1

**Item 6**

Times and manner for Payment of the Lease Fee To be paid monthly in advance through a direct transfer from the Lessee's bank account to the bank account nominated by the Council

**Item 7**

Permitted Use of the Facility Administrative offices/centre and ancillary purposes including medical clinics, training facilities and resource centre

**Item 8**

Keys - The number of keys that the Council will provide at its cost: Six (6)

Proximity Cards - The number of cards or fobs that the Council will provide at its cost: Six (6)

**Item 9**

Public risk insurance Twenty Million Dollars (\$20,000,000.00) at the commencement of the Lease.

Note: The Council has the right to nominate at any time the amount of the public risk insurance cover, to a greater or lesser figure (vide clause 4.3).

**Item 10**

Special Conditions Refer to Annexure B



## LEASE AGREEMENT

### PARTIES

**THE CORPORATION OF THE CITY OF NORWOOD PAYNEHAM AND ST PETERS** of 175  
The Parade, Norwood SA 5067 (**Council**)

**EASTERN HEALTH AUTHORITY INCORPORATED** ABN 52 535 526 439 of PO Box 275, Stepney  
SA 5069 (**Lessee**)

### BACKGROUND

- A. This Lease is issued pursuant to Section 202 of the *Local Government Act 1999*.
- B. The Community, Recreational or Sporting Complex described in Item 2 of the Schedule ("the Complex") is owned by or under the care, control and management of the Council, within which exists the premises described in Item 2 of the Schedule ("the Facility").
- C. The Lessee has requested a lease to occupy the Facility and the Council has resolved to grant the Lessee a lease over the Facility.
- D. The Lessee has inspected the Facility and is satisfied that the Facility is in good condition and is fit for the purposes for which the Lessee intends to use it.
- E. The Council and the Lessee wish to record the conditions of the Lease in this document.

### TERMS AND CONDITIONS OF LEASE

#### 1. INTERPRETING THIS LEASE

1.1 The statements in the Background above form part of this Lease.

1.2 The expressions below have the following meanings:

**Council** includes the Council's employees, servants, agents and contractors.

**Facility** means the community, recreational or sporting facility being leased (as described in Item 2 of the Schedule) including any buildings, structures, fences, improvements and fixtures that:

- (a) are on the property now; or
- (b) are erected during the term of this Lease.

**GST** means the tax on taxable supplies under *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Lessee** and the "Lessee's visitors" includes the Lessee's employees, servants, agents, contractors, and anybody else that the Lessee allows onto or into the Facility.

**Proximity card readers** and **proximity cards** refer to the electronic devices that are used to lock and unlock doors at the Complex.

**Schedule** means the Schedule at the front of this Lease.

1.3 A reference to a party includes that party's successors and transferees.

- 1.4 Words in the singular include words in the plural and vice versa.
- 1.5 If two or more persons are referred to in the Schedule as "the Lessee" then this Lease binds them jointly and severally.
- 1.6 The words "person" or "group" includes a body corporate.
- 1.7 A reference to any Act or law includes any Act or law that amends or replaces it.
- 1.8 A reference to "the Lease Period" in this Lease includes any extension to it.
- 1.9 Clause headings are for reference only and should not be taken into account in interpreting this Lease.
- 1.10 This Lease shall be subject in all things to the consent of the Development Assessment Commission or its successors if such consent is required.
- 1.11 The provisions of the *Retail and Commercial Leases Act 1995* will not apply to this Lease.

## 2. GRANT OF LEASE

The Council grants to the Lessee a Lease of the Facility:

- 2.1 for the Lease Period stated in Item 3 of the Schedule;
- 2.2 starting on the date stated in Item 4 of the Schedule; and
- 2.3 on condition that the Lessee meets all of its obligations under this Lease.

## 3. THE LESSEE'S OBLIGATIONS

The Lessee agrees with the Council as follows:

### 3.1 Lease Fee

- 3.1.1 The Lessee must pay to the Council the annual Lease Fee set out in Item 5 of the Schedule at the time and in the manner specified in Item 6 of the Schedule.
- 3.1.2 The Lease Fee will be reviewed annually during the lease period on each anniversary of the Commencement Date and in accordance with clauses 3.1.3, 3.1.4 and 3.1.5.
- 3.1.3 Every fifth year of the Lease (including any renewal periods, if the Lease is renewed by the Lessee) the Council will review the Lease Fee by obtaining a valuation of the market rent that the Facility, without the fit-out and improvements of the Lessee being included in the valuation, but including reference to the value of the licences granted within the lease and apply one hundred per cent (100%) of that rental valuation as the amount of rent payable, i.e. marked to market. The valuation may be the figure obtained by the Council as part of its asset revaluation exercise that is undertaken every five (5) years and subsequently increased by CPI movements up to the year that the mark to market rent review is applied.

- 3.1.4 In the years during the Lease Period that the Lease Fee is not being reviewed by being marked to market, any increase in the Lease Fee will be in proportion to the percentage change in the Consumer Price Index (CPI) published by the Australian Government for Adelaide (All Groups) for the previous twelve months, using the quarter that is penultimate to the review date. [For example: if the anniversary of the commencement date is 1 January, then annual movements in the September quarter will be used]
- 3.1.5 When the CPI is being used as the basis for the annual review of the rent, the annual Lease Fee will not change if there is no annual increase in the CPI.

### **3.2 Rates, Taxes, Charges and Costs**

- 3.2.1 With the exception of general rates charged by the Council, the Lessee must pay on time and in full all rates, taxes, levies and charges relating to the Facility no matter whether they are charged, levied or payable by the Lessee or the Council.
- 3.2.2 The Lessee will be responsible for 50% of the Council's costs associated with the preparation of this Lease and 100% of the Council's costs associated with any renewal of this Lease.
- 3.2.3 If the Lessee requires the lease to be registered on the Certificate of Title the Lessee must pay all of the additional costs incurred by the Council in having the lease registered at Land Service SA including professional fees incurred in the preparation and lodging of a lease plan and the preparation and lodging of additional documents and amendments necessary to have the lease prepared in a form suitable for registration.
- 3.2.4 The Lessee must comply with its obligations under this Lease at its own cost.

### **3.3 Sub-Leasing**

- 3.3.1 The Lessee must not assign, transfer or sub-lease the Facility or any part of it unless it first gets the consent of the Council in writing. The Council will have absolute discretion in its decisions to approve, approve subject to conditions (including rent levels) or refuse its consent.
- 3.3.2 Where the Council gives consent to a sub-lease, the Lessee must ensure that any sub-Lease has the same terms and conditions as are detailed in this Lease.
- 3.3.3 The Lessee must not use this Lease as security for a loan or otherwise deal with the Facility without first obtaining the prior consent of the Council in writing. Such consent to be at the sole discretion of the Council.

### **3.4 Use of the Facility**

- 3.4.1 The Lessee must not use nor allow any other person to use the Facility for any purpose or activity except for that stated in Item 7 of the Schedule unless it first gets the consent of the Council in writing.

### **3.5 To Comply with Laws and Council Policies**

- 3.5.1 The Lessee must comply with the provisions of all Acts, regulations, bylaws, codes and Council policies, plans and systems which affect the Facility or the Lessee's use of the Facility.

- 3.5.2 The Lessee must comply with any requirement imposed by any local government or semi-government authority in relation to the Facility or to the Lessee's use of the Facility.
- 3.5.3 Without limiting the generality of 3.5.2, the Lessee must specifically comply with all requirements under laws dealing with occupational health and safety, public health, public safety, fire safety and safety generally.
- 3.5.4 At its sole discretion, the Council may carry out work, install fixtures and equipment and enter into contracts to have the Facility comply with the provisions of all Acts, regulations, by-laws and codes which affect the Facility or the Lessee's use of the Facility.
- 3.5.5 If the Council incurs expenditure under 3.5.4 then the Lessee must pay to the Council all costs so incurred by the Council as soon as demanded by the Council.

### **3.6 Maintenance and Repair**

- 3.6.1 The Lessee must maintain the Facility in good condition and free from hazards and must:-
- (a) keep the Facility clean, tidy and free from dirt, rubbish, pests and vermin;
  - (b) keep the Facility in good repair (fair wear and tear and damage by fire, storm, tempest, act of god, war, riot, civil commotion and earthquake excepted);
  - (c) paint any buildings and other improvements in the Facility to the Council's satisfaction;
  - (d) keep all sinks, drains, pipes and other plumbing that directly relate to the Facility in good repair and free from blockages and ensure that no part of the Facility becomes insanitary;
  - (e) keep all of the Lessee's property in good condition so as to prevent any hazard to any person or any deterioration in the condition of the Facility;
  - (f) repair any damage to the Facility caused by the Lessee or its visitors;
  - (g) notify the Council as soon as it becomes aware of any defects in the Facility or anything which could present a hazard or cause harm to any person or the Facility.
- 3.6.2 The Lessee does not have to undertake structural works on the Facility except for:
- (a) works on any building or structure erected by the Lessee under clause 3.10;
  - (b) works needed as a result of a negligent or wrongful act or omission by the Lessee or its visitors;
  - (c) works needed as a result of a breach of this Lease by the Lessee; or
  - (d) works needed as a result of the use to which the Facility is being put.

- 3.6.3 The obligations imposed upon the Lessee in this clause are to be carried out at the Lessee's expense except if the cost of doing it is covered by insurance which either the Council or the Lessee has taken out under this Lease. This clause does not prevent the Council from recovering moneys spent on insurance excesses.

### **3.7 Entry by the Council**

- 3.7.1 The Lessee must allow the Council to enter the Facility for the purpose of inspecting its condition and state of repair;
- 3.7.2 Except in an emergency, the Council must give the Lessee reasonable notice before exercising its right under this clause.

### **3.8 Work Required by the Council**

- 3.8.1 If the Council finds on inspection that any part of the Facility for which the Lessee is responsible needs maintenance or repair or completion of commenced works then the Council may notify the Lessee in writing of the work to be done and the time within which such work must be done.
- 3.8.2 The Lessee must comply with the notice to the satisfaction of the Council within the time stated in the notice (which must not be less than fourteen (14) days except in the case of an emergency).
- 3.8.3 If the Lessee fails to carry out the work required by the notice within the time specified or fails to do the work to the satisfaction of the Council then the Council may undertake the repairs. The cost of such repairs and any other reasonable expenses incurred by the Council will be recoverable from the Lessee.

### **3.9 Erection and/or Alteration of Buildings**

- 3.9.1 The Lessee must not carry out any alterations or additions to the Complex without first applying in writing to the Council.
- 3.9.2 The Lessee must provide full details of the proposed alteration and additions to the Council.
- 3.9.3 Unless the Lessee first gets the consent of the Council in writing it must not in or on the Facility:
- (a) erect a building or structure;
  - (b) fix anything to the outside of a building or structure;
  - (c) alter any existing water supply or drainage facilities;
  - (d) alter or demolish an existing building or structure;
  - (e) install any water, gas, solar, wind or electrical infrastructure, facility, equipment or appliances;
  - (f) install any infrastructure, equipment or facility for the transmission or receiving of electronic data or electronic communication, including telephones, television and public address systems, provided that this clause does not include equipment that is merely plugged into existing power points and cannot be fairly deemed to be a fixture;

- (g) install any lighting;
- (h) install any air conditioning equipment;
- (i) paint any building, structure or other surface in a colour different to that which exists;
- (j) make any other change of a permanent nature.

- 3.9.4 The Council may impose any conditions it considers necessary if it gives its approval, including requiring the Lessee to obtain the Council's consent to any agreements that the Lessee enters into in relation to the alterations or additions.
- 3.9.5 If the Council consents to any of the works under this clause then the works will be done at the cost and risk of the Lessee and the Lessee must pay to the Council as soon as demanded by the Council such of the Council's costs (including consultant's costs and legal costs) incurred as a result of the Lessee's alterations and additions whether or not the alterations and additions proceed or are completed that the Council may demand and in accordance with any reasonable conditions set by the Council.
- 3.9.6 The Lessee must carry out any approved alterations and additions:
- (a) in strict accordance with any plans and specifications approved by the Council in its capacity as Lessor under this Lease;
  - (b) in accordance with the conditions imposed by the Council and with the approvals made by Council in its capacity as Lessor under this Lease;
  - (c) in a proper and workmanlike manner;
  - (d) in accordance with all Statutory Requirements; and
  - (e) in a way to minimise disturbance to others.
- 3.9.7 Within one (1) calendar month of the conclusion of any works undertaken by the Lessee the Lessee will provide the Council with a certificate of satisfactory completion of the works together with copies of all documentation associated with the works including:
- (a) copies of warranties,
  - (b) as constructed plans,
  - (c) valuations or cost figures,
  - (d) photographs,
  - (e) statements providing details of any incidents or accidents or injuries that are likely to result in claims because of the implementation of the works or a statement that no such incidents or accidents occurred.

### **3.10 Ownership of Improvements**

- 3.10.1 Unless the Lessee obtains the written acknowledgment of the Council, all structures, improvements, fixtures and fittings located in or on the Facility at any time during the Lease Period will become the property of and belong to

the Council irrespective of whether the Lessee or the Council purchased or acquired them.

### **3.11 Lessee's Property**

- 3.11.1 The Council may (despite anything else to the contrary in this Lease) serve the Lessee with a notice in writing (either during the term of the Lease or at the end of the lease) requiring the Lessee to remove any of the Lessee's fixtures and fittings from the facility.
- 3.11.2 The Lessee must comply with the notice within twenty-eight (28) days of receiving it and must at its own cost repair any damage caused to the Facility.
- 3.11.3 If the Lessee fails to comply with the notice, the Council may do any of the actions required by the notice and the Lessee must pay to the Council any costs incurred by the Council in doing so.

### **3.12 Signs**

- 3.12.1 Unless the Lessee first gets the consent of the Council in writing, the Lessee must not display in or on the Complex any sign that is visible from outside the Complex.
- 3.12.2 At the cost of the Lessee, major facility identification signs must prominently include the current logo of the Council.

### **3.13 Offensive Activities**

- 3.13.1 The Lessee must not do, nor allow its visitors to do, within the Facility or on any adjoining property:
- (a) anything that is noisy, offensive or dangerous;
  - (b) anything that may cause annoyance, nuisance, or damage to any occupier or owner of nearby land;
  - (c) anything that may become an offence against any Act, regulation or by-law;
  - (d) anything that may cause any insurance policy to become void or to be subject to an increased premium.
- 3.13.2 The Lessee must not bring anything into the Facility which is dangerous, harmful, poisonous, explosive or flammable unless it first gets the consent of the Council in writing.

### **3.14 Notification of Accidents and Hazards**

- 3.14.1 The Lessee must promptly notify the Council in writing of:
- (a) any accident that occurs in, on or associated with the Facility;
  - (b) anything that needs repairing;
  - (c) anything that could present a hazard or that could harm any person or the Facility.

### **3.15 Keys, Locks & Proximity Cards**

- 3.15.1 The Lessee must ensure that the Facility is keyed at all times in conformity with the master key system that the Council maintains for all of its properties and if electric locks are utilised at the Complex the Lessee must ensure its systems and practices synchronise with the systems and practices established from time to time by the Council.
- 3.15.2 The Lessee will reimburse the Council the cost of supplying keys and proximity cards that are additional to the number of original keys or proximity cards set out in Item 8 of the Schedule.
- 3.15.3 The Lessee will be responsible for any costs incurred by the Council to re-key the Facility should the Lessee cause replacement of the locks and keys to be necessary or desirable.
- 3.15.4 The Lessee will maintain a register of the holders of any keys and proximity cards for the Complex and will make that register available to the Council upon request.

### **3.16 Security Systems**

- 3.16.1 The Council will provide at its cost the installation and operation of a security system within the Complex, including the Facility.
- 3.16.2 The Lessee shall cause the security system to be operated properly every day, that is, to be armed when the premises are vacant and disarmed when being used.
- 3.16.3 The Lessee will be responsible to pay for any costs charged by the security contractors that are monitoring the security system for the Complex if such costs can be reasonably inferred to have been caused by the action, negligence or oversight of the Lessee.
- 3.16.4 The Lessee is to provide the Council with the names and contact details of the persons nominated from time to time by the Lessee to the security contractors that are monitoring the security system for the Complex as being the persons to be contacted in the event of any incidences, alerts and alarms associated with the security system operating within the Premises.

### **3.17 Fire Monitoring Systems**

- 3.17.1 The Lessee shall cause the fire monitoring system to be operational at all times (power outages and other infrastructure failures beyond the control of the Lessee excepted).
- 3.17.2 The Lessee is alert the Council immediately it becomes aware that the fire monitoring system is not working.

## **4. INDEMNITIES AND INSURANCES**

### **4.1 Indemnity**

The Lessee indemnifies the Council against all actions, demands, losses, damages, costs and expenses for which the Council may become liable arising wholly or partly from any of the following:



- 4.1.1 the misuse, negligent use, waste or abuse by the Lessee or its visitors of any services at the Facility including, but not limited to, water, gas, electricity or oil;
- 4.1.2 the overflow, leakage or escape of water (including rain water), fire, gas or electricity or other harmful agent in or from the Facility caused or contributed to by any act or omission of the Lessee or its visitors;
- 4.1.3 loss, damage or injury to property or persons caused or contributed to by the Lessee or its visitors' use or occupation of the Facility;
- 4.1.4 loss, damage or injury to property or persons in or on the Facility caused or contributed to by the neglect or default of the Lessee or its visitors.
- 4.1.5 loss, damage or injury to property or persons in or on the Facility caused or contributed to by Lessee's neglect or failure to observe or perform any of its obligations pursuant to this Lease.

#### **4.2 Limits on the Council's Liability**

- 4.2.1 The Lessee will occupy and use the Facility at the risk of the Lessee.
- 4.2.2 The Lessee releases the Council from any costs or loss arising from any accident, damage or injury occurring on the Facility except where such accident, damage or injury results from any wilful or negligent act or omission of the Council.
- 4.2.3 The Council is not responsible for any loss of or damage to any fixtures, fittings or personal property of the Lessee.
- 4.2.4 The Council is not responsible for any costs or loss suffered by the Lessee arising from any malfunction of or interruption to:
  - (a) water, gas or electricity services;
  - (b) air conditioning equipment;
  - (c) fire equipment;
  - (d) any other plant, machinery or services; or
  - (e) the blockage of any gutters pipes or drains.

#### **4.3 Public Risk Insurance**

- 4.3.1 The Lessee must take out and maintain during the Lease Period a public risk insurance policy for Twenty Million Dollars (\$20,000,000) or such other amount as stated in Item 9 of the Schedule. The policy will be in respect of injury, loss or damage occurring in or on the Facility and will note the Council's rights and interests as proprietor of the Facility.
- 4.3.2 The Council may during the life of the Lease nominate from time to time other minimum amounts of cover that the Lessee is required to have in its public risk insurance policy and the Lessee shall immediately comply with the nomination.

- 4.3.3 The Lessee must produce a copy of the policy and a certificate of currency each year on renewal of the policy or at such other time as the Council may request.

#### **4.4 Property and Contents Insurance**

- 4.4.1 The Council will take out and maintain at its cost an insurance policy in respect of the Facility against damage by fire, lightning, storm, explosion, earthquake, malicious damage and/or such other risks as the Council thinks fit for full reinstatement value.
- 4.4.2 The Lessee is responsible for obtaining insurance to cover its own contents or other assets which are located in or on the Facility from time to time.

#### **4.5 Insurance Claims**

- 4.5.1 The Lessee must notify the Council in writing, giving full details, whenever the Lessee becomes aware of a possible claim under any insurance required in this Lease.
- 4.5.2 If there is a claim under any insurance policy taken out by the Council then:
- (a) the Council alone may deal with the insurer regarding the claim;
  - (b) the Council may settle the claim as it thinks fit, and the Lessee will be bound by the settlement;
  - (c) the Lessee may be required to pay to the Council any excess which the Council has to pay under the insurance policy; and
  - (d) if requested, the Lessee must pay any excess as soon as the Council demands payment.

#### **4.6 Termination or Reduction of Fees on Damage**

If the whole or any part of the Facility is destroyed or damaged for any reason such as to make it substantially unfit for the Lessee's use and occupation then this clause will apply.

- 4.6.1 The Council may (in its absolute discretion) decide not to rebuild or reinstate the Facility. If the Council so decides then it may end this Lease by written notice to the Lessee.
- 4.6.2 If the Council elects not to end this Lease under clause 4.6.1, then it must ensure that the Facility is made fit for use by the Lessee within a reasonable time frame.
- 4.6.3 Until the Council either ends the Lease or makes the Facility fit for use, the Lease Fee and any other payments due under this Lease will be reduced. The amount of any reduction will be determined by the Council and will depend upon the nature and extent of the damage sustained and will continue until the Facility is reinstated or made fit for the Lessee's occupation and use.
- 4.6.4 If, after six (6) months the Facility has not been substantially reinstated by the Council, this Lease may be terminated by either party by giving notice to the other in writing.

4.6.5 Any such termination will not reduce the rights of either party in respect of any previous breaches of this Lease.

## 5. THE COUNCIL'S OBLIGATIONS

### 5.1 Quiet Possession

The Council agrees that if the Lessee pays the Lease Fee in accordance with this Lease and complies with its obligations under this Lease, then the Lessee may quietly enjoy the Facility for the purposes set out in Item 7 of the Schedule.

## 6. EXPIRY OR EARLY TERMINATION OF LEASE

### 6.1 Termination

6.1.1 This clause applies if the Lessee:-

- (a) fails to pay the Lease Fee or any other money which is due to the Council for a period of twenty eight (28) days from the due date for payment;
- (b) fails to meet any other of its obligations under this Lease;
- (c) becomes bankrupt, is wound up or in the case of an incorporated body ceases to be incorporated under the *Associations Incorporation Act 1985*;
- (d) fails to perform its functions as stated in Item 7 of the Schedule.

6.1.2 The Council may serve on the Lessee a notice in writing stating:

- (a) the nature of the breach;
- (b) what the Lessee must do to remedy the breach;
- (c) the time frame in which the Lessee must remedy the breach;
- (d) whether the Lessee is to pay any compensation and, if so, how much.

6.1.3 If the Lessee fails to comply with the notice within the time stated in it then the Council may end this Lease and take possession of the Facility.

6.1.4 The right to terminate the Lease and enter into possession will not reduce the Council's right to take any other action for any of the Lessee's previous breaches.

### 6.2 Surrender

6.2.1 Upon the expiration or earlier termination of the Lease, the Lessee will peacefully and quietly surrender and give up possession of the Facility.

6.2.2 Subject to clause 3.11, the Lessee must remove from the Facility any of the Lessee's fixtures and fittings and must immediately repair any damage caused in removing them.

6.2.3 The Lessee will leave the Facility in good condition, repair and cleanliness.

- 6.2.4 Any reasonable costs incurred by the Council in cleaning or repairing any damage caused by the Lessee in surrendering the Facility may be recovered by the Council from the Lessee.

## **7. OTHER RIGHTS AND OBLIGATIONS**

### **7.1 The Council able to Undertake Works**

The Council or any persons authorised by the Council may at any time enter the Facility and carry out any improvements, additions, alterations or any other work. In so doing, the Council must use its best endeavours to cause as little disturbance as possible to the Lessee.

### **7.2 Emergency Incidents**

7.2.1 If an emergency situation arises anywhere within the Council area whereby in the reasonable opinion of the Council the impacts of the emergency situation can be lessened through utilisation of the Facility the Council may direct the Lessee to make the Facility available for such use.

7.2.2 The Council shall reimburse the Lessee for any outgoing expenses and losses incurred by the Lessee making the Facility available under the provisions of this clause.

### **7.3 Resumption**

If the Council receives notice of any proposed resumption or acquisition of the Facility by any Government (Federal or State) or other authority, or if the control of the Facility is otherwise taken away from the Council, then the Council may terminate this Lease by giving three (3) months' notice in writing to the Lessee.

### **7.4 Renewal**

7.4.1 At the end of the initial Lease Period, the Lessee will be entitled to one (1) extension of this Lease for the period set out in Item 3 of the Schedule provided that :-

- (a) the Lessee gives the Council a written notice of its desire to be granted the extension not less than three (3) and not more than six (6) months before the expiration of the initial Lease Period;
- (b) the Lessee has not committed any frequent and/or substantial breaches of the Lease during the current Lease Period; and
- (c) the Lessee is not in breach of the Lease at the time the notice is given.

7.4.2 The extended term will be on the same terms and conditions as this Lease but will exclude the right of further renewal.

### **7.5 Holding Over**

7.5.1 If, with the consent of the Council, the Lessee continues to occupy the Facility after the expiry of the Lease then this Lease will continue as a monthly Lease on these same terms and conditions.

7.5.2 Either party may give the other one (1) month's written notice to terminate the monthly lease with the lease expiring one month from the date the notice is given.

## **8. GENERAL**

### **8.1 Waiver**

The failure or omission by either party to take any action for the breach of any term or condition of this Lease will not stop either party from taking action in relation to any other breaches of the same or any other term or condition of the Lease.

### **8.2 Notices**

Any notice required to be given by either party to the other must be in writing and must be given by delivering it or posting it to the address appearing in the Schedule or to such other place as may be nominated by either party to the other.

### **8.3 Severance**

If any provision or obligation of this Lease is invalid, unlawful or not applicable, then it will be deleted from the Lease without affecting any other of the parties' obligations under this Lease.

### **8.4 Entire Agreement**

The terms contained in this Lease comprise the whole of the agreement between the parties. It is expressly agreed and declared by the parties that no further or other terms exist between them with respect to the Facility or the Lease.

### **8.5 No Warranty**

The Lessee acknowledges that the Council has not given any warranty as to the condition of the Facility or its suitability for the use referred to in the Schedule or for any other use.

## **9. SPECIAL CONDITIONS**

**9.1** Any Special Conditions as set out in Item 10 of the Schedule are incorporated into this Lease.

**9.2** Where there is any inconsistency between any Special Condition and any other obligation in this Lease then the Special Condition will prevail.

SIGNED as an agreement and dated.....

**EXECUTED** by an authorised representative of **THE CORPORATION OF THE CITY OF NORWOOD PAYNEHAM AND ST PETERS** under delegation pursuant to section 44 of the Local Government Act 1999:

.....

.....

Signature of Authorised Representative

Signature of Witness

.....

.....

Name of Authorised Representative (print)

Name of Witness (print)

.....

Position of Authorised Representative (print)

**SIGNED** on behalf of **EASTERN HEALTH AUTHORITY INCORPORATED** in accordance with its constitution or articles of association: )  
)  
)

.....

.....

Signature of President

Signature of Secretary

.....

.....

Name

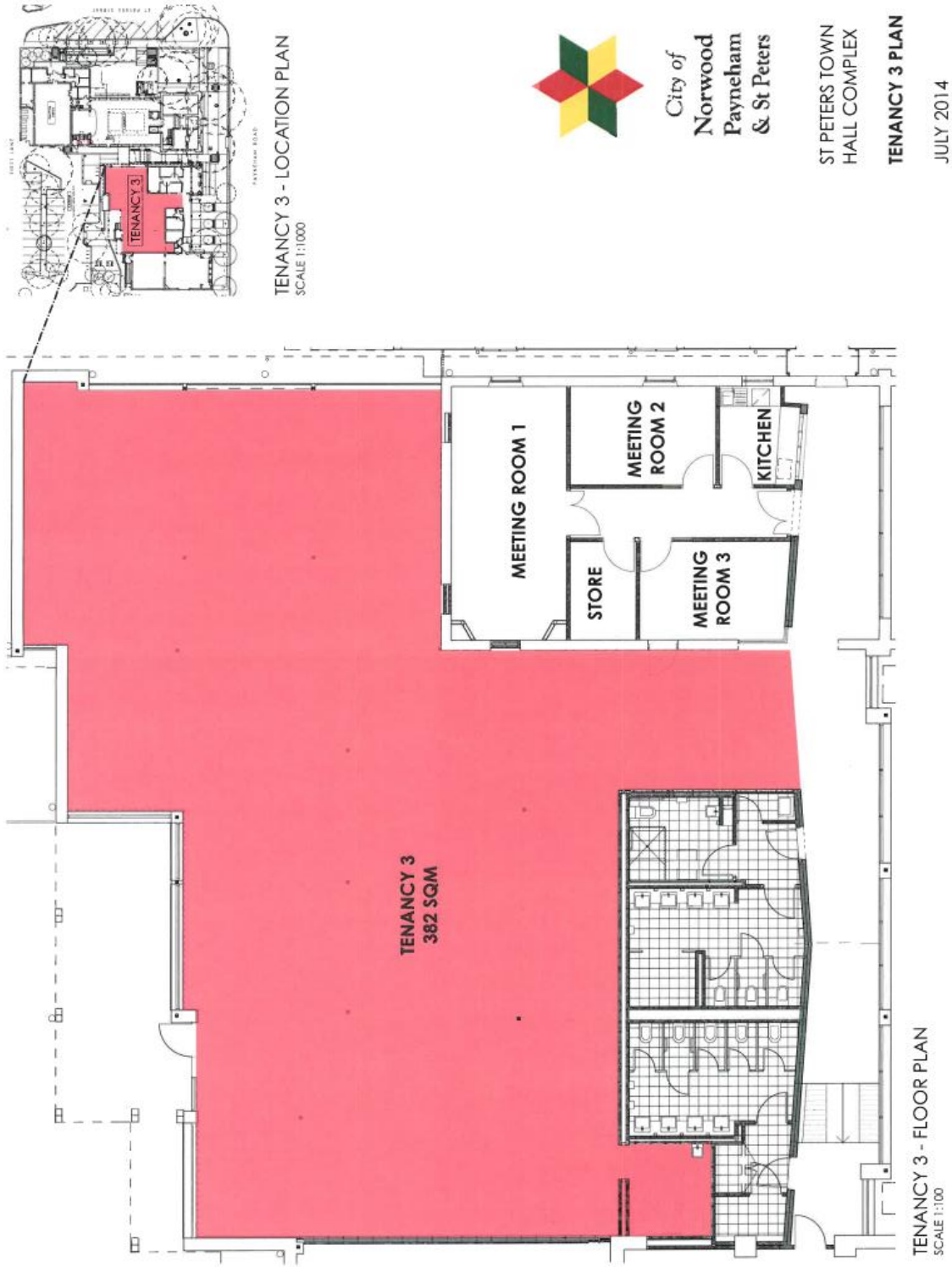
Name

**ANNEXURE A**

**Schedule Item 2**

**LOCATION PLAN OF THE FACILITY**

The attached plan shows the position and dimensions of the Facility leased to the Lessee.



**ANNEXURE B****Schedule Item 10****SPECIAL CONDITIONS**

For the purpose of these special conditions the following definitions apply:

**Community Meeting Rooms** means the meeting rooms within the Complex located immediately adjacent to the Facility;

**1. Licence for Access to Other Areas within the Complex****1.1 Grant of License to access Common Areas within the Complex**

- 1.1.1 For the term of the Lease, the Council grants a nonexclusive licence to the Lessee to permit the Lessee to enter the common areas, passages and stairways of the Complex necessary for the Lessee to access the Facility and enable use of the toilets and other utility areas within the Complex.
- 1.1.2 The Lessee will not be liable to contribute towards the cost of cleaning, replenishing supplies or maintaining the common areas of the Complex including the public toilets.

**1.2 Grant of Licence to use the adjoining Community Meeting Room Number 2 within the Complex**

- 1.2.1 For the term of the Lease, the Council grants an exclusive licence to the Lessee to permit the Lessee to use the adjoining Community Meeting Room Number 2 (shown as 'Meeting Room 2' on the Plan annexed to this Lease as Annexure A) between the hours of 8:30 AM and 5:30 PM for the Lessee's purposes.
- 1.2.2 Unless otherwise agreed to by the Council, the Lessee will not install any furniture or equipment within Community Meeting Room Number 2 and will leave said room in a clean, clear and tidy state at the end of each day that it is used.
- 1.2.3 Upon a request from the Council, the Lessee may at its absolute discretion, permit with or without conditions the Council to use adjoining Community Meeting Room 2 during the business hours reserved to the Lessee, including the Council hiring said room to other parties.

**1.3 Special Use of Community Meeting Rooms**

- 1.3.1 Provided bookings are made in advance and accepted the Lessee will be permitted to use the Community Meeting Rooms for the following purposes associated with its activities:
  - (a) Immunisation Clinics;
  - (b) Board meetings;
  - (c) Audit Committee meetings;
  - (d) professional peer group meetings and training sessions; and



- (e) other special purposes that the Council may agree to permit, on a case by case basis.

1.3.2 Bookings may be made two (2) years in advance.

1.3.3 The Lessee will not be charged a fee for the use of the Community Meeting Rooms provided the Council does not incur additional costs for:

- (a) cleaning;
- (b) setting up or reinstating furniture or equipment within the Community Meeting Rooms; or
- (c) the use of equipment or resources.

1.3.4 Chairs are not to be removed from the Community Meeting Rooms without permission from the Council.

1.3.5 If the Lessee creates a "patient waiting area" in the corridors of the Complex which requires chairs, these are to be supplied by the Lessee and are not to be stored within the Complex, except within the Lessee's Facility, without permission from the Council.

1.3.6 The same terms and conditions that the Council applies to community groups when they are using the Community Meeting Rooms through the application of this clause will apply to the Lessee's use of the Community Meeting Rooms unless contradicted by the provisions in this clause.

#### **1.4 Non-Exclusive Use of Community Meeting Rooms and Function Room**

In addition to the exclusive licence granted in the Special Condition 1.2 above and the provision for free use contained Special Condition 1.3 above, the Lessee may apply to use any or all of the three (3) Community Meeting Rooms and the Function Room within the Complex on the same terms and conditions that the Council will apply to local community groups when they are using the Community Meeting Rooms.

#### **1.5 Grant of Licence to use Car Park**

1.5.1 For the term of the Lease, the Council grants an exclusive licence to the Lessee to permit the Lessee to use seven (7) of the car parking spaces within the Complex for the purpose of parking cars owned or leased by the Lessee, between the business hours of 8:30 am and 5:15 pm, Monday to Friday subject to compliance with any restrictions that the Council may apply from time to time.

1.5.2 The number of car parks and conditions upon which they can be used may be varied by written agreement between the Council and the Lessee.

1.5.3 The Council may seek reimbursement of costs incurred by the Council from the Lessee in line marking or sign posting any of the car parking spaces that the Lessee has an exclusive licence to use.

#### **1.6 Grant of Licence to use Service Yard for waste storage and bicycle parking**

1.6.1 For the term of the Lease, the Council grants a nonexclusive licence to the Lessee to permit the Lessee to use the service yards within the Complex for the purpose of storing its rubbish and waste materials, pending removal of these materials from the Complex.

- 1.6.2 For the term of the Lease, the Council grants a nonexclusive licence to the Lessee to permit the Lessee to use the secure pedal bicycle parking racks located within the service yards within the Complex or at such other area which the Council may provide and nominate within the Complex for the purpose of providing racks or other methods of parking pedal bicycles for the convenience and safety of employees of the Council, the Lessee and other lessees within the Complex
- 1.6.3 The Lessee will comply with any instructions issued from time to time by the Council in respect to the use of the service yard, any refuse or recycling containers within the Complex and the state of the service yard.

# **Attachment B**

**Written Notice of Motion  
Eastern Health Authority - Draft Lease Agreement  
Submitted by Cr Kester Moorhouse**





101 Payneham Road,  
St Peters SA 5069

PO Box 275  
Stepney SA 5069

T 8132 3600 / F 8132 3623  
eha@eha.sa.gov.au

www.eha.sa.gov.au  
ABN 52 535 526 438

Ref: D24/13906

25 October 2024

Mr Mario Barone  
Chief Executive Officer  
City of Norwood Payneham & St Peters  
175 The Parade  
Norwood SA 5067

Dear Mario

**RE: Lease Agreement for occupation at St Peters Town Hall Complex**

Eastern Health Authority (EHA) was recently informed that the lease agreement for Eastern Health Authority's (EHA) tenancy of Unit 3 of the St Peters Town Hall Complex was considered by your Council.

EHA had requested a ten-year lease with a right of renewal for a further 10 years. The Council however, approved a five-year lease, noting that it is committed to EHA using the facilities into the future but seeks greater flexibility in the ongoing management of its community land. EHA, who have been a tenant at the St Peters Library complex for more than 22 years find this decision to be concerning and unexpected.

In 2012, when the St Peters Town Hall Complex was redeveloped, EHA expended considerable funds to fit-out the offices it now resides in within the complex. Negotiations with the council at that time resulted in a 10-year lease being granted with a right of renewal for a further 10 years. On this basis, the depreciation of the costs associated with the development of the EHA office space was based on a 20-year period. Due to administrative oversight, EHA was not offered the 10-year renewal, which was the original intent between the parties. This was extremely disappointing, however EHA were led to believe that this would be resolved by the issue of a new lease to cover the original commitment and provide for a further right of renewal.

EHA is a regional subsidiary established under the Local Government Act 1999 with the core purpose of "providing public and environmental health services to its Constituent Councils". Guided by the functions and powers outlined in the EHA Charter, EHA provides centralised service delivery and operates as the "combined environmental health department" of each Council in the region.

The important services EHA provides are undertaken to fulfill our constituent council's legislative obligations under the various legislations that we operate under. We see ourselves as a part of each of our constituent councils and do not believe that we should be equated to outside organisations that use community land.

The location at St Peters is central to the region we serve which assists in operational efficiencies for the services we provide to our Constituent Councils. Our popular immunisation services run its main clinic from the St Peters complex and its central location has seen the service become valued by the community, servicing 57% of all people attending EHA's public immunisation clinics.

EHA is well established as part of the St Peters Town Hall Complex and its location is well-known and provides accessible services to the citizens of the Constituent Councils.

We respectfully request that the Council consider the information contained within this correspondence, reconsider their decision, and provide EHA with a 10-year lease with a 10-year right of renewal.

If you would like to discuss any issue in relation this matter further, please contact me on telephone 8132 3611.

Yours sincerely



**Michael Livori**  
Chief Executive Officer

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**10.2 WRITTEN NOTICE OF MOTION – REVIEW OF LIBRARY SERVICES – SUBMITTED BY  
CR SCOTT SIMS**

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**NOTICE OF MOTION:** Review of Library Services  
**SUBMITTED BY:** Cr Scott Sims  
**FILE REFERENCE:** qA1039  
**ATTACHMENTS:** Nil

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Pursuant to Regulation 12(1) of the *Local Government (Procedures at Meetings) Regulations 2013*, the following Notice of Motion has been submitted by Cr Scott Sims.

**NOTICE OF MOTION**

That the following resolution passed by the Council at its Special Council meeting held on 25 November 2024 (Item 2.2, page 20 of the Minutes):

1. *That the Final Review Report prepared by BRM Advisory and the recommendations contained therein, be received and noted.*
2. *That in respect to the Final Service Review of the Council's Library Service, the Council resolves to:*
  - a. *maintain its current three (3) Library strategy;*
  - b. *with the exception of Recommendation 5.2 of the Final Service Review Report, endorses "in principle" the recommendations contained in the Report;*
  - c. *authorise staff to progress Recommendations 5.1.2 and 5.1.5 of the Final Service Review Report as a priority; and*
  - d. *request subsequent reports regarding the implementation of the remaining recommendations contained in the Final Service Review Report, as required.*

be amended to read as follows:

1. *That the Final Review Report prepared by BRM Advisory and the recommendations contained therein, be received and noted.*
2. *That in respect to the Final Service Review of the Council's Library Service, the Council resolves to:*
  - a. *maintain its current three (3) Library strategy;*
  - b. *with the exception of Recommendation 5.2 of the Final Service Review Report, which endorses "in principle" the recommendations contained in the Report;*
  - c. *authorise staff to progress Recommendations 5.1.2 and 5.1.5 of the Final Service Review Report as a priority; and*
  - d. *request subsequent reports regarding the implementation of the remaining recommendations contained in the Final Service Review Report, as required.*
3. *That Administration engage an external assessment of the future programming opportunities and advice on a strategic library catalogue that supports the well-being of the NPSP community, to be ready for consideration as part of the 2025-2026 Budget.*
4. *That initial concept designs for all Council libraries, including identifying indicative costs, are to be reported to the Council for consideration as part of the 2026-2027 Budget.*

### **REASONS IN SUPPORT OF MOTION**

This motion aims to advance Council engagement in the implementation of the review, advising on potential budgetary and capital costs, and key areas of focus for the community. It will also enable the Council to bring in additional expertise from external sources.

While acknowledging the tight Council finances, there is a pressing need for a clearer understanding of the costs involved and a more detailed implementation plan. The current report outlines a five-year plan, which is a considerable duration for the community to wait for improved library services. We risk falling behind community expectations.

Therefore, this motion seeks to sharpen the Council's focus on modernising our library services for the betterment of our community.

### **STAFF COMMENT**

Nil

Withdrawn

**11. STAFF REPORTS**



## **Section 1 – Strategy & Policy**

### **Reports**

## 11.1 CORPORATE EMISSIONS REDUCTION PLAN 2020-2030 – IMPLEMENTATION REPORT

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**REPORT AUTHOR:** Sustainability Officer  
**GENERAL MANAGER:** General Manager, Urban Planning & Environment  
**CONTACT NUMBER:** 8366 4532  
**FILE REFERENCE:**  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to advise the Council of its annual corporate carbon emissions and provide a status report on the implementation of the *Corporate Emissions Reduction Plan 2020-2030*.

### BACKGROUND

The Council endorsed the *Corporate Emissions Reduction Plan 2020-2030* (the Plan) at its meeting held on 7 June 2021. The Plan establishes a baseline for the Council's carbon emissions and sets out actions to reduce emissions in line with the target of 'zero corporate emissions' by 2030.

An update on the status of actions from the Plan is contained in **Attachment A**.

The Plan's zero corporate emissions target reflects the Council's Strategic Management Plan *CityPlan 2030: Shaping Our Future*, which includes a target of 'zero corporate carbon emissions by 2030'.

The definition of 'zero corporate emissions' in the Plan, is taken from *Climate Active*, an Australian Government Program that supports voluntary certification and climate action by Australian businesses and organisations:

*To become carbon neutral, businesses and organisations calculate the greenhouse gas emissions generated by their activity, such as fuel or electricity use and travel. They reduce these emissions as much as possible by investing in new technology or changing the way they operate. Any remaining emissions can be 'cancelled out' by purchasing carbon offsets.*

The actions outlined in the Plan, cover the highest emissions sources under the Council's direct control (known as Scope 1 and 2 emissions) and a selection of indirect emissions that occur as a consequence of the activities of the Council, such as emissions from waste and water consumption and emissions related to the procurement of goods and services (known as Scope 3 emissions). Larger emissions sources in the baseline carbon inventory undertaken for the Council's assets and operations include:

- electricity use (buildings and streetlights);
- gas consumption (building and pool water heating);
- fleet vehicle fuel consumption;
- operational waste to landfill (scope 3); and
- water consumption (Scope 3).

The Plan envisages the Council purchasing carbon offsets in the future to offset emissions that the Council is unable to reduce prior to the 2030 target date. To date, no carbon offsets have been purchased by the Council. There is an economic and environmental imperative to reducing carbon emissions to the greatest extent possible, prior to needing to purchase carbon offsets.

Since the endorsement of the Council's Plan, there have been a number of significant National and State policy developments of note relating to climate change and net zero targets. These policy developments reflect an increasing urgency and concurrent "ratcheting up" of ambition in reducing carbon emissions.

The Federal Government passed the *Climate Change Bill 2022*, which contains the net zero by 2050 target and a target of a 43% reduction from 2005 levels by 2030. These targets form part of Australia's Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC).

The South Australian Government introduced the *Climate Change and Greenhouse Emissions Reduction (Miscellaneous) Amendment Bill 2024*, which seeks to achieve zero net greenhouse gas emissions by 31 December 2050 and reduce net greenhouse gas emissions in the State to an amount that is at least 60% below 2005 levels by 31 December 2030 (the 2030 target).

In September 2024, the Federal Government passed Mandatory Climate Related Financial Disclosure legislation. The legislation builds on international reporting standards relating to disclosure of corporate financial related climate risks, recognising that there is a need to provide greater transparency relating to corporate entities exposure to climate-related financial risks. Under the legislation large corporations are required to report on information relating to governance, strategy, risk management and metrics and targets. This will include Scope 1 and 2 emissions reporting in the first year, with scope 3 reporting being required from the second year of reporting, for obligated entities. The specific requirements for disclosure are outlined in the accompanying Australian Sustainability Reporting Standard (AASB 2) developed by the Australian Accounting Standards Board (AASB). The AASB has also developed a voluntary reporting standard (AASB 1).

While the Mandatory Climate Related Financial Disclosure requirements currently affect Local Government, the requirements reflect the increasing awareness of the material risks presented by climate change on an organisation's financial stability and sustainability.

In August 2023, the Council engaged Climate Change Specialist, Mr Donovan Burton of Informed City, to undertake a Climate Change Governance Assessment. The report has been completed and provides a review of the extent that climate change is considered in the Council's corporate governance and operations. The assessment uses established methodology, which has been undertaken by over 300 Local Government Authorities across Australia and New Zealand. The recommendations contained in the report are currently being considered in relation to the review of the Council's strategic and operational risk framework and a report on the assessment will be provided to the Council's Audit & Risk Committee prior to the Council's formal consideration.

## **RELEVANT STRATEGIC DIRECTIONS & POLICIES**

The relevant Outcomes and Objectives contained in the Council's Strategic Plan, *CityPlan 2030*, are set out below:

### ***Outcome 1: Social Equity***

An inclusive, connected, accessible and friendly community.

#### ***Objectives***

- 1.2.1 Enable sustainable and active transport modes.
- 1.2.3 Work with other agencies to influence or provide improved and integrated sustainable transport networks.

### ***Outcome 4: Environmental Sustainability***

A leader in environmental sustainability.

#### ***Objectives***

- 4.1.1 Make better use of water resources including the harvesting and re-use of stormwater.
- 4.1.2 Investigate and implement innovative waste reduction and education initiatives.
- 4.1.3 Employ and promote energy efficiency initiatives and renewable energy resources.
- 4.1.4 Promote the use of sustainable, active and low emission transport mode.
- 4.4.1 Lead initiatives to reduce the City's ecological footprint and carbon emissions.

### ***CityPlan 2030: Target***

Zero corporate carbon emissions by 2030 (as measured by Trellis carbon accounting software).

## FINANCIAL AND BUDGET IMPLICATIONS

A budget allocation of \$150,000 has been carried forward from the 2023-2024 financial year to the 2024-2025 financial year for the installation of a solar PV and battery system at the St Peters Library complex.

No budget allocation was made for carbon mitigation initiatives in the 2024-2025 financial year.

A budget proposal for electric vehicle charging stations to enable vehicle fleet electrification will be submitted for the 2025/26 financial year. Depending on the timing of the *Building Facilities Strategy* endorsed by the Council in the 2024/25 Budget, further proposals for building energy management may be developed.

## EXTERNAL ECONOMIC IMPLICATIONS

The Council's commitment to reducing its carbon emissions is linked to national and global efforts to limit global warming to below 1.5°C to 2°C above pre-industrial levels. Already, the economic costs of climate change are being felt in Australia and across the world.

As an indication of the economic impacts of carbon emissions, social cost of carbon (SCC) and social cost of greenhouse gases (SCGHG) metrics, have been developed and used by various governments to assist in assessing the 'monetised value of damages to society' of each tonne of CO<sub>2</sub> emissions. This can then be used in assessing policy and project decisions. The most referenced SCC model is that developed by the US EPA. The most recent update from November 2023, has a middle estimate of the SCC of \$190US per tCO<sub>2</sub> in 2020 rising to \$310US per tCO<sub>2</sub> in 2030. (*Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances, U.S. Environmental Protection Agency, November 2023*). While there is uncertainty and variability in methodologies for calculating a SCC, it provides a stark indication of the economic impacts of each tCO<sub>2</sub> emitted.

## SOCIAL ISSUES

Environmental sustainability and action to reduce carbon emissions is strongly supported by residents of the City of Norwood Payneham & St Peters. This is reflected in the most recent consultation responses on the update to the Strategic Plan, *CityPlan 2030*, where support for the Environmental Sustainability Outcome rated the highest on average compared to the other Outcomes.

The Council has participated in some programs that provide information to residents on reducing carbon emissions. For example the Resilient East Climate Ready Homes program.

## CULTURAL ISSUES

Not Applicable.

## ENVIRONMENTAL ISSUES

The impacts of climate change are increasing in severity as global carbon emissions continue to rise. The global carbon budget to achieve the IPCC's target of holding "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels" is rapidly being consumed. It is highly unlikely that the world will stay below the 1.5°C threshold, with the window of staying below 2°C also diminishing.

The Council's Corporate Emissions Reduction Plan 2020-2030 demonstrates the Council's leadership and commitment to supporting National and International efforts to avoid dangerous climate change.

## RESOURCE ISSUES

Achieving the target of zero corporate carbon emissions by 2030, will require implementation across all aspects of the Council's strategies, programs and operations.

## RISK MANAGEMENT

Climate change is nominated as one of the high-level risks facing the organisation, as documented in the Corporate Risk Register.

Typically, climate change risks are categorised into two broad categories:

- Physical risk – risks caused directly by climate change, such as extreme weather events. For example, flooding or storm damage to Council infrastructure.
- Transitional risk – risks associated with the transition to a low carbon economy. For example, stranded or accelerated devaluation of assets due to regulatory or carbon policy impacts.

The physical risk category is considered under the Council's climate change adaptation planning. The Council's involvement in the Resilient East partnership has contributed to capacity building and action in this area. However, further work is required, as identified in the aforementioned Climate Change Governance Assessment, to assess physical risks on Council assets and services.

Climate change mitigation falls more into the category of transitional risk.

## CONSULTATION

- **Elected Members**  
Not Applicable.
- **Community**  
Not Applicable.
- **Staff**  
Manager, Urban Planning & Sustainability.
- **Other Agencies**  
Not Applicable

## DISCUSSION

### Corporate Greenhouse Gas (GHG) emissions for the 2023/24 financial year

Table 1 outlines the changes in the Council's emissions from the Baseline Year 2018-2019 to 2023-2024 and an explanation for these changes for scope 1, 2 and 3 emissions. With respect to scope 3 emissions, only operational consumption where data has been captured since the the baseline year are listed in Table 1.

Reporting on further areas of carbon output for Scope 3 emissions has evolved since the baseline year and as further clarity is provided on how to capture the data and report it, further reporting of those emissions will be provided in the future.

The scope 3 emissions reported in Table 1 fall below what would currently be regarded as the minimum level of reporting to accurately reflect the Council's material emissions under our operational control.

**TABLE 1: CITY OF NORWOOD PAYNEHAM & ST PETERS' CORPORATE EMISSIONS –  
 BASELINE TO 2023-2024**

Emissions Category	2018/19 (tCO <sub>2</sub> e)	2023/24 (tCO <sub>2</sub> e)	Explanation of key changes
<b>Scope 1 emissions</b>			
Transport fuel	225	198	<ul style="list-style-type: none"> <li>Bulk change from passenger vehicles changing from petrol to hybrid vehicles.</li> </ul>
Natural gas	252	158	<ul style="list-style-type: none"> <li>Influenced by the temporary closure of Payneham Memorial Swimming Pool.</li> </ul>
Refrigerants	4.7	5	
<b>Scope 2 emissions</b>			
Electricity – buildings and facilities	840	372	<ul style="list-style-type: none"> <li>Increased renewables in grid supplied electricity.</li> <li>Installation of solar PV at Council Facilities (Norwood Town Hall, St Peters Child Care Centre &amp; Pre-School, Depot and Payneham Library).</li> <li>Building energy efficiency upgrades.</li> </ul>
Electricity – streetlights	277	144	<ul style="list-style-type: none"> <li>Final stages of public lighting LED rollout.</li> <li>Increased renewables in grid supplied electricity.</li> </ul>
<b>Scope 3 emissions</b>			
Water	134	147	<ul style="list-style-type: none"> <li>Seasonal water consumption variation.</li> </ul>
Paper use	14.6	6	<ul style="list-style-type: none"> <li>Unable to access method for baseline reporting. Therefore, cannot explain changes.</li> </ul>
Operational (corporate) waste to landfill	142	236	<ul style="list-style-type: none"> <li>Changes to method for measuring waste volumes.</li> </ul>
<b>Total</b>	<b>1,890</b>	<b>1,287</b>	

The Emission Reduction Plan sets an interim reduction target of 50% by 2025, following the implementation of key emission reduction projects. Table 1 demonstrates that to date, emissions have reduced by approximately 32%, which is below the interim 50% corporate emissions reduction target (2025) and zero net emissions target (2030).

It should also be noted that the energy consumption and emissions that will arise when the Payneham Memorial Swimming Pool commences operation, could have a significant impact on emissions and this impact will need to be carefully considered as part of the mid-term review of the Plan. In addition, based on financial considerations, it has been determined to commence with 20% renewables in the Council's new energy contract. By comparison, the Emissions Reduction Plan modelled the downward trajectory in emissions, based on a predicted 100% renewable energy contract which was to be delivered in 2023. This LGA contract did not eventuate, meaning the Council is behind on the emissions trajectory which could be exacerbated when the Payneham Memorial Swimming Pool becomes operational.

### Changes to scope 3 emissions reporting

Establishing what sources of emissions should be reported within an organisation's emissions boundary is guided by the international Greenhouse Gas (GHG) Protocol Corporate Standard. Climate Active is the primary greenhouse gas reporting certification body in Australia and also provides guidance for developing and refining an emissions boundary within the Australian context, based on the GHG Protocol Corporate Standard.

To determine the emissions sources that should be reported, Climate Active and the GHG Protocol Corporate Standard provide a 'relevance test'. Emissions sources should be included if two (2) of the following five (5) tests are met:

1. **Size:** the emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
2. **Influence:** the responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk:** the emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders:** key stakeholders deem the emissions from a particular source are relevant.
5. **Outsourcing:** the emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

In addition to the above, the availability and complexity of sourcing emissions data is a consideration in preparing an emissions inventory.

Using the Climate Active and GHG Protocol Corporate Standard as a basis, the Local Government Association of South Australia (LGASA) recently developed the Net Zero Accelerate Best Practice Guide to Emissions Management for Local Government in SA. The guideline was developed by analysing the typical emissions sources of local governments across South Australia.

Table 2 compares the Council’s reporting of baseline emissions with the LGASA recommendations for best practice reporting.

**TABLE 2: COUNCIL BASELINE EMISSIONS REPORTING COMPARED TO LGASA RECOMMENDED EMISSIONS REPORTING**

	NPSP Baseline emission sources	Minimum	Good practice	Best practice
Accommodation (hotel nights)			✓	
Cleaning and Chemicals (cleaning services)			✓	
Construction Materials and Services				✓
Electricity	✓	✓		
Food & catering			✓	
Horticulture and Agriculture (construction related)				✓
ICT services and equipment			✓	
Machinery and vehicles (fleet vehicles & repairs)			✓	
Office equipment & supplies		✓		
Postage, courier and freight		✓		
Products (paper / clothing)	Paper	Paper	Clothing / workwear	
Professional Services (consultants)			✓	
Refrigerants (air-conditioning gases)	✓	✓		
Roads and landscape				✓
Stationary Energy (natural gas, diesel / petrol generators)	✓	✓		
Transport (fleet fuel, flights, staff commute)	✓			
	(not including staff commute)	✓	Staff commute	
Waste (landfill)	✓	✓		
Water	✓			
	(not including ERA Water)	✓		
Working from home	N/A		✓	

Based on the LGASA guidelines outlined above, consideration has been given to an expanded range of Council Scope 3 emissions, with estimates calculated and are outlined in Table 3. The significant emissions associated with these additional scope 3 emissions sources, compared to Council’s baseline scope 3 reported emissions, clearly demonstrates the importance of addressing emissions from areas such as the procurement of goods and services.

The estimates for each emissions source vary in accuracy depending on the source of the data and the methodology for calculating the emissions factor. It is anticipated that the accuracy and confidence in data will increase over time as the organisation builds awareness and capacity in measuring emissions and collecting emissions data. Therefore, overtime the Council will need to engage with suppliers more actively, and incorporate emissions reporting requirements into procurement processes, to increase and improve access to emissions data. This, in turn, will support actions to reduce scope 3 emissions.

**TABLE 3: ADDITIONAL SCOPE 3 EMISSIONS FOR COUNCIL**

Additional scope 3 emissions sources	2023-2024 emissions (tCO <sub>2e</sub> )	Data source and collection methodology
East Waste fuel use for NPSP waste collection	585	Fuel consumption data provided by East Waste
ERA Water recycled water consumption	34	Estimate of proportion of total ERA Water electricity related emissions based on NPSP water allocation.
Employee commuting	206	Survey of staff travel behaviour extrapolated to FTE count and applied to relevant transport emissions factors.
Road and footpath construction	2290	Trellis supplied industry based average emissions factor using NPSP financial expenditure data to calculate.
Building and facility maintenance	455	
Postal and freight services	37	
Food and catering	39	
Cleaning services	74	
ICT services	55	
Telephone / telecommunications	12	
<b>Total – additional Scope 3 emissions</b>	<b>3787</b>	

**Status of actions in the Corporate Emissions Reduction Plan 2020-2030**

An update on the status of actions from the Plan is contained in **Appendix A**. Considerable progress has been made in reducing emissions associated with electricity use. This is partly a consequence of an ongoing reduction in the emissions intensity of grid supplied electricity due to the growth in renewables in the South Australian grid. A large part of the reductions are also attributable to the rollout of solar PV on Council buildings and the bulk LED public lighting replacement.

The temporary closure of the Payneham Memorial Swimming Pool has resulted in a significant reduction in gas consumption. The new pool will be an all-electric facility, thereby allowing Council to further capture the benefits of the new electricity power purchase agreement (PPA), through increasing renewable electricity supply. The increase in electricity demand from the new Payneham Pool will be significant.

A small amount of emissions savings have resulted from continued increased fuel efficiency in Council’s fleet, including through the procurement of hybrid engine vehicles.

To continue to progress the Council’s corporate emissions towards net zero, the following actions from the Plan could be further investigated as priority actions:

- **Power Purchase Agreement (PPA) and renewable electricity** – Most of the ERA Councils have opted for this approach. Council recently signed a long term PPA with Flow Power. The Council’s Corporate Emission Reduction Plan sets a target to procure 100% renewable electricity from 2023, which will be available through the PPA. Based on financial consideration, a gradual uptake of renewable electricity has been opted for in the PPA, starting at a (compulsory) 20% renewable energy in 2025-2026, increasing by 20% each financial year to 100% renewables in 2030. Until this time, the Council cannot claim that its electricity consumption is zero carbon emissions under the GHG Protocol Corporate Standard and Climate Active reporting guidelines.
- **Fleet** – emissions from vehicle fleet are now the second highest source under Scope 1 and 2 emissions. To ensure emissions reductions from fleet, in alignment with the Plan, requires further consideration of electric vehicles. This will also require investment in electric vehicle charging infrastructure at key Council sites (subject to financial considerations).
- **Environmentally sustainable design (ESD) guidelines** – to ensure future building renewals and new building construction minimises operational and embodied carbon emissions and other environmental impacts, the development and integration of ESD Guidelines with future asset renewals and capital works programs is an essential action that needs to be adopted into Council’s asset framework.



- **Electrification** – the Payneham Memorial Swimming Pool upgrade has provided the opportunity to transition a large proportion of Council's gas use to electricity. Other sites with larger gas use include the Norwood Swimming Pool and the Payneham Library. Transitioning these and other sites will require further review of business cases and alignment with asset renewals.
- **Low global warming potential (GWP) refrigerants** – air conditioning and other refrigeration equipment contains refrigerant gases with very high GWP. Commonly, the GWP can be hundreds or thousands of times that of CO<sub>2</sub>. Therefore, leakage of these gases has a disproportionately large impact. Under the Montreal Protocol, many refrigerant gases are gradually being phased out. As equipment is replaced or new installations are undertaken, low GWP alternatives should be sought. There are a growing number of low GWP refrigerant alternatives becoming available.
- **Scope 3 reporting and emissions reduction** – in line with increasing reporting on scope 3 emissions, Council needs to increase our engagement with suppliers and ratchet up our requirements for emissions reporting data and procurement of low carbon goods and services.

Although the Council is unlikely to meet its interim 50% corporate emissions reduction target by 2025, the mid-term review of the Plan, which should be undertaken in 2026, will provide the Council with a further status report on its progress of reducing its corporate carbon emissions, factoring in the operational energy consumptions of the Payneham Memorial Swimming Pool, which should be fully documented following the first twelve months of operation. The mid-term review will also provide an analysis of energy market, fiscal and economic conditions, legislative changes since the Plan's initial adoption and opportunities and constraints that will impact the Council's capacity to achieve its net zero target by 2030, including the cost of purchasing carbon offset credits will also be considered in the mid-term review of the Plan.

At this stage in the lifecycle of the Plan, there is no need for concern that the interim 50% reduction target may not be met by 2025. Energy market, fiscal and economic conditions change at a rapid pace. As opportunities and improved market conditions arise, initiatives such as the purchase of a greater percentage of renewables in energy contracts, conversion of hybrid vehicles to electric vehicles and further energy consumption upgrades to council facilities will be investigated for implementation.

## **OPTIONS**

Not applicable.

## **CONCLUSION**

Notable progress has been made in reducing emissions, particularly associated with electricity and gas consumption. Typically, actions with the strongest business case, that are the 'lower hanging fruit', have been implemented first. While the business case continues to improve for some actions – for example the cost of EV's is rapidly reducing – the imperative to continue to reduce carbon emissions exists within a narrowing timeframe to align with global efforts to limit climate change impacts. Therefore, the strategic imperative of carbon reduction will need to be balanced against financial decision-making criteria.

To ensure that the Council can achieve the targets set out in the Plan, there will need to be an increased focus on emissions sources such as fleet, electrification, integration of ESD principles into building renewals and scope 3 emissions associated with the procurement of good and services.

## **COMMENTS**

Not Applicable.

## **RECOMMENDATION**

1. That the Council notes the update on the progress of the Corporate Emissions Reduction Plan 2020-2030 and the actions outlined for further investigation for the remaining period of the Plan.
2. That the Council notes the expanded list of Scope 3 emissions sources will continue to be reported to ensure that Council's emissions reporting is in line with recognised standards of carbon emissions reporting and more accurately reflects the full materiality of Council's greenhouse gas emissions.

## **Attachments – Item 11.1**

# Attachment A

## Corporate Emissions Reduction Plan 2020-2030 Implementation Report





Key activities	Summary	Target date	Status	Comments
Onsite solar PV	Prioritised sites: <ul style="list-style-type: none"> <li>• NTH</li> <li>• St Peters Library</li> <li>• St Peters Childcare</li> <li>• Depot</li> <li>• Payneham Library &amp; Community Centre</li> </ul>	2022-23	Nearing completion	St Peters Library deferred - to be completed in 2024-2025. Awaiting outcome of funding application from Commonwealth Community Emissions Upgrade Fund. Almost all sites with larger consumption with electricity consumption paid by the Council, have had solar PV systems installed.
Energy efficiency audits and initiatives	Energy audits and upgrades at key facilities	Ongoing	Ongoing	No projects delivered in 2023-2024 or 2024-2025. Guidance required from Building Facilities Strategy.
Environmentally Sustainable Design (ESD) Guidelines	For new buildings and refurbishments	2022-23	Behind schedule	Draft ESD Guideline developed. Delayed as deemed to be sequential to completion of the Building Facilities Strategy.
Zero emissions fleet transition	Transition passenger fleet to hybrid	2022-23	Mostly completed	Hybrids commonly available and cost competitive.
	Transition to passenger fleet to EV	2025-26	Behind schedule	Subject to financial consideration.
	Heavy vehicle LEV transition	2029-30	Not due to commence until 2025/26	Transition wasn't anticipated to commence until 2025/26. Trial of EV truck to be undertaken in December 2024. Limited vehicle choices presently available. Monitor market to determine appropriate time to commence transition.
Electric vehicle charging stations	Infrastructure study	2020-21	Completed	
	Corporate and public EV charging	2023-24	Public EV charging completed.  Corporate charging behind schedule	Public EV charging have been installed at various locations. No charging infrastructure has been installed to date at Council Facilities sites to service fleet. Budget bid being prepared for 2025-2026 Budget for installation of NPSP fleet.
100% renewable energy contract	Secure a 100% renewable energy supply contract	2022-23	Behind schedule	LGA Green Energy Procurement project did not eventuate. Participating in Resilient East / ERA procurement process aimed at commencement in July 2025. Council has elected option for initial 20% purchase of renewable energy with additional 20% per annum until 2030, which will result in gradual reduction in emissions. – update once information is available.
Increased landfill waste diversions	Implement waste reduction activities to reduce waste to landfill from Council operations	2024-25	Ongoing	A range of corporate recycling options have been implemented. Limited ability to track waste data due to limited data availability from East Waste.



Key activities	Summary	Target date	Status	Comments
Water efficiency improvements	Irrigation and building water efficiency measures	2024-25	On track	Upgrades of irrigation systems to smart controllers completed (46 systems).
Procure Carbon Neutral Supplies	Purchase of carbon neutral paper	Ongoing	Ongoing	Council does not currently procure Carbon Neutral paper but procures 100% recycled A4 paper. This action is limited in scope to paper supplies and needs to be expanded to other Council procurement activities, with greater emissions impacts, to align with industry standards associated with Scope 3 emissions.
Review Climate Active certification and carbon offsets	Review Council's emissions profile, offsets and certification	2024-25	Scheduled for 2024-2025	Not completed.
<b>Supporting Activities</b>				
Communication and promotion			Ongoing	As required.
Carbon Neutral Council events	Investigate opportunities for Carbon Neutral events	2023-24	Behind schedule	This action should be delayed until Council considers organisational Carbon Neutral certification.
Develop a Sustainable Procurement Policy	Sustainable procurement policy and/or improved integration of sustainable procurement practice	2021-22	Sustainable Procurement Policy not completed.	Sustainable Procurement Policy not completed. However, the Council's existing Procurement Policy references integration of carbon reduction into the procurement process. Ongoing work required to increase integration of climate reporting and procurement of low carbon goods and services into Council contracts and procurement processes.
Sustainable staff commute support and survey	Implement programs and develop annual staff survey	Ongoing	Partially complete	End of trip facilities improvements being implemented (bike cage and shower facilities). A staff commuting survey was developed and reported in 2024.
Sustainable behaviour program		Ongoing	Ongoing	
Community emissions reduction plan	Investigate community emissions reduction plan	2024-25		Not commenced.
<b>Other actions not identified in the Corporate Emissions Reduction Plan 2020-2030</b>				
Electrification	Conversion of gas consuming equipment and appliances to electric	Ongoing		New Payneham Memorial Swimming Pool replacing gas with all electric heating and cooling equipment.
Refrigerants	Investigate low GWP refrigerants for existing and replacement AC	Ongoing		Needs to be included in ESD guidelines to be incorporated as part of asset renewals and maintenance.

**Section 2 – Corporate & Finance**  
**Reports**

## 11.2 EXTERNAL AUDITORS REPORT 2023-2024

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**REPORT AUTHOR:** Chief Financial Officer  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4548  
**FILE REFERENCE:**  
**ATTACHMENTS:** A - C

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### **PURPOSE OF REPORT**

The purpose of this report is to provide the Council with the Audit Opinion and Auditors Report regarding the Council's 2023-2024 Financial Statements.

### **BACKGROUND**

Pursuant to Section 129 (3) of the *Local Government Act 1999* (the Act), the Council's Auditor must provide to the Council, an audit opinion with respect to:

- the Financial Statements; and
- whether the internal controls of the Council are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and are in accordance with law.

Pursuant to Section 129 (4) of Act, the Council's Auditor must provide written advice on any particular items that have arisen from the audit.

Pursuant to Section 129 (5b) (a) of the Act, the opinion and the advice must be presented to the Council at the next ordinary meeting of the Council.

### **RELEVANT STRATEGIC DIRECTIONS AND POLICIES**

Nil

### **FINANCIAL AND BUDGET IMPLICATIONS**

Nil

### **EXTERNAL ECONOMIC IMPLICATIONS**

Not Applicable.

### **SOCIAL ISSUES**

Not Applicable.

### **CULTURAL ISSUES**

Not Applicable.

### **ENVIRONMENTAL ISSUES**

Not Applicable.

### **RESOURCE ISSUES**

Not Applicable.

## RISK MANAGEMENT

There are no risk management issues arising from this report which has been prepared in accordance with the statutory requirements.

## CONSULTATION

- **Elected Members**

A report on the draft Annual Financial Statements and draft Audit Report, was presented and considered by the Council's Audit & Risk Committee on 28 October 2024 and by the Council at its meeting held on 4 November 2024.

Mayor Bria and Councillors Clutterham and Piggott are Members of the Council's Audit & Risk Committee.

- **Community**

Not Applicable.

- **Staff**

Not Applicable.

- **Other Agencies**

Not Applicable.

## DISCUSSION

The Council's External Auditors, Galpins, have completed the statutory audit of the City of Norwood Payneham & St Peters for the 2023-2024 Financial Year.

As advised at the Council meeting held on 4 November 2024, the External Auditors have issued an unqualified Audit Report on the Council's Annual Financial Statements for the financial year ended 30 June 2024. A copy of the Audit Opinion is contained in **Attachment A**.

In addition to the Audit Report on the 2023-2024 Annual Financial Statements, the External Auditors are required to undertake an audit of the Internal Controls that have been exercised by the Council during the respective financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, so that the Auditors can form an opinion as to whether the internal controls which have been established by the Council, are sufficient to provide reasonable assurance that the financial transactions undertaken by the Council, have been conducted properly and are in accordance with the legislative requirements. A copy of the Internal Controls Audit Opinion is contained in **Attachment B**.

In summary, in the Auditors opinion, the Council has complied, in all material aspects, with Section 129 (1) (b) of the Act, in respect to the Internal Controls which have been established by the Council relating to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

Pursuant to Section 129 (4) of the Act, the Auditors are required to provide to the Council, in writing, with details of any issues that arose from the statutory audit. A copy of the correspondence from the Auditors is contained in **Attachment C**.

## OPTIONS

Not Applicable.

## CONCLUSION

Nil.



**COMMENTS**

Nil.

**RECOMMENDATION**

1. That the Audit Opinion provided by the Council's Auditors, Galpins Trading Pty Ltd, regarding to the 2023-2024 Financial Statements, as contained in Attachment A, be received and noted.
2. That the Audit Opinion provided by the Council's Auditors, Galpins Trading Pty Ltd on the Council's Internal Controls, as contained in Attachment B, be received and noted.
3. That the Auditor's Report provided by the Council's Auditors, Galpins Trading Pty Ltd to the Council, regarding to the 2023-2024 Financial Statements, as contained in Attachment C, be received and noted.

## **Attachments – Item 11.2**

# Attachment A

External Auditors Report 2023-2024





## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of City of Norwood Payneham and St Peters

### Opinion

We have audited the accompanying financial report of City of Norwood Payneham and St Peters (the Council), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of City of Norwood Payneham and St Peters.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Council's responsibility for the financial report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

### Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report

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ABN: 89 656 702 886

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under Professional Standards Legislation

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

12 November 2024

# Attachment B

External Auditors Report 2023-2024





## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

B1

To the members of City of Norwood Payneham & St Peters

### Opinion

We have audited the compliance of City of Norwood Payneham & St Peters (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2023 to 30 June 2024 have been conducted properly and in accordance with law.

In our opinion, City of Norwood Payneham & St Peters has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2023 to 30 June 2024.

### Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### The Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

### Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

### Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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under Professional Standards Legislation

**Limitations of controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

**Limitation of use**

This report has been prepared for the members of the Council in Accordance with Section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

12 November 2024



# Attachment C

External Auditors Report 2023-2024



# Galpins

Accountants, Auditors & Business Consultants

## 2023/24 Audit Completion Report

### City of Norwood Payneham & St Peters



City of  
Norwood  
Payneham  
& St Peters

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## Table of Contents

EXECUTIVE SUMMARY .....	3
1. Status of Our Audit Work .....	4
2. Key Audit Matters .....	5
2.1 Valuation of Infrastructure assets .....	5
2.2 Valuation of Land and Buildings .....	6
2.3 Accounting treatment of capitalisation of assets.....	7
2.4 Management Override of Controls.....	7
2.5 Other High Risk Areas .....	8
2.6 Intended Opinion on the Financial Report.....	9
3. Internal Controls Opinion and Recommendations.....	10
4. Immaterial Uncorrected Misstatements .....	11
5. Final Management Letter.....	12
6. Long-term Financial Sustainability Considerations .....	15
Appendix 1 – Proposed Independent Auditor’s Report on the Financial Report .....	16
Appendix 2 – Proposed Independent Auditor’s Report on the Internal Controls .....	18
Appendix 3 – Risk Ratings .....	20

## EXECUTIVE SUMMARY

### To the members of the audit committee of City of Norwood Payneham & St Peters

We are pleased to present our Audit Completion Report for the financial year ended 30 June 2024. The purpose of this document is to summarise the key accounting and audit matters that have arisen during the engagement and our audit conclusions.

We intend to issue the following opinions (subject to the satisfactory completion of the items described in section 1 – *Status of our Audit Work* of this document):

Intended opinions	Type of opinion	Proposed Auditor's Report
Opinion on the Financial Statements	Unmodified	Refer to Appendix 1 of this report.
Controls Opinion	Unmodified	Refer to Appendix 2 of this report.

We have included in this report the following information to ensure that councillors, management and audit committee members are aware of all significant matters relating to the audit.

Matters	Sections
Status of our audit work	Section 1
Key Audit Matters	Section 2
Internal Controls Opinion and Recommendations	Section 3
Immaterial Uncorrected Misstatements	Section 4
Final Management Letter	Section 5
Long-term Financial Sustainability considerations	Section 6
Proposed Independent Auditor's Report on the Financial Report	Appendix 1
Proposed Independent Auditor's Report on the Internal Controls	Appendix 2

We have also signed the statement by auditor regarding our independence, and confirmed that for the audit of the year ended 30 June 2024 we have maintained our independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

Yours faithfully



**Tim Muhlhausler** CA Registered Company Auditor

Date: 21 October 2024

## 1. Status of Our Audit Work

Below is a summary of the status of audit activities and key documents related to the completion of our final audit.

Activities/Documents	Responsibility	Status
Final draft of the financial report	Management	Completed
Final audit visit	Audit	Completed
Final substantive procedures	Audit	Completed
Audit verification of the final draft of the financial report	Audit	Completed
Final draft of the financial report after audit verification	Management	Completed
Audit Completion Report	Audit	Completed
Final audited financial statements from the Council's subsidiaries	Management	Completed
Signed certification of auditor independence	Management	<b>Note 1</b>
Final financial report after considerations from the audit committee	Management	<b>Note 1</b>
Signed certification of financial statements	Management	<b>Note 1</b>
Signed management representation letter	Management	<b>Note 1</b>
Final Independent Auditor's Report on the Internal Controls	Audit	<b>Note 2</b>
Final Independent Auditor's Report on the Financial Report	Audit	<b>Note 2</b>

Note 1 To be provided after the audit committee meeting.

Note 2 To be provided by audit on receipt of both the:

- final financial report containing the signed certification of financial statements and the signed certification of auditor independence, and
- signed management representation letter.

## 2. Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report. We address these matters in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 2.1 Valuation of Infrastructure assets

Why the matter is significant	How the matter was addressed
<p>Infrastructure assets are valued at fair value. The fair values of these assets were based on depreciated current replacement costs which is comprised by the gross replacement cost less accumulated depreciation.</p> <p>Council values the gross replacement cost using the estimated average cost (unit cost) at which it could construct a substitute asset of comparable quality in the normal course of business. There was inherent subjectivity involved in making judgments in relation to assumptions used to estimate unit rates which also involved determining the:</p> <ul style="list-style-type: none"> <li>▪ components of assets that are replaced at different times in the asset lifecycle</li> <li>▪ costs required to replace these components using current prices for materials, labour, and plant costs</li> <li>▪ indices for measuring subsequent changes in unit rates.</li> </ul> <p>The useful lives of assets and the measurement of accumulated depreciation are determined by external valuers. Significant judgement is used to determine the different useful lives for different components of assets and to calculate the depreciation that would have accumulated since original construction using these estimated useful lives.</p> <p>The significant professional judgments used to estimate the gross replacement cost and the accumulated depreciation are also relevant to the calculation of the annual depreciation expense of these assets.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>▪ reconciled closing balances to the asset registers</li> <li>▪ reconciled the movements in note 7 to the asset register</li> <li>▪ reviewed the basis for valuation used by external valuers</li> <li>▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards</li> <li>▪ reviewed the fair value hierarchy provided in note 7 for each category of asset</li> <li>▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports</li> <li>▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities</li> <li>▪ performed a recalculation of depreciation</li> <li>▪ reviewed the methodology used by Council to perform componentisation of infrastructure assets and compared the methodology used to Council's actual asset management practices and to other local government entities</li> <li>▪ reconciled the unit rates used for different components of infrastructure assets to the unit rates provided in the valuer's report</li> <li>▪ reviewed the unit rates mentioned above and compared them to different local government entities</li> <li>▪ assessed the adequacy of disclosures in the financial report.</li> </ul>

## 2.2 Valuation of Land and Buildings

Why the matter is significant	How the matter was addressed
<p>Land and buildings are valued at fair value. The basis of valuation to be used for these assets depends on a number of factors such as the nature of the asset, purpose of their use, the highest and best use of the asset, potential restrictions to the disposal of these assets among other factors.</p> <p>Valuation of land depends on whether the land is classified as Crown land or community land. Community land and Crown land are valued using unobservable (level 3) inputs as the allowance for the restriction on sale (requiring Ministerial consent) is usually an unobservable input, and is likely to have a significant effect on valuation.</p> <p>Land, where Council has an unfettered right to sell them, is usually valued at current market value based on their highest and best use. Level 2 inputs are primarily used for land during the valuation process.</p> <p>Valuation of buildings depends on the nature of these assets. Some Council buildings have no active market due to the specialised nature of the assets and the services they provide. For such buildings fair value is usually determined on the basis of replacement with a new building having similar service potential. Valuation techniques used to measure fair value of these buildings include significant unobservable inputs (level 3).</p> <p>For buildings that have an active market, buildings are assessed on market value principles which is deemed to be their fair value based on level 2 inputs. The most significant input into this valuation approach is sales transactions of comparable properties within the City, adjusted for any pertinent differences.</p> <p>The significant professional judgments used to estimate the value of buildings are also relevant to the calculation of the annual depreciation expense of these assets.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>▪ reconciled closing balances to the asset registers</li> <li>▪ reconciled the movements in note 7 to the asset registers</li> <li>▪ reviewed the basis for valuation used by external valuers</li> <li>▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards</li> <li>▪ analysed the nature of the land building assets and concluded whether the fair value hierarchy provided in note 7 for each category of asset was reasonable</li> <li>▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports</li> <li>▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities</li> <li>▪ performed a recalculation of depreciation; and</li> <li>▪ assessed the adequacy of disclosures in the financial report.</li> </ul>

## 2.3 Accounting treatment of capitalisation of assets

Why the matter is significant	How the matter was addressed
<p>Councils are asset intensive and highly dependent on multiple assets to deliver services to customers. Hence, there is a high volume of transactions and significant amounts involved in relation to capitalisation of assets.</p> <p>Due to the unique characteristics of Council's assets a number of considerations are taken into account when an expenditure is capitalised which include:</p> <ul style="list-style-type: none"> <li>▪ whether Council is incurring capital expenditure on physical resources that are controlled by Council. Control is the most difficult of the characteristics of an asset to be defined as the concept goes beyond the legal ownership;</li> <li>▪ Inclusions and exclusions of costs at initial recognition of an asset in accordance with AASB 116;</li> <li>▪ Cost involved in dismantling and removing the asset and/or restoring the site under AASB 137;</li> <li>▪ Borrowing costs to be capitalised into the cost of IPPE where the asset is a "qualifying asset" as per AASB 123; and</li> <li>▪ accounting for subsequent costs and defining the nature of these costs as being capital or maintenance expenditure.</li> </ul>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>▪ performed analytical procedures to define whether the amounts capitalised for the FY was in accordance with our expectation and our understanding of the entity;</li> <li>▪ reviewed internal controls in place for capitalisation of assets;</li> <li>▪ selected a sample of additions and performed an assessment of the nature of the addition and concluded whether the addition was recognised in accordance with Australian Accounting Standards;</li> <li>▪ reviewed the WIP schedule and selected a sample of transfers out to ensure that the asset was appropriately valued and capitalised in the right account; and</li> <li>▪ reviewed the WIP schedule in order to identify projects that should have been capitalised but were not.</li> </ul>

## 2.4 Management Override of Controls

Why the matter is significant	How the matter was addressed
<p>Management is inherently in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare a fraudulent report by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, the risk of material misstatement due to fraud is, by default, considered a significant audit risk.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>▪ tested the appropriateness of journal entries recorded in the general ledger</li> <li>▪ reviewed accounting estimates for biases</li> <li>▪ performed final analytical procedures to conclude as to whether the financial report is consistent with our understanding of the entity</li> <li>▪ requested written representation from Management</li> <li>▪ reviewed IT access controls rights processes in place</li> <li>▪ reviewed processes in place to ensure independent reviews of exception reports generated by Council</li> <li>▪ reviewed processes in place to ensure independent reviews of audit trails of changes to master files.</li> </ul>



## 2.5 Other High Risk Areas

The other high risk areas described in this section are account balances and/or audit areas that are not subject to a high degree of professional judgement, however we assessed their inherent risks as being high due to the materiality of the account balances, the high volume of transactions involved and other reasons outlined below:

Account balance	Why the risk is High	Overall audit response
Rates and charges	<ul style="list-style-type: none"> <li>- largest revenue item</li> <li>- often used as a reference point for analysing expenditure decisions</li> <li>- politically sensitive - reputational risk involved if rates are raised incorrectly.</li> </ul>	<ul style="list-style-type: none"> <li>- walkthroughs and tests of effectiveness of controls from the Better Practice Model</li> <li>- analytical procedures</li> <li>- comparison of total capital values from the VG report to the total capital value recorded in the rates system</li> <li>- reconciliation of the rates modelling to the rates system and to the general ledger</li> <li>- recalculation of rates for a sample of rate payers.</li> </ul>
Employee costs	<ul style="list-style-type: none"> <li>- one of the largest expense items</li> <li>- high volume of transactions / data - subject to error</li> <li>- errors impact individuals financially.</li> </ul>	<ul style="list-style-type: none"> <li>- walkthroughs and tests of effectiveness of controls from the Better Practice Model</li> <li>- analytical procedures</li> <li>- inspection of employee files (contracts, awards, EBs)</li> <li>- inspection of timesheets</li> <li>- recalculation of a sample of individual payments.</li> </ul>
Materials, Contracts & Other expenses	<ul style="list-style-type: none"> <li>- one of the largest expense items</li> <li>- high volume of transactions, inherently higher risk of error</li> <li>- fraud risk area (procurement, payments and credit cards)</li> <li>- procurement and contracting are key focus areas for ICAC and the Auditor-General's Department.</li> </ul>	<ul style="list-style-type: none"> <li>- walkthroughs and tests of effectiveness of controls from the Better Practice Model</li> <li>- analytical procedures</li> <li>- inspection of supporting documents (contracts, invoices, purchase orders, subsequent payments, etc) for a sample of expenses.</li> </ul>
Cash and cash equivalents	<ul style="list-style-type: none"> <li>- material balance</li> <li>- fraud risk</li> <li>- if there is any instance of errors and/or fraud it will be indicative of broader errors</li> <li>- poor attitude to cash controls may be indicative of overall culture related to the entity's controls environment</li> <li>- public money.</li> </ul>	<ul style="list-style-type: none"> <li>- walkthroughs and tests of effectiveness of controls from the Better Practice Model</li> <li>- analytical procedures</li> <li>- bank confirmation</li> <li>- inspection of bank statements</li> <li>- verification of outstanding reconciling items</li> <li>- reperformance of bank reconciliations.</li> </ul>
Trade and other payables	<ul style="list-style-type: none"> <li>- one of the largest liabilities</li> <li>- material balance</li> <li>- opportunity for understatements</li> <li>- poor use of accrual basis of accounting it may be indicative of poor culture related to financial reporting</li> <li>- payments represent an opportunity for fraud.</li> </ul>	<ul style="list-style-type: none"> <li>- walkthroughs and tests of effectiveness of controls from the Better Practice Model</li> <li>- analytical procedures</li> <li>- reconciliation between subsidiary ledgers and the general ledger</li> <li>- inspection of subsequent payments for a sample of creditors</li> <li>- inspection of a sample of subsequent payments for completeness test.</li> </ul>

## 2.6 Intended Opinion on the Financial Report

We have completed our final risk of material misstatements assessment and concluded that the audit procedures performed were sufficient to reduce the audit risk to an acceptable level. We have evaluated the results of our audit testing and determined that no further adjustments to the financial statements are required.

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, ***the financial report prepared by Council presents fairly***, in all material respects, the Council's financial position as at the end of the current financial year and its financial performance for the year ended on that date (refer to our proposed Independent Auditor's Report on the Financial Report included in Appendix 1 of this report).

### 3. Internal Controls Opinion and Recommendations

We have performed an extensive review of the Council's financial controls for the purpose of forming our control opinion as required by section 129 of the *Local Government Act 1999* based on council's obligations under s125 of that Act.

Our controls opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively	Operating Effectively	2024 Findings			
		2024	2023	H	M	L	BP
General Ledger	11	11	8	-	-	-	-
Fixed Assets	16	13	13	-	2	1	-
Purch & Procurement/Contracting	10	9	7	-	1	-	-
Accounts Payable (AP)	13	13	12	-	-	-	-
Rates / Rates Rebates	10	10	8	-	-	-	-
Banking	5	5	4	-	-	-	-
Accounts Receivable (AR)	6	6	5	-	-	-	-
Credit Cards	5	4	1	-	-	1	-
Payroll	19	19	19	-	-	-	-
Receipting	5	5	5	-	-	-	-
<b>Total</b>	<b>100</b>	<b>95</b>	<b>82</b>	<b>-</b>	<b>3</b>	<b>2</b>	<b>-</b>

Overall the Council demonstrated a satisfactory level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim audit visit we found that the majority of key internal controls reviewed were in place and were operating effectively (95 out 100 core controls reviewed). Risks were rated based on an assessment of the risk of non-compliance with s125 of *the Local Government Act 1999* as described in Appendix 3 – Risk Ratings.

An interim audit management letter was issued and presented to the audit committee containing our overall assessment of the council's internal controls and all the controls weaknesses identified during our review of the Council's financial controls.

Council has an action plan in place to address most of the findings related to the controls that were not operating effectively as indicated in Management responses to our interim management letter issued in June 2024.

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, **the Council has complied, in all material respects, with Section 125 of the Local Government Act 1999** in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities.

## 4. Immaterial Uncorrected Misstatements

There are no immaterial uncorrected misstatements to be reported.

## 5. Final Management Letter

We have identified the following additional performance improvement observations when performing our substantive procedures during our final audit:

1. Opportunity for improvements in the process of indexing fair values of buildings		Risk
Finding	<p>During the 2023/24 financial year, Council implemented a process for indexing fair values of land and buildings in between the five-yearly full revaluation cycle.</p> <p>The use of indexation is considered best practice in the local government sector, enabling a greater balance between the cost and benefits of revaluations. Local government assets are predominantly long life assets, making 5 yearly detailed revaluations (supported by ongoing data cleansing based on site inspections and review) a sensible timeframe to ensure asset data is appropriately reliable to support decision making. Indexation allows this timeframe to conform with financial reporting requirements, whilst also providing more accurate costing information between revaluations for asset management and budgeting purposes.</p> <p>Whilst we commend Council for implementing a processing for indexing fair values of land and buildings, we take this opportunity to provide a performance improvement observation.</p> <p>As it's basis for indexation, Council is currently using the overall increase in land and buildings valuations provided by the Office of the Valuer-General (expressed in percentage – 6.8% in 2023/24 for the Council area). Property valuations provided by the office are based on how the market has performed in the prior calendar year.</p> <p>It is important to highlight that most of the buildings owned by Council are specialised buildings that are valued using depreciated replacement costs due to there not being an active market (i.e. they are not valued using the market approach). These assets are classified at level 3 fair value.</p> <p>As such, the indexation of specialised buildings classified at level 3 fair value is typically based on indexes that better reflect the cost of replacing the asset with its modern equivalent (i.e. construction costs). Examples of these indexes commonly used in local government include the Local Government Price Index (Capital) and the Australia Bureau of Statistics Times Series Data (Construction Industries).</p>	Low

Risk	The use of an index for the indexation of assets that is not aligned to the basis for valuation of these assets increases the risk of the financial report being misstated.
Recommendation	<p>Council continues with the process of indexing land and building values in between the five-yearly full revaluation cycle.</p> <p>In doing so, Council considers alternative indexes that better reflect changes in the cost of replacing assets with their modern equivalent (i.e. construction costs) when indexing buildings classified at level 3 fair value. Examples of these indexes include the Local Government Price Index (Capital) and the Australia Bureau of Statistics Times Series Data (Construction Industries).</p>

		Risk																
<b>2. Balance of library book assets does not agree with the asset register</b>		<b>Low</b>																
Finding	<p>Audit identified the following differences between the balance of library book assets recorded in the trial balance as at 30 June 2024 and the corresponding asset register:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Cost</th> <th style="text-align: right;">Acc. depreciation</th> <th style="text-align: right;">WDV</th> </tr> </thead> <tbody> <tr> <td>Trial balance</td> <td style="text-align: right;">\$1,500,023</td> <td style="text-align: right;">\$(757,466)</td> <td style="text-align: right;">\$742,557</td> </tr> <tr> <td>Asset register</td> <td style="text-align: right;">\$1,213,696</td> <td style="text-align: right;">\$(675,943)</td> <td style="text-align: right;">\$555,753</td> </tr> <tr> <td>Difference</td> <td style="text-align: right;">\$286,327</td> <td style="text-align: right;">\$(81,523)</td> <td style="text-align: right;">\$186,804</td> </tr> </tbody> </table> <p>The difference is due to a legacy issue arising from the lack of reconciliations identified at the start of the 2022/23 financial year, prior to the commencement of the new Finance Management team at the Council.</p> <p>Audit acknowledges that Finance Management has successfully reconciled all movements in the library book assets (e.g., additions, depreciation, disposals) over the past two years with the asset register.</p> <p>Next stage of the reconciling process is to reconcile the closing balance of the library books assets to the asset register.</p>		Cost	Acc. depreciation	WDV	Trial balance	\$1,500,023	\$(757,466)	\$742,557	Asset register	\$1,213,696	\$(675,943)	\$555,753	Difference	\$286,327	\$(81,523)	\$186,804	
	Cost	Acc. depreciation	WDV															
Trial balance	\$1,500,023	\$(757,466)	\$742,557															
Asset register	\$1,213,696	\$(675,943)	\$555,753															
Difference	\$286,327	\$(81,523)	\$186,804															
Risk	Unreconciled differences between the library book assets in the trial balance and the asset register increase the risk of the financial report being misstated.																	
Recommendation	Ensure that the balance of library books in the trial balance is reconciled to the corresponding asset register.																	

		Risk
<b>3. Employees with excessive annual leave balances</b>		<b>Low</b>
Finding	Audit identified 20 employees with annual leave balances in excess of 300 hours (approximately 2 years of entitlement). In 2023, Audit identified 6 employees with annual leave balances in excess of 300 hours.	
Risk	Leave balances exceeding the allowable balances under the relevant EB. Staff not taking leave has financial implications as leave is paid at higher rates than it was accrued, and may lead to health, safety and welfare issues. Regular taking of leave also acts as a fraud prevention control.	
Recommendation	Implement strategies to systematically reduce excessive leave balances, and prevent employees from accumulating excessive balances.	

Risks were rated based on an assessment of the risk of non-compliance with s125 of the Local Government Act 1999 as described in Appendix 3 – Risk Ratings.

## 6. Long-term Financial Sustainability Considerations

The 2023-2024 to 2033-2034 Long Term Financial Plan (LTFP) indicates that Council is projected to present net financial liability ratios of 150.9% in 2024/25 and 160.5% in 2025/26.

The increase in the net financial liability ratios is due to a significant increase in expenditure on new and upgraded assets for 2024/25 and 2025/26. The main capital projects include the Payneham Memorial Swimming Centre, The Parade Master Plan, and the Norwood Library Redevelopment.

In cases where a council's LTFP includes a net financial liabilities ratio exceeding the SA Local Government Association's suggested maximum of 100%, it is expected that the LTFP will demonstrate a strategy to ensure the ratio is trending downwards towards the target range. The LTFP predicts the following reduction in the Net Financial Liability Ratio (NFLR) after it reaches its peak of 160.5% in 2025/26.

2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/24
158.2%	158.3%	159.7%	154.7%	150.0%	141.6%	132.5%	122.6%

Discussions with Finance Management and our review of the projected statement of comprehensive income presented in the draft LTFP identified that the main assumptions used by Council for debt reduction are as follows:

- compound effect of rate increases over the next 10 years (7-8.5% in the first four years, approx. 6% in the fifth year and 4% in the last five years)
- significant increases in user charges revenue (25% in 2025/26, 38% in 2026/27, 9% in the subsequent three years and 4% in the last three years).
- compound effect of increases in total expenses (7-9% in the first three years, approx. 6% in the fourth, fifth and sixth years and 3% in the last four years).
- significant increase in net operating surplus from \$0.229 million in 2024/25 to \$5.069 million in 2033/34

We acknowledge Council's commitment to ensuring long-term financial sustainability and take this opportunity to include the following recommendations to ensure that Council maintains appropriate financial internal controls to support its long-term financial sustainability:

- Ensure that Asset Management Plans (AMPs) are updated.
- Ensure capital works per updated AMPs feed directly into the Annual Business Plans and LTFP.
- Ensure that capital expenditure programs detailed within AMPs are reviewed annually and the LTFP is updated accordingly.
- Ensure that assumptions and figures provided by the LTFP are reviewed annually.
- Monitor the achievement of increases in user charges revenue anticipated by the LTFP.
- Conduct a sensitivity analysis on key market assumptions used in the LTFP, such as CPI increases, rate increases and interest rates. This involves, for example, modelling the impact that percentage increases/decreases (e.g. 2 or 3%) in these variables has on Council's net surplus, borrowing levels, and financial sustainability ratios.
- Compare and analyse actual vs budget results on a regular basis.
- Regularly review whether the net financial liabilities targets set out in the Long-Term Financial Plan (LTFP) as detailed in the table above are being achieved. If they are not, identify the reasons and develop a plan to ensure the ratio continues to trend downwards.



## Appendix 1 – Proposed Independent Auditor’s Report on the Financial Report

### To the members of City of Norwood Payneham & St Peters

#### Opinion

We have audited the accompanying financial report of City of Norwood Payneham & St Peters (the Council), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of City of Norwood Payneham & St Peters.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2024, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Council’s Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council’s financial reporting process.

#### Auditor’s Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA Registered Company Auditor  
Partner

Date:

## Appendix 2 – Proposed Independent Auditor’s Report on the Internal Controls

To the members of City of Norwood Payneham & St Peters

### Independent Assurance Report on the Internal Controls

#### Opinion

We have audited the compliance of City of Norwood Payneham & St Peters (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2023 to 30 June 2024 have been conducted properly and in accordance with the law.

In our opinion, City of Norwood Payneham & St Peters has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2023 to 30 June 2024.

#### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### The Council’s Responsibility for Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

#### Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Performs Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

**Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with the law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

**Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

**Limitation of Use**

This report has been prepared for the members of the Council in accordance with section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA Registered Company Auditor  
Partner

Date:

## Appendix 3 – Risk Ratings

The audit findings identified during our interim audit documented in our interim management letter and in section 3 of this report were rated as follows:

Category	Description
<b>Potential Material Weaknesses</b>	The issue described could lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
<b>Moderate Weaknesses</b>	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
<b>Low Risk Weaknesses</b>	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
<b>Better Practice Weaknesses</b>	The issue described has been included in this report as an opportunity for better practice.

### 11.3 CASH ADVANCE DEBENTURE FACILITY LOAN

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**REPORT AUTHOR:** Chief Financial Officer  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:**  
**ATTACHMENTS:** A

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#### **PURPOSE OF REPORT**

To advise the Council of the status of the approved Cash Advance Debenture (CAD) facility loan.

#### **BACKGROUND**

As Elected Members will recall, at the Information Briefing Session conducted by the Local Government Finance Authority (LGFA) held on 29 July 2024, representative from the LGFA advised that future borrowing facilities are likely to include covenants (conditions) to ensure that a disciplined approach to financial planning and budgeting is adopted by the Council. This approach emphasises debt reduction and a commitment to lowering the Net Financial Liability (NFL) indicator to below its target of 100%.

During an information session held on 29 July 2024, The Local Government Financing Authority communicated to the Council representatives, that future borrowing facilities would likely include covenants to ensure a disciplined approach to financial planning and budgeting. This approach emphasises debt reduction and a commitment to lowering the Net Financial Liability (NFL) indicator to below its target of 100%.

These are issues that have been previously considered by the Council.

The Local Government Financing Authority (LGFA) Board has now approved a Cash Advance Debenture facility of \$41,200,000 million in line with the resolution as part of the 2024-2025 Budget to finance the Council's financial needs. The loan facility is approved contingent upon specific terms and conditions to ensure responsible financial management and adherence to loan covenants is adopted by the Council. This facility is designed to support the Council's capital requirements, maintaining fiscal prudence and compliance with pre-defined financial ratios. The letter dated 21 October 2024 is contained in **Attachment A**.

#### **RELEVANT STRATEGIC DIRECTIONS & POLICIES**

Nil

#### **FINANCIAL AND BUDGET IMPLICATIONS**

Not Applicable.

#### **EXTERNAL ECONOMIC IMPLICATIONS**

Not Applicable.

#### **SOCIAL ISSUES**

Not Applicable.

#### **CULTURAL ISSUES**

Not Applicable.

#### **ENVIRONMENTAL ISSUES**

Not Applicable.

## RESOURCE ISSUES

Not Applicable.

## RISK MANAGEMENT

A breach of any of the specified covenants will allow the LGFA the right to initiate a review process.

## CONSULTATION

- **Elected Members**  
Representatives from the LGFA presented the details of the process involved in the LGFA's Board approval and the covenants/conditions.
- **Community**  
Not Applicable.
- **Staff**  
Not Applicable.
- **Other Agencies**  
Not Applicable.

## DISCUSSION

The Local Government Financing Authority Board has stipulated several conditions to accompany the loan approval. These are summarised below.

### a. Quarterly Reporting

The Council is required to submit quarterly reports aligned with its budget review cycle. Each report should compare the Payneham Memorial Swimming Centre Project budget to actual results, highlight any approved material variations, and be signed by both the Mayor and Chief Executive Officer.

### b. Annual Treasury Management Policy Review

The Council must provide the LGFA with its Treasury Management Policy annually, including compliance metrics against the Policy requirements to ensure alignment with best practice in fiscal management.

### c. Security via Debenture Charge

The Council must allow the LGFA to take security through a debenture charge over the Council's general revenue, securing the LGFA's interests and providing financial protection for the loan facility.

### d. Financial Covenants

The Council must achieve and maintain the following Financial Ratios at the close of each fiscal year:

- Adjusted Operating Surplus Ratio greater than 0%;
- Debt Level less than \$110 million;
- Asset Renewal Funding Ratio greater than 75%.

### e. Formal Annual Review

A formal review of all loan facilities will be conducted annually to assess ongoing compliance with the loan terms and conditions.

## **OPTIONS**

Not Applicable.

## **CONCLUSION**

As the Council has made its commitment to both progressing construction of the Payneham Memorial Swimming Centre and the consequent funds required to do so, there are no options in respect to this issue.

The reporting requirements which are set out in the letter from the LGFA can be met. In respect to ensuring financial prudence and discipline, this is incumbent on the Council and the organisation.

## **COMMENTS**

Nil

## **RECOMMENDATION**

1. That the letter dated 21 October 2024 from the Local Government Finance Authority be received and noted.
2. That the Chief Financial Officer be authorised to prepare and submit the reporting requirements and associated documents to the Local Government Finance Authority.
3. That this Council, through its Audit & Risk Committee, be kept apprised and updated on the reports that have been requested by the Local Government Finance Authority.



## **Attachments – Item 11.3**

# Attachment A

## Cash Advance Debenture Facility Loan



21 October 2024

Mr. Mario Barone  
Chief Executive Officer  
City of Norwood Payneham & St Peters

via email: mbarone@npsp.sa.gov.au

Dear Mario

**Re: Capital Projects Loan Application**

I am writing to you regarding the City of Norwood Payneham & St Peters (NPSP) recent loan application to the Local Government Finance Authority (LGFA) for \$41.2M for the loan purpose of to finance Capital Projects with a large portion being used to fund the Payneham Memorial Swimming Centre Redevelopment (PMSCR).

On 15 October 2024, the LGFA Board met and considered your application and resolved the following:

That the LGFA Board approves the new CAD facility of \$41.2M loan to NPSP for a 3-year term with the following special conditions being placed in the terms and conditions of the loan:

- NPSP provides quarterly reporting aligned to NPSP budget review cycle that shows the PMSCR budget versus actual and lists any material approved variations with the report signed by the NPSP Mayor and NPSP CEO.
- NPSP provides LGFA with the Council's Treasury Management Policy on an annual basis, illustrating the compliance against it.
- NPSP to allow LGFA to take security via a debenture charge over the general revenue of the Council.
- NPSP will commit to achieve at the end of each financial year:
  - An Adjusted Operating Surplus Ratio > 0%;
  - Debt of less than \$110M; and
  - Asset Renewal Funding Ratio > 75%
- Formal annual review process of all loan facilities to NPSP.

Breach of any covenant would create a right of review with LGFA to discuss breach with NPSP and have the right to call default and renegotiate the terms of the loan facility.

Can you please provide this letter to the Council and ask that they accept the terms and conditions of the loan approval in writing.

Due to the elevated debt levels forecast by the Council, LGFA ask that any grant funding obtained for the Parade Master Plan and Norwood Library Redevelopment be used to retire debt and not expand the scope of these projects.

In addition, LGFA recommends that NPSP consider staging the Parade Master Plan and Norwood Library Redevelopment projects so that the Council's Net Financial Liabilities Ratio (NFLR) returns below NPSP's target range of 100% within future iterations of its 10-year long term financial plan. LGFA notes that the recommendation to return the NFLR below the Council's target range of 100% was provided in the prudential report associated with the PMSCR and was endorsed by the Council's Audit & Risk Committee at the Special Meeting on the 6 December 2023.

Yours sincerely



Davin Lambert  
LGFA Chief Executive Officer

**Section 3 – Governance & General  
Reports**

## 11.4 HOLMESDALE MEMORIAL TENNIS CLUB - DRAFT LEASE AGREEMENT

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**REPORT AUTHOR:** Manager, Governance  
**GENERAL MANAGER:** General Manager, Governance & Civic Affairs  
**CONTACT NUMBER:** 8366 4593  
**FILE REFERENCE:** qA159668  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to present the Lease Agreement between the Council and the Holmesdale Memorial Tennis Club Inc., for the John Horrocks Memorial Green to the Council for approval.

### BACKGROUND

The John Horrocks Memorial Green has an area of approximately 3550 m<sup>2</sup> and is located at the rear of 58 Breaker Street, St Morris. The Holmesdale Memorial Tennis Club Inc (the Club) was incorporated in 1935 and has been using the tennis clubrooms and courts since its incorporation.

At its meeting on 7 March 2022, the Council resolved the following:

1. *That the Council agrees to grant a lease to Holmesdale Memorial Tennis Club for the facilities located at the John Horrocks Memorial Green for a period of 20 years (10+10 years).*
2. *That the Council notes that a draft Lease will be prepared and presented to the Council for consideration.*

Subsequent to this decision, a draft Lease between the Council and the Club was negotiated and presented to the Council at the Council Meeting held on 8 October 2024. Following consideration of the draft Lease, the Council resolved the following:

1. *That the draft Lease for the Holmesdale Memorial Tennis Club, as contained in Attachment A to this report, be endorsed for the purposes of community consultation, in accordance with the Council's Community Consultation Policy.*
2. *The Council notes that the results of the community consultation be presented to the Council for consideration.*

Community consultation on the draft Lease was conducted from Monday 21 October 2024 until Friday 15 November 2024 and no submissions were received.

A copy of the Lease Agreement is contained within **Attachment A**.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

### FINANCIAL AND BUDGET IMPLICATIONS

Details regarding the financial arrangements between the Council and Tennis Clubs are set out in the Discussion section of this report.

### EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

## **SOCIAL ISSUES**

Not Applicable.

## **CULTURAL ISSUES**

Not Applicable.

## **ENVIRONMENTAL ISSUES**

Not Applicable.

## **RESOURCE ISSUES**

Not Applicable.

## **RISK MANAGEMENT**

Legal agreements (ie, leases and/or licences) are required to be in place for Council owned facilities that are used by third parties, to ensure legislative compliance and reduce exposure to claims from third parties who may suffer injury or loss, whilst using Council facilities.

The conditions of the Lease between the Council and the Club therefore contain provisions requiring the Lessee (the Club) to:

- indemnify the Council against claims arising from the Lessee's negligence; and
- take-out and maintain appropriate insurance covers.

The draft Lease also clearly outlines the relevant legal, governance and risk management requirements to ensure that the Council's and the Club's responsibilities are met.

## **CONSULTATION**

- **Elected Members**  
The Council considered the draft Lease at its Meeting held on 8 October 2024.
- **Community**  
Consultation with the community has been undertaken in accordance with the Council's *Community Consultation Policy*.
- **Staff**  
Not Applicable.
- **Other Agencies**  
Not Applicable.

## **DISCUSSION**

The previous Lease between the Council and the Club for the tenancy at John Horrocks Green was for a period of twenty (10 + 10) years commencing on 24 November 2002 and expiring on 31 March 2023. The current Lease has been in a holding over a period since that time whilst discussions and negotiations have been taking place with the Club.

The Club has used the facilities since the 1930's and has continued to meet its obligations as a Lessee and maintained the property in accordance with the provisions of the Lease. Aside from meeting all repayments for the Club's 50% contribution to the cost of constructing the tennis courts (as per the previous Lease), the Club also recently paid approximately \$50,000 to resurface the courts.

The Club currently has approximately 70 members, with a loyal group of Volunteers ensuring that the courts are well maintained and the ongoing operation of the Club remains sustainable. This is managed by conducting a range of activities which includes social tennis, fund raisers, quiz nights, hire of the courts for competition use and special events such as Tennis Australia tournaments and exploring alternate forms of tennis such as wheelchair and pickleball. This is quite an achievement as the courts do not have the benefit of lighting and therefore, any activities conducted by the Club are conducted during daylight hours only.

The Club is also committed to providing public access to the courts and this is managed via a booking system directly with the Club or through the Club's website. The courts are available for hire by members of the public during daylight hours, apart from the days and times when the Club is using the courts.

The Lease is based on the terms of the previous Lease and the Council's *Tennis Facilities Policy*. An improved and updated format of the Lease has been used which is simple and easy to read while still containing all necessary components.

#### Tennis Facilities Policy – Lease Fee Structure

The Council's *Tennis Facilities Policy* requires Tennis Clubs that are using Council owned tennis facilities, to contribute funds based on a formula of recovering 50% of the capital reconstruction cost of tennis courts, based on the expected life cycle of the courts.

The 50% of the capital reconstruction costs are recovered from a club via an annual payment over the expected life of the courts (which is approximately 20 years).

In addition, the Clubs are responsible for the costs associated with the resurfacing of the courts (plexi-pave or similar approved surface), every 7-8 years following the reconstruction.

Both the timeline for reconstruction and resurfacing of the courts vary depending upon site specific factors (such as soil type).

The Holmesdale Memorial Tennis Club has repaid its contribution of the costs for the last reconstruction of the courts and therefore, its schedule of repayments towards 50% of the costs has been removed from the Lease, however the requirement to resurface the courts every 7-8 years (and cover the associated costs) has been included. The Club resurfaced the courts in November 2022.

In terms of the next reconstruction of the courts, a condition assessment will be undertaken in the next 18 months or so to determine the required timing, seek an estimate of the costs and then schedule the work accordingly. At that time, an addendum to the Lease will be sought to cover the Club's repayments of the 50% contribution of the cost of the courts reconstruction in accordance with the Council's *Tennis Facilities Policy*.

#### **OPTIONS**

As the Council determined to enter into a Lease for a period of twenty years (10 +10) on 7 March 2022, approving the execution of the Lease is giving effect to that decision. Notwithstanding this, the Council could determine not to approve the execution of the Lease for the premises.

It is recommended that the Council approves the finalising of the Lease arrangement with the Club, given that the required processes in respect to the new Lease have been satisfactorily completed.

#### **CONCLUSION**

From an administrative point of view, the current Lease arrangements have worked well, with the Club meeting the various obligations which are set out in the Lease.

Based on the Council's resolution, the Lease arrangements between the Council and the Club will be finalised.

#### **COMMENTS**

Nil.



## **RECOMMENDATION**

1. That the Council notes that community consultation on the proposed Lease between the Council and the Holmesdale Memorial Tennis Club has been undertaken.
2. The Council approve the proposed Lease between the Council and the Holmesdale Memorial Tennis Club as contained in Attachment A.
3. That the Mayor and Chief Executive Officer be authorised to sign and seal the Lease Agreement between the Council and the Holmesdale Memorial Tennis Club, as contained in Attachment A to this report, and the Chief Executive Officer be authorised to make any minor amendments required to finalise the Lease for execution.

## **Attachments – Item 11.4**

# Attachment A

## Holmesdale Memorial Tennis Club Draft Lease Agreement





*City of*  
**Norwood  
Payneham  
& St Peters**

## **LEASE AGREEMENT**

### **Sporting & Community (Not for Profit)**

between

THE CORPORATION OF THE CITY OF NORWOOD  
PAYNEHAM AND ST PETERS

and

HOLMESDALE MEMORIAL TENNIS CLUB INC

**JOHN HORROCKS MEMORIAL GREEN**

## Schedule

<b>Item 1</b> Premises	That portion of the Land being the Clubroom Buildings, Toilets and Tennis Courts at John Horrocks Memorial Green as shown on the plan attached as Annexure A
<b>Item 2</b> Land	The whole of the land comprised in Certificate of Title Volume 5700 Folio 559, otherwise known as the John Horrocks Memorial Green
<b>Item 3</b> Initial Term	Ten (10) years commencing on 1 April 2023 ( <b>Commencement Date</b> ) and expiring at midnight on 31 March 2033
<b>Item 4</b> Renewal(s)	One right of renewal for a further term of ten (10) years commencing 1 April 2033 and expiring at midnight on 31 March 2043
<b>Item 5</b> Rent	\$0.00 per annum (exclusive of GST)  Certain costs will be payable in accordance with Special Condition 1
<b>Item 6</b> Outgoings	Outgoings means the total of all amounts paid or payable by the Council in connection with the ownership, management, administration and operation of the Land and/or Building, excluding building insurance
<b>Item 7</b> Permitted Use	Conducting sporting and social club activities
<b>Item 8</b> Public risk insurance	\$20,000,000.00

## PARTIES

**THE CORPORATION OF THE CITY OF NORWOOD PAYNEHAM AND ST PETERS** of  
175 The Parade, Norwood SA 5067 (**Council**)

and

**HOLMESDALE MEMORIAL TENNIS CLUB INC.** of PO Box 214 Marden, SA 5070 (**Lessee**)

## BACKGROUND

- A. The Council is the registered proprietor, or has the care, control and management, of the Land.
- B. The Lessee has requested a lease to occupy the Premises for the Permitted Use.
- C. The Council has resolved to grant the Lessee a lease of the Premises and (if necessary) undertaken public consultation in accordance with the *Local Government Act 1999* (SA).
- D. The Council and Lessee wish to record the terms of their agreement in this lease.

## AGREED TERMS

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this lease:

**Agreed Consideration** means the Rent, Outgoings and all other consideration (whether in money or otherwise) to be paid or provided by the Lessee for any supply or use of the Premises and any goods, services or other things provided by the Council under this lease (other than tax payable under clause 17).

**Building** means the interior and exterior of all present and future improvements on the Land and includes all Building Services and Common Areas and all other conveniences, services, amenities and appurtenances of in or to the Building.

**Building Services** includes all services (including gas, electricity, water, sewerage, lifts, escalators, communications, fire control, air-conditioning, plumbing and telephone and all plant, equipment, pipes, wires and cables in connection with them) to or of the Building or any premises in or on the Land supplied by any authority, the Council or any person the Council authorises.

**Business Day** means a day which is not a Saturday, Sunday or public holiday in Adelaide.

**Commencement Date** means the commencement date described in Item 3 of the Schedule .

**Common Areas** means all areas of the Land which are not licenced or tenanted and which are for common use by tenants and lessees of the Land or Building and their invitees and customers including driveways, car parks, walkways, washrooms, toilets and stairways.

**Council** means the party described as 'Council' in this lease and where the context permits includes the employees, contractors, agents and other invitees of the Council.

**Council's Equipment** means all fixtures and fittings, plant, equipment, services, chattels and other goods installed or situated in or on the Premises and available for use by the Lessee.

**GST** has the meaning given to that term in the GST Legislation.

**GST Legislation** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and any ancillary or similar legislation.

**GST Rate** means 10% or the rate of GST imposed from time to time under the GST Legislation.

**Institute** means the South Australian Division of the Australian Property Institute.

**Initial Term** means the initial term of this lease commencing on the Commencement Date and described in Item 3 of the Schedule .

**Land** means the land described in Item 2 of the Schedule and includes any part of the Land.

**Legislation** includes any relevant Act of Parliament (whether State or Federal) and any regulation or by-law including by-laws issued by any local government body or authority.

**Lessee** means the party described as 'Lessee' in this lease and where the context permits includes the employees, contractors, agents, customers and other invitees of the Lessee.

**Lessee's Equipment** means any and all fixtures and fittings and other equipment installed in or brought on to or kept in the Premises by the Lessee.

**Lessee's Share** means the proportion the lettable area of the Premises bears from time to time to the total lettable area of the Land as measured in accordance with the method of measurement recommended for such Premises by the Institute's guidelines current as at the Commencement Date or such other Institute method of measurement as the Council notifies the Lessee.

**Outgoings** means the outgoings described in Item 6 of the Schedule .

**Payment Date** means the Commencement Date and the first day of each month during the Term.

**Permitted Use** means the use described in Item 7 of the Schedule .

**Premises** means the premises described in Item 1 of the Schedule including all present and future improvements thereon and the Council's Equipment.

**Rates and Taxes** means all present and future rates, charges, levies, assessments, duty and charges of any Statutory Authority, department or authority having the power to raise or levy any such amounts in respect of the use, ownership or occupation of the Land or Premises and includes water and sewer charges, council rates, emergency services levy.

**Renewal Term/s** means the term/s (if any) of renewal or extension in Item 4 of the Schedule .

**Rent** means the rent described in Item 5 of the Schedule .

**Statutory Authorities** means any government or authorities created by or under any relevant Legislation.

**Statutory Requirements** means all relevant Legislation and all lawful conditions, requirements, notices and directives issued or applicable under any such Legislation or by any Statutory Authorities.

**Term** means the Initial Term, the Renewal Term/s and any period during which the Lessee holds over or remains in occupation of the Premises.

## 1.2 Interpretation

In this lease, 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 a person includes a partnership, corporation, association, government body and any other entity;
- 1.2.3 a reference to this lease includes any schedules and annexures to this lease;
- 1.2.4 a reference to any document (including this lease) is to that document as varied, novated, ratified or replaced from time to time;
- 1.2.5 a reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- 1.2.6 an unenforceable provision or part of a provision may be severed, and the remainder of this lease continues in force; and
- 1.2.7 the special conditions in Annexure B prevail over the terms in the body of this lease to the extent of any inconsistency.

## 1.3 Background

The Background forms part of this lease and is correct.



## **2. GRANT OF LEASE**

The Council grants and the Lessee accepts a lease of the Premises for the Term as set out in this lease.

## **3. RENT**

The parties acknowledge that there is no Rent payable under this lease, however the Lessee will be required to make other payments and pay other costs as set out under Special Condition 1.

## **4. RATES AND TAXES AND OUTGOINGS**

### **4.1 Liability for Rates and Taxes**

- 4.1.1 The Lessee must pay or reimburse the Council all Rates and Taxes levied, assessed or charged in respect of the Premises or upon the owner or occupier of the Premises, with the exception of Council Rates.
- 4.1.2 The applicable Rates and Taxes must be adjusted between the Council and the Lessee as at the Commencement Date and the end or termination date of this lease.

### **4.2 Payment of Outgoings**

- 4.2.1 The Lessee must pay or reimburse the Council all Outgoings levied, assessed or charged in respect of the Premises or upon the owner or occupier of the Premises.
- 4.2.2 The Outgoings must be adjusted between the Council and the Lessee as at the Commencement Date and the end or termination date of this lease.

### **4.3 Lessee's Share**

If there are Rates and Taxes and/or Outgoings payable under this lease and any of those Rates and Taxes and/or Outgoings are not separately assessed or charged in respect of the Premises, then the Lessee must pay the Lessee's Share of any such Rates and Taxes or Outgoings assessed or charged in respect of the Land.

### **4.4 Power and other utilities**

- 4.4.1 The Lessee must pay, when due, all costs for the use of telephone, light and other facilities and the consumption of electricity, gas, and any and all other services and utilities supplied to or used from the Premises.
- 4.4.2 If there is no separate meter for a service or utility used on or from the Premises and if the Council so requires, then the Lessee must install the meter at its own cost.

- 4.4.3 Without limiting this subclause, the Lessee must comply with the *Electricity (General) Regulations 1997 (SA)* and any other applicable electricity laws.

## 5. USE OF PREMISES

### 5.1 Permitted Use

The Lessee may use the Premises only for the Permitted Use and must not use or allow the Premises to be used for any other use without the Council's consent.

### 5.2 Offensive activities

The Lessee must not carry on any offensive or dangerous activities on or from the Premises or create a nuisance or disturbance on the Premises at any time, and must ensure at all times that activities conducted on or from the Premises do not discredit the Council.

### 5.3 Use of facilities

5.3.1 The Lessee must ensure that the Building Services are used carefully and responsibly and in accordance with any directions given by the Council from time to time.

5.3.2 The Lessee must repair or correct any damage or malfunction which results from any misuse or abuse of the Building Services by the Lessee.

### 5.4 Statutory Requirements

The Lessee must comply with all Statutory Requirements (including the *Work Health and Safety Act 2012 (SA)*) relating to the Lessee's use and occupation of the Premises, as well as the Permitted Use.

### 5.5 No alcohol

5.5.1 The Lessee must not:

5.5.1.1 serve, sell or provide to persons; or

5.5.1.2 consume or allow persons to consume;

alcoholic beverages on the Premises without the Council's consent, which may be granted by Council subject to whatever conditions it sees fit.

5.5.2 Further, the Lessee must not allow any other activities to be carried out on the Premises that would require a liquor licence under the *Liquor Licensing Act 1997 (SA)* without the Council's consent, which may be granted by Council subject to whatever conditions it sees fit.

### 5.6 Gaming Machines

Under no circumstances will Council approve the use of gaming machines upon the Premises.

## 5.7 **Signs**

The Lessee must not place any sign or advertisement on the outside or inside (if they can be seen from outside) of the Premises, except a sign or advertisement which is approved by the Council and complies with any relevant Statutory Requirements and policies of the Council.

## 5.8 **Dangerous equipment and installations**

The Lessee may only install or use within the Premises equipment and facilities which are reasonably necessary for and normally used in connection with the Permitted Use and must not install or bring onto the Premises:

- 5.8.1 any electrical, gas powered or other machinery or equipment that may pose a danger, risk or hazard;
- 5.8.2 any chemicals or other dangerous substances that may pose a danger, risk or hazard; or
- 5.8.3 any heavy equipment or items that may damage the Premises or Building.

## 5.9 **Fire precautions**

The Lessee must comply with all Statutory Requirements relating to fire safety and procedures including carrying out any structural works or modifications or other building works which are required as a consequence of the Lessee's use of the Premises.

## 5.10 **Security**

The Lessee must keep the Premises securely locked at all times when the Premises are not occupied and must provide a key to the Premises to the Council (or if the Council has engaged a manager, then to the manager) to be used only in emergencies.

## 5.11 **No warranty**

The Council makes no warranty or representation regarding the suitability of the Premises (structural or otherwise) for the Permitted Use or any other purpose.

# 6. **INSURANCE**

## 6.1 **Lessee must insure**

The Lessee must keep current during the Term:

- 6.1.1 public risk insurance for at least the amount in Item 8 of the Schedule (or any other amount the Council reasonably requires) for each claim;
- 6.1.2 all insurance in respect of the Lessee's Equipment for its full replacement value; and
- 6.1.3 other insurances required by any Statutory Requirement or which the Council reasonably requires.

## 6.2 Requirements for policies

Each policy must:

- 6.2.1 be with an insurer and on terms reasonably approved by the Council;
- 6.2.2 be in the name of the Lessee and note the interest of the Council and any other person the Council requires;
- 6.2.3 cover events occurring during the policy's currency regardless of when claims are made; and
- 6.2.4 note that despite any similar policies of the Council, the Lessee's policies will be primary policies.

## 6.3 Evidence of insurance

The Lessee must give the Council certificates evidencing the currency of each policy. During the Term the Lessee must:

- 6.3.1 pay each premium before it is due for payment;
- 6.3.2 give the Council certificates of currency each year when the policies are renewed and at other times the Council requests;
- 6.3.3 not vary, allow to lapse or cancel any insurance policy without the Council's consent;
- 6.3.4 notify the Council immediately if a policy is cancelled or if an event occurs which could prejudice or give rise to a claim under a policy.

## 6.4 Insurance affected

- 6.4.1 The Lessee must not do anything which may:
  - 6.4.1.1 prejudice any insurance of the Premises or the Building; or
  - 6.4.1.2 increase the premium for that insurance.
- 6.4.2 If the Lessee does anything (with or without the Council's consent) that increases the premium of any insurance the Council has in connection with the Premises or the Building, the Lessee must on demand pay the amount of that increase to the Council.

## 7. REPAIR AND MAINTENANCE

### 7.1 Repair and Maintenance

- 7.1.1 The Lessee must, at its cost, maintain the Premises in good condition and free from hazards and must:
  - 7.1.1.1 keep the Premises clean, tidy and free from dirt, rubbish, pests and vermin;

- 7.1.1.2 keep the Premises in good repair (fair wear and tear and damage by fire, storm, tempest, act of god, war, riot, civil commotion and earthquake excepted);
  - 7.1.1.3 paint any buildings and other improvements in the Facility to the Council's satisfaction;
  - 7.1.1.4 keep all sinks, drains, pipes and other plumbing that directly relate to the Premises in good repair and free from blockages and ensure that no part of the Premises becomes insanitary;
  - 7.1.1.5 keep all of the Lessee's property in good condition so as to prevent any hazard to any person or any deterioration in the condition of the Premises;
  - 7.1.1.6 repair any damage to the Premises caused by the Lessee or its visitors;
  - 7.1.1.7 notify the Council as soon as it becomes aware of any defects in the Premises or anything which could present a hazard or cause harm to any person or the Premises.
- 7.1.2 Any repairs of a structural nature will be the responsibility of the Council, except if specified otherwise or if relating to any alterations to the Premises made by the Lessee in accordance with clause 7.2.
- 7.1.3 In addition to its broader maintenance and repair obligations, the Lessee must also maintain the courts within the Premises in accordance with the Tennis/Netball Court Maintenance Schedule provided in Annexure C.
- 7.1.4 The Council may update or amend the Tennis/Netball Court Maintenance Schedule at its discretion, and must provide the Lessee with a copy of the updated or amended Tennis/Netball Court Maintenance Schedule.
- 7.1.5 For the avoidance of doubt, the Lessee will be responsible for the repair and maintenance of Council's Equipment during the Term, and must replace any damaged (through misuse) or missing Council's Equipment during the Term, to the same standard and value as the original.
- 7.1.6 If the Council so requires, the Lessee must promptly repair any damage to the Building or the Land caused or contributed to by the act, omission, negligence or default of the Lessee.
- 7.2 Alterations by Lessee**
- 7.2.1 The Lessee must not carry out any alterations or additions to the Premises without the Council's consent.
- 7.2.2 The Lessee must provide full details of the proposed alterations and additions to the Council.

- 7.2.3 The Council may impose any conditions it considers necessary if it gives its approval, including requiring the Lessee to obtain the Council's consent to any agreements that the Lessee enters into in relation to the alterations or additions.
- 7.2.4 Unless otherwise agreed in writing between the parties, all alterations and additions to the Land or the Premises made pursuant to this clause become the property of the Council.
- 7.2.5 The Lessee must pay all of the Council's costs (including consultant's costs and legal costs) as a result of the Lessee's alterations and additions.

### 7.3 **Refurbishment**

The Lessee must refurbish the Premises on or before the expiration of the Initial Term to the following specification:

- 7.3.1 clean and repair all surfaces to be painted;
- 7.3.2 paint or wallpaper, stain, varnish or polish each surface to be redecorated according to the previous treatment of that surface; and
- 7.3.3 comply with all Lessee responsibilities listed in the Tennis/Netball Court Maintenance Schedule provided at Annexure C.

### 7.4 **Cleaning**

The Lessee must:

- 7.4.1 keep the Premises clean and tidy;
- 7.4.2 at its cost, arrange for an annual pest inspection to be carried out with respect to the Premises by a licensed pest control company, and must provide the Council with a copy of the annual pest inspection report within 14 days of receiving the report from the relevant company; and
- 7.4.3 not cause the Common Areas to be left untidy or in an unclean state or condition.

## 8. **ASSIGNMENT, SUBLETTING AND HIRING OUT**

### 8.1 **Assignment and Subletting**

The Lessee may only assign or sublease or otherwise part possession with the Premises with the consent of the Council, which consent may be granted at the Council's discretion and subject to any conditions that the Council sees fit.

## 8.2 Hiring out Premises

The Lessee may hire out the Premises without the Council's consent provided that hiring the Premises is consistent with Special Condition 2.3.

## 8.3 Costs

The Lessee must pay all costs reasonably incurred by the Council (including the costs of any consultant or any legal fees) in relation to any dealing with the Premises, including in considering whether or not to grant consent under this clause.

## 9. LESSEE GOVERNANCE

If requested, the Lessee must provide to the Council a copy of the Lessee's constitution and any other documents that regulate its governance and operations.

## 10. COUNCIL'S OBLIGATIONS AND RIGHTS

### 10.1 Quiet enjoyment

Subject to the Council's rights and to the Lessee complying with the Lessee's obligations under this lease, the Lessee may occupy the Premises during the Term without interference from the Council.

### 10.2 Right to enter

The Council may (except in an emergency when no notice is required) enter the Premises after giving the Lessee reasonable notice:

- 10.2.1 to see the state of repair of the Premises;
- 10.2.2 to do repairs to the Premises or the Building or other works which cannot reasonably be done unless the Council enters the Premises;
- 10.2.3 to do anything the Council must or may do under this lease or must do under any Legislation or to satisfy the requirements of any Statutory Authority; and
- 10.2.4 to show prospective lessees through the Premises.

### 10.3 Emergencies

In an emergency the Council may:

- 10.3.1 close the Premises or Building; and
- 10.3.2 prevent the Lessee from entering the Premises or Building.

### 10.4 Works and restrictions

10.4.1 The Council may:

- 10.4.1.1 install, use, maintain, repair, alter, and interrupt Building Services;

10.4.1.2 carry out works on the Building (including extensions, renovations and refurbishment); and

10.4.1.3 close (temporarily or permanently) and restrict access to the Common Areas.

10.4.2 The Council must (except in an emergency) take reasonable steps to minimise interference with the Lessee's use and occupation of the Premises.

#### 10.5 **Right to rectify**

The Council may at the Lessee's cost do anything which the Lessee should have done under this lease but which the Lessee has not done or which the Council reasonably considers the Lessee has not done properly.

### 11. **TERMINATION FOR DAMAGE OR DESTRUCTION**

If the Premises are destroyed or are damaged so that they are unfit for the Lessee's use then, if within three months that damage or destruction has not been repaired, either party may terminate this lease with one (1) months' notice.

### 12. **REDEVELOPMENT, ASSET RATIONALISATION AND DEMOLITION**

If as part of any redevelopment, asset rationalisation or other project conducted by the Council that includes the Land, or for any other reason, the Council wishes to demolish or acquire vacant possession of the Premises or any part of the Premises, then the Council may terminate this lease with six (6) months' notice to the Lessee.

### 13. **RENEWAL**

13.1 If a right of renewal or first right of renewal is specified in Item 4 of the Schedule and the Lessee wishes to exercise that right of renewal, then the Lessee must give a written notice to the Council not less than 6 months and not more than 12 months before the expiry of the Initial Term stating it wishes to renew this lease for the period specified in Item 4 of the Schedule . If such notice is given the Council must renew this lease for the first Renewal Term on the terms in this lease (except this subclause) commencing immediately after the Initial Term expires.

13.2 If a second right of renewal is specified in Item 4 of the Schedule and the Lessee wishes to exercise that right of renewal, then the Lessee must give a written notice to the Council not less than 6 months and not more than 12 months before the expiry of the Renewal Term stating it wishes to renew this lease for the period specified in Item 4 of the Schedule . If such notice is given the Council must renew this lease for the second Renewal Term on the terms in this lease (except this subclause and the previous subclause) commencing immediately after the first Renewal Term expires.

13.3 The Lessee is not entitled to renew this lease if:

13.3.1 the Lessee has been in breach of this lease at any time before giving notice of exercise of the right of renewal;

13.3.2 the Lessee is in breach of this lease at the time of giving that notice; or



- 13.3.3 the Lessee is in breach or commits a breach of this lease after giving that notice but before commencement of the first or second Renewal Term (as applicable).

## **14. RIGHTS AND OBLIGATIONS ON EXPIRY**

### **14.1 Expiry**

This lease comes to an end at midnight on the last day of the Term unless it is terminated earlier by the Council or the Lessee under this lease.

### **14.2 Handover of possession**

Before this lease comes to an end, the Lessee must:

- 14.2.1 remove all of the Lessee's Equipment and repair any damage caused by such removal;
- 14.2.2 remove and reinstate any alterations or additions made to the Premises by the Lessee;
- 14.2.3 paint the Premises as required under clause 77.3.2; and
- 14.2.4 complete any repairs which the Lessee is obliged to carry out under this lease.

### **14.3 Abandoned goods**

If, when this lease comes to an end, the Lessee leaves any goods or equipment at the Premises, then the Council may deal with and dispose of those goods at its discretion.

### **14.4 Holding over**

If, with the Council's consent, the Lessee continues to occupy the Premises after the end of this lease, the Lessee does so under a monthly tenancy which:

- 14.4.1 either party may terminate on one month's notice given at any time; and
- 14.4.2 is on the same terms as this lease.

## **15. BREACH**

### **15.1 Council's rights on breach**

- 15.1.1 The Council may come onto the Premises and remedy a breach of this lease without notice:
- 15.1.1.1 in an emergency; or
- 15.1.1.2 if the Lessee breaches any provision of this lease and fails to remedy the breach within 14 days after receiving notice requiring it to do so.

15.1.2 The Lessee must pay or reimburse the Council on demand for all costs of remedying the breach.

## 15.2 Breach and re-entry

If:

15.2.1 the Lessee fails to pay a sum of money when due and fails to remedy that failure within seven days after receiving notice requiring it to do so; or

15.2.2 the Lessee breaches any other provision of this lease and fails to remedy the breach within 14 days after receiving notice requiring it to do so;

then despite any other clause of this lease, the Council:

15.2.3 may terminate this lease and re-enter and repossess the Premises, without prejudice to its other rights; and

15.2.4 is discharged from any claim by or obligation to the Lessee under this lease.

## 15.3 Rights of Council not limited

A power or right of the Council under this lease or at law resulting from a breach or repudiation of this lease by the Lessee, or the exercise of such power or right, does not limit the Council's powers or rights.

## 16. INDEMNITY AND RELEASE

### 16.1 Risk

The Lessee occupies and uses the Premises at the Lessee's risk.

### 16.2 Indemnity

The Lessee is liable for and must indemnify the Council against all actions, liabilities, penalties, claims or demands for any loss, damage, injury or death incurred or suffered directly or indirectly including in connection with:

16.2.1 any act or omission of the Lessee;

16.2.2 the use of the Premises by the Lessee or otherwise relating to the Premises; or

16.2.3 a breach of this lease by the Lessee.

### 16.3 Release

The Lessee releases the Council from all actions, liabilities, penalties, claims or demands for any damage, loss, injury or death occurring in the Premises or the Building except to the extent that they are caused by the Council's negligence.

#### 16.4 **Indemnities are independent**

Each indemnity is independent from the Lessee's other obligations and continues during this lease and after this lease ends.

### 17. **GOODS AND SERVICES TAX**

- 17.1 If the Council is liable to pay GST in connection with a supply under this lease then:
- 17.1.1 the Agreed Consideration for that supply is exclusive of GST;
  - 17.1.2 the Council may increase the Agreed Consideration or the relevant part of the Agreed Consideration by the GST Rate; and
  - 17.1.3 the Lessee must pay the increased Agreed Consideration on the due date for payment by the Lessee of the Agreed Consideration.
- 17.2 Where the Agreed Consideration is increased under this clause, the Council must, on or before the date on which the Agreed Consideration is payable, issue a tax invoice to the Lessee.
- 17.3 If the Lessee breaches this clause and as a result the Council becomes liable for penalties or interest for late payment of GST, then the Lessee must pay the Council on demand an amount equal to the penalties and interest.

### 18. **RESUMPTION**

The Council may terminate this lease by giving at least three months' written notice to the Lessee if the Council receives notice of resumption or acquisition of the Premises or the Building or Land (or any part of the Building or Land affecting the Premises) from or by any Statutory Authority governmental or semi-governmental body.

### 19. **MISCELLANEOUS**

#### 19.1 **Entire agreement**

This lease constitutes the entire agreement between the parties about the Premises and supersedes any prior understanding, agreement, condition, warranty, indemnity or representation about the Premises.

#### 19.2 **Waiver**

If the Council accepts or waives any breach by the Lessee, that acceptance or waiver cannot be taken as an acceptance or waiver of any future breach of the same obligation or of any other obligation under this lease.

#### 19.3 **Exercise of power**

- 19.3.1 The failure, delay, relaxation or indulgence by a party in exercising a power or right under this lease is not a waiver of that power or right.
- 19.3.2 An exercise of a power or right under this lease does not preclude a further exercise of it or the exercise of another right or power.

**20. NOTICE**

A notice, demand, consent, approval or communication under this lease (**Notice**) must be in writing and will be sufficiently given if sent via email to either parties' nominated email address or if posted by pre-paid post to the last known address of either party.

**21. COSTS**

On request, the Lessee must pay or reimburse to the Council:

- 21.1 one half of all costs incurred by the Council in connection with the preparation, negotiation and registration of this Lease;
- 21.2 all of the legal costs incurred by the Council in connection with any extension of this lease; and
- 21.3 all legal and other costs incurred by the Council in consequence of any actual or threatened breach by the Lessee under this lease or in exercising or enforcing (or attempting to do so) any rights or remedies of the Council under this lease or at law or otherwise arising in consequence of any actual or threatened breach by the Lessee.

**EXECUTED** as an agreement on this day ..... (date)

**EXECUTED** by an authorised representative of **THE CORPORATION OF THE CITY OF NORWOOD PAYNEHAM AND ST PETERS** under delegation pursuant to section 44 of the Local Government Act 1999:

.....  
Signature of Authorised Representative

.....  
Signature of Witness

.....  
Name of Authorised Representative (print)

.....  
Name of Witness (print)

.....  
Position of Authorised Representative (print)

**SIGNED** on behalf of **HOLMESDALE MEMORIAL TENNIS CLUB INC.** in accordance with its constitution or articles of association: )  
)  
)

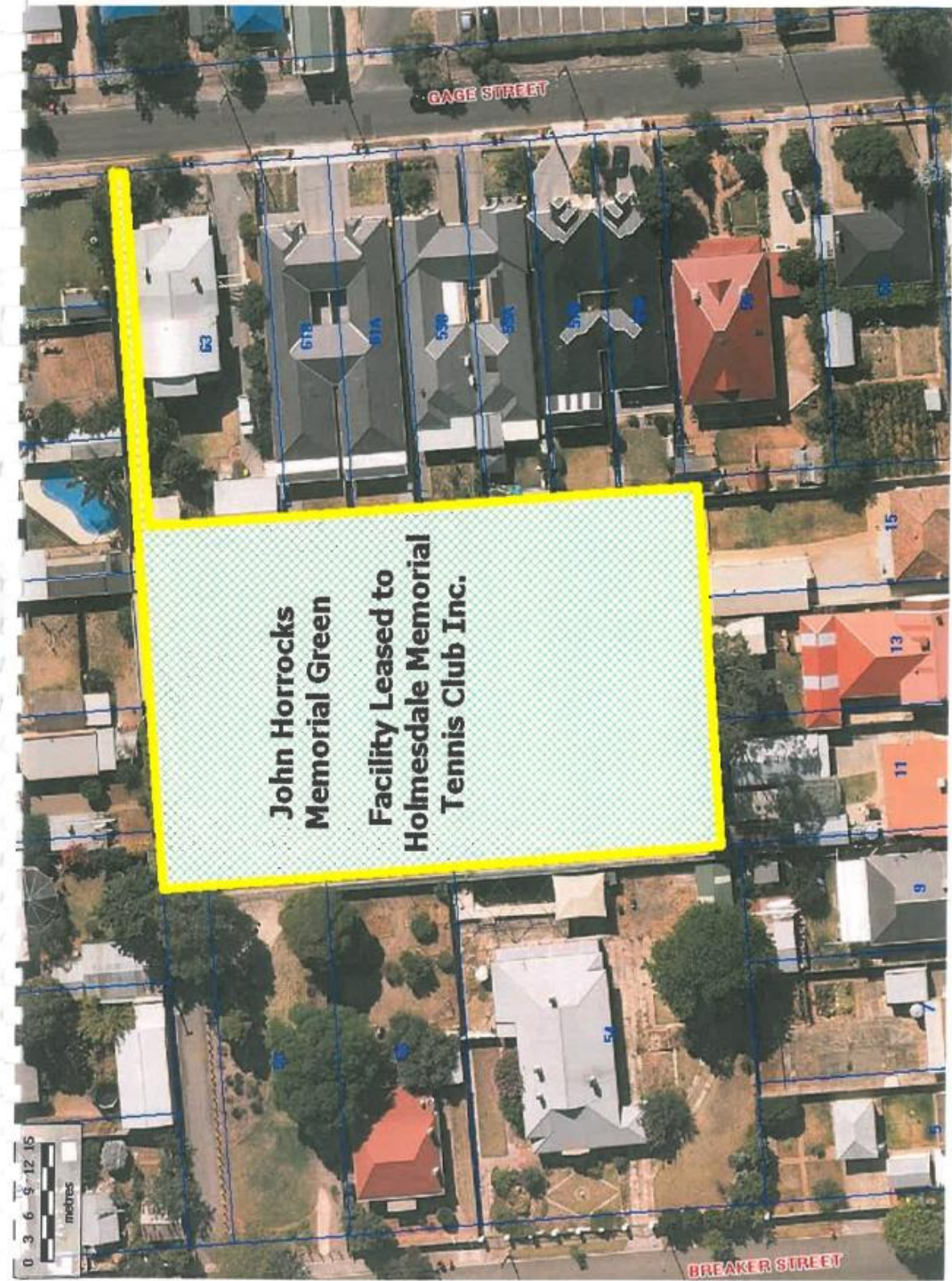
.....  
Signature of President

.....  
Signature of Secretary

.....  
Name

.....  
Name

Annexure A Plan



## **Annexure B Special Conditions**

### **1. TENNIS FACILITIES POLICY**

- 1.1 The Lessee acknowledges that it has read and understood the Council's Tennis Facilities Policy current as at the time of entering into this lease, and acknowledges the rights and obligations set out thereunder as applicable to this lease.
- 1.2 The Lessee acknowledges that the Council's Tennis Facilities Policy may undergo reasonable amendments and updates during the Term, or possibly be amalgamated into a broader leasing policy, and the Lessee will be bound by and comply with any such reasonable changes during the Term.
- 1.3 The Lessee acknowledges that in accordance with the Council's Tennis Facilities Policy, it will be responsible for the costs associated with resurfacing the tennis courts within the Premises (plexipave or similar approved surface) every 7 – 8 years during the Term, and failure to do so will be a breach of this lease.

### **2. PUBLIC ACCESS**

- 2.1 Notwithstanding any other provisions of this lease, the Lessee acknowledges that it is a condition of this lease that the public be granted access to the Premises.
- 2.2 Public access to the Premises is to be provided for at all reasonable times that the Premises are not required for the Lessee's purposes in conducting tennis training or playing competition matches.
- 2.3 The Lessee may set and charge an hourly hire fee of an amount comparable to the hourly hire fee imposed by similar facilities. The Council has the right to review and impose a fee if it is considered that the fee proposed by the Lessee is inappropriate in that it is unreasonably high or low compared to that charged by other similar facilities.
- 2.4 The revenue raised from the hourly hire of the Premises belongs to the Lessee and may be expended by the Lessee in accordance with its constitution.
- 2.5 The Lessee will supply to the Council information on the availability of the Premises for public use, along with relevant contact details of the person or persons from the Lessee's organisation who will facilitate public access.
- 2.6 Upon request, the Lessee must provide the Council with any information relating to the hiring out of the Premises to the public.
- 2.7 A sign must be erected and maintained at all times at the Premises detailing that the Premises is available for public hire and must state the contact telephone details for the person or persons who the public may contact to arrange for the hire of the Premises. Signage must include the Council's name and logo to acknowledge that the Premises is owned by the Council.



## Annexure C

## TENNIS/NETBALL COURT MAINTENANCE

Asset	Responsible Party	Issue	Task Description	Timeliness
Chainmesh fencing	Lessee	Maintenance	Inspect, tighten strainer lines and repair/replace fencing if bulging and/or damaged.	Ongoing
Court lighting	Lessee	Installation	Lessee to install subject to Council approval and development authorisation	As required
	Lessee	Maintenance	General maintenance as required including: maintain light poles and wires in a safe condition all electrical circuitry and wiring to comply with relevant legislation, codes and standards at all times replace globes when required	Ongoing, with a formal inspection by a qualified electrician at least once a year
Court line marking	Lessee	Maintenance	Inspect and professionally line mark as required	Ongoing
Posts & on court furniture	Lessee	Maintenance	Maintain in good condition and repair/replace as necessary. Any uprooting of the posts or cracking of the pavement caused by the posts are to be made good at the Lessee's expense	As required
Playing surface (including run-off areas bounded by the chainmesh fencing)	Lessee	Cleaning, care and maintenance	Comply with the instructions/guidelines issued by the surface contractor. Ensure that the playing surface is swept and cleaned regularly and that players wear the correct type of footwear (in good condition) to minimise slips and potential damage to the playing surface. Debris and dirt are to be removed and properly disposed of, not merely swept to one side. Leaves and other materials likely to stain and/or corrode the surface to be washed off with a gentle cleaning liquid.	Ongoing care and sweeping/ cleaning at least weekly
	Lessee	Resurfacing	Resurface the courts with acrylic sealer and re-line mark	As required, and in any case within 7-8 years of the previous resurfacing
Court pavement	Council	Replace pavement	If required replace pavement, re-profile, reseal with bitumen, resurface with acrylic sealer and line mark. Exact timing of works to be mutually agreed between the parties.	As required, (expected to be within 20 years of the previous reconstruction)



## 11.5 AUDIT & RISK COMMITTEE TERMS OF REFERENCE AND MEMBERSHIP

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**REPORT AUTHOR:** Manager, Governance  
**GENERAL MANAGER:** General Manager, Governance & Civic Affairs  
**CONTACT NUMBER:** 8366 4593  
**FILE REFERENCE:** qA162025  
**ATTACHMENTS:** A

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### PURPOSE OF REPORT

The purpose of this report is to present the updated *Audit & Risk Committee Terms of Reference* to the Council for adoption. In addition, this report highlights the required changes to the membership of the Audit & Risk Committee (the Committee) and seeks the appointment of Members to the Committee which will take effect from March 2025.

### BACKGROUND

The *Statutes Amendment (Local Government Review) Act 2021* (Reform Act), contains the most significant reform to the Local Government system since the Local Government Act commenced in 1999.

Several amendments to the *Local Government Act 1999* (the Act) and Regulations which were contained within the Reform Act and which impact upon the accountability and governance framework within which Councils operate, commenced on 30 November 2023. A significant number of the amendments focus on the function and activities of Council Audit & Risk Committees to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.

The changes to the legislative provisions applicable to the Committee primarily relate to the following:

- function and activities;
- membership; and
- reporting

A copy of the updated *Audit & Risk Committee Terms of Reference* is contained in **Attachment A**.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

### FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

### EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

### SOCIAL ISSUES

Not Applicable.

### CULTURAL ISSUES

Not Applicable.

### ENVIRONMENTAL ISSUES

Not Applicable.

## RESOURCE ISSUES

Not Applicable.

## RISK MANAGEMENT

Supporting the Audit & Risk Committee in meeting its legislated purpose, functions and activities, will provide the required independent assurance and advice to the Council.

## CONSULTATION

- **Committee Members**  
Elected Members receive the Agenda and Minutes of the Audit & Risk Committee and consider recommendations made by the Audit & Risk Committee to the Council.
- **Community**  
Meetings of the Audit & Risk Committee are open to the public to attend in accordance with the Act. The Committee Meeting documents and Terms of Reference are publicly available on the Council's website.
- **Staff**  
The preparation of the *Audit & Risk Committee Term of Reference* has been informed by collaboration between staff from the Council's Governance, Finance and other relevant staff.
- **Other Agencies**  
Not Applicable.

## DISCUSSION

### Terms of Reference and Sitting Fees

The updated *Audit & Risk Committee Terms of Reference* reflect the expanded legislated functions for the Committee, changed membership and reporting requirements. Given the nature of the changes and associated format and the updates to the Terms of Reference, a new document has been prepared rather than relying on track changes to show the changes.

The Committee considered the updated Terms of Reference at its Meeting held on 28 October 2024 and Resolved the following:

*That the draft Audit and Risk Terms of Reference as contained in Attachment A and as amended to include the Presiding Member to be an Independent Member, is endorsed for the Council's consideration and adoption.*

The draft Terms of Reference contained in Attachment A, have been updated with this recommendation at Clause 6.1 which now states:

*The Council will appoint the Presiding Member of the Committee, who will be an Independent Member.*

The Council must appoint the Presiding Member in accordance with Section 41(4) of the Act. While there is no legislative requirement to have an Independent Member as the Presiding Member of the Committee, it is commonly viewed as best practice.

In Council appointing an Independent Member as the Presiding Member, consideration should also be given to a differential Sitting Fee in recognition of the additional responsibility on that Member.

The current Presiding Member of the Audit & Risk Committee is Mayor Robert Bria and in line with the *Remuneration Tribunal of South Australia's Determination 2 of 2022*, there is no additional remuneration for that role. Other Elected Members on the Audit & Risk Committee do not currently receive an additional allowance or Sitting Fee.

Independent Members on the Committee currently receive a Sitting Fee of \$440 per Meeting. Having reviewed this amount against a sample of other Councils' Audit & Risk Committee Member Sitting Fees, it is recommended that the amount be increased to \$450 per Meeting and the Presiding Member (if an Independent Member) is paid \$650 per Meeting.

The following table provides a summary of this sample of other Council and their Audit & Risk Committee Sitting Fees, and whether the Presiding Member of the Committee is an Independent Member.

<b>Council</b>	<b>Sitting Fee</b>	<b>Presiding Member Sitting Fee</b>	<b>Presiding Member</b>
Walkerville	\$350.00	\$420.00	Independent Member
Campbelltown	\$400.00	\$500.00	Independent Member
Mt Barker	\$439.00	\$584.00	Independent Member
Norwood Payneham & St Peters	\$440.00		Elected Member
Prospect	\$475.00	\$550.00	Independent Member
Salisbury	\$500.00		Elected Member
Tea Tree Gully	\$500.00		Elected Member
Adelaide	\$500.00	\$600.00	Independent Member
Burnside	\$597.00	\$750.00	Independent Member
Onkaparinga	\$687.50	\$887.50	Independent Member

### Membership

Importantly, following the amendments to the Act that commenced on 30 November 2023, the membership requirements for Audit & Risk Committees has changed. In accordance with Section 126(2) of the Act, the majority of Members of the Committee must be Independent Members and the membership of the Committee (when taken as a whole), must have skills, knowledge and experience relevant to the functions of the Committee, which includes financial management, risk management and governance.

These changes have consequent implications on the Council's Audit & Risk Committee. Notwithstanding this, Regulation 14(a) of the *Local Government (Transitional Provisions) Regulations 2021* (the Transitional Regulations), provides that a Member of a Council's Audit & Risk Committee holding office immediately before the commencement of the changes to Section 126(2) of the Act, can continue to hold office for the remainder of their term of appointment to the Committee.

While the current membership of the Audit & Risk Committee does not have a majority of Independent Members, it is intended that the legislative membership requirements will be in place at the conclusion of the current term of the Independent Members (ie. by March 2025). This is in accordance with and satisfies the Transitional Regulations.

There has been no change to the total number of Members that a Committee can have. In accordance with Regulation 17(1) of the *Local Government (Financial Management) Regulations 2011*, the Committee must have between three (3) and five (5) members (inclusive). With the changes to the Act that commenced on 30 November 2023, the requirement to have a majority of Independent Members on the Committee was added to the Act and reference to the previously required at least one (1) Independent Member was removed from the *Local Government (Financial Management) Regulations 2011*. Therefore, this means that the Committee can no longer operate with three (3) Elected Members.

Of the two (2) current Independent Members on the Committee, Ms Sandra Di Blasio has indicated a willingness to be re-appointed to the Committee for a further term while Ms Stefanie Eldridge is not seeking re-appointment due to other work commitments. If Council resolves to re-appoint Ms Sandra Di Blasio to the Committee for a further term, it is recommended that the term of appointment be for a three (3) year period to support the continuity of membership of the Committee beyond the end of the current Council term in November 2026.

As two (2) additional Independent Members need to be appointed to the Committee, it is recommended that an Expression of Interest process be undertaken to recruit the additional Members. In accordance with the Terms of Reference a Selection Panel comprising of the Mayor, two (2) Councillors and the Chief Executive Officer, will be established to evaluate potential candidates before making a recommendation to the Council for appointment.

The Selection Panel will consider how the applicant's skills, knowledge and experience fit with the membership of the Committee and provide this information to the Council to inform their appointment of the Member.

## OPTIONS

Not Applicable.

The updated Terms of Reference meet the legislative requirements, provide important guidance to the structure and conduct of the Meetings of the Committee and support the effective operation of the Committee and are therefore recommended for adoption.

## CONCLUSION

The recommendations made in this report will assist the Council to meeting their legislative obligations in terms of the function and structure of the Committee.

The Council is required to appoint the Members to the Committee with their term commencing from March 2025. The scheduled Meeting of the Committee on 10 February 2025 will be the last Meeting of the current Committee. It is proposed the new Committee Membership commence from 1 March 2025 to allow time for an Induction Session to be held prior to the scheduled Meeting of the Committee on 14 April 2025.

Based on the membership requirements and the updated Terms of Reference, there will need to be one less Councillor and one more Independent Member appointed to the Committee.

The Council is also required to appoint the Presiding Member of the Committee which will be an Independent Member based on what is currently stated in the draft Terms of Reference attached.

Should the Council resolve to adopt the updated Audit and Risk Committee Terms of Reference, the appointment of the Presiding Member will be made at the Council Meeting to be held on 3 February 2025 following the appointment of the additional Independent Member.

## COMMENTS

Nil

## RECOMMENDATION

1. That the draft *Audit and Risk Terms of Reference* as contained in Attachment A are adopted by the Council.
2. That Ms Sandra Di Blasio be re-appointed as an Independent Members to the Council's Audit & Risk Committee until 29 February 2028.
3. That the Council notes that an Expression of Interest process will now be undertaken to recruit an additional two (2) Independent Members for the Committee and along with Mayor Robert Bria and the Chief Executive Officer, appoints the following Councillors to the Selection Panel to review the applicants and prepare a recommendation for the Council's consideration:
  - Councillor \_\_\_\_\_
  - Councillor \_\_\_\_\_.
4. That the Sitting Fees for Independent Members of the Council's Audit & Risk Committee be set at \$450 per Meeting and \$650 per Meeting for the Independent Member who is appointed as the Presiding Member of the Committee.

## **Attachments – Item 11.5**

# Attachment A

## Audit & Risk Committee Terms of Reference and Membership





City of  
Norwood  
Payneham  
& St Peters

# AUDIT & RISK COMMITTEE

## TERMS OF REFERENCE

### 1. ESTABLISHMENT

- 1.1. The City of Norwood Payneham & St Peters Audit & Risk Committee has been established as a Committee of the Council in accordance with the requirements of Sections 126 and 41 of the *Local Government Act 1999* (the Act).
- 1.2. These Terms of Reference were adopted by the Council on XXXX.

### 2. PURPOSE

- 2.1. The purpose of the Audit & Risk Committee (the Committee) is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters.<sup>1</sup>

### 3. FUNCTIONS AND RESPONSIBILITIES

- 3.1. Section 126 (4) of the Act assigns the following functions to all Council Audit & Risk Committees:
  - 3.1.1. Reviewing annual financial statements to ensure that they present fairly the state of affairs of the council.
  - 3.1.2. Proposing and providing information relevant to, a review of the council's strategic management plans or annual business plan.
  - 3.1.3. Monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's auditor.
  - 3.1.4. Proposing and reviewing the exercise of powers under section 130A of the Act.
  - 3.1.5. Liaising with the Council's Auditor in accordance with any requirements prescribed by the Regulations.
  - 3.1.6. Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
  - 3.1.7. Providing oversight of the planning and scoping of the internal audit work plan and reviewing / commenting on reports provided by the person primarily responsible for the internal audit function on at least a quarterly basis.
  - 3.1.8. Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management, and review of strategic, financial, and operational risks on a regular basis.
  - 3.1.9. Reviewing any Prudential Report that is obtained by the Council under Section 48(1) of the Act.
  - 3.1.10. Making recommendations to the Council on the appointment of the Auditor pursuant to Section 128 of the Act.
  - 3.1.11. Performing any other function referred to it by the Council, another Council Committee or prescribed by the Regulations.

<sup>1</sup> *Local Government Act*, Section 126(1a)

- 3.2. The Chief Executive Officer shall provide sufficient administration resources to the Committee to enable it to adequately carry out its functions.
- 3.3. A Work Plan will be approved by the Committee each year to assist with the scheduling of items for Committee Meetings and will form the basis of the report to the Council required after each Meeting and annually.<sup>2</sup>

#### 4. DELEGATED AUTHORITY

- 4.1 The Committee does not have any delegated powers, functions or duties of the Council and only acts in accordance with its legislated functions, these Terms of Reference, and any direction from Council.

#### 5. MEMBERSHIP AND CONDITIONS OF APPOINTMENT

- 5.1 In complying with the requirements of Regulation 17(1) of the *Local Government (Financial Management) Regulations 2011*, the Committee will comprise five (5) members appointed by the Council, with three (3) being Independent Members and two being (2) Elected Members, one of whom will be the Mayor. At all times the majority of the Committee Members must be persons who are not Elected Members of the Council.<sup>3</sup>
- 5.2 When considered as a whole, the Committee must have the skills, knowledge and experience relevant to the functions of the Committee, including in financial management, risk management, governance and any other prescribed matter.<sup>4</sup> In appointing either an Independent Member or an Elected Member to the Committee, the appointment process may be informed by the use of a Skills Matrix or similar to assist in assessing the available skills and any gaps that need to be filled.
- 5.3 The term of appointment for Independent Members will be as determined by the Council at the time of appointment with the appointment timing managed to provide for the continuity of Committee membership across Council terms and avoid alignment with the Council elections.
- 5.4 The Council may resolve to re-appoint an Independent Member of the Committee for consecutive terms up to a combined maximum of eight (8) years.
- 5.5 The term of appointment for Elected Members will be as determined by the Council and will generally be for a two (2) year period. The Council may re-appoint an Elected Member at the expiry of their term, if the term of appointment does not extend beyond the end of the current Council term.
- 5.6 Where a vacancy for an Independent Member exists, an Expression of Interest for potential candidates will be made by way of a public advertisement.
- 5.7 Prior to Council appointing Independent Members to the Committee, a Selection Panel comprising the Mayor, two (2) Councillors and the Chief Executive Officer will evaluate potential candidates with consideration given to the requirements of Clause 5.2 of these Terms of Reference and Section 126(2)(b) of the Act, before making a recommendation to the Council.
- 5.8 The appointment of Independent Members will be subject to the endorsement of the Selection Panel's recommendation by the Council.
- 5.9 Remuneration will be paid to each Independent Member of the Committee (based on a set fee per meeting attended) as determined by the Council.

#### 6. PRESIDING MEMBER

- 6.1 The Council will appoint the Presiding Member of the Committee, who will be an Independent Member.
- 6.2 The role of the Presiding Member of the Committee is to:

<sup>2</sup> As required by the *Local Government Act 1999*, Section 126(8)

<sup>3</sup> *Local Government Act 1999*, Section 126(2)(a)

<sup>4</sup> *Local Government Act 1999*, Section 126(2)(b)



- 6.2.1 oversee the orderly conduct of Committee Meetings in accordance with the Act and *Local Government (Procedures at Meetings) Regulations 2013* and other procedures relevant to the Committee;
- 6.2.2 ensure that the Guiding Principles set out in Regulation 4 of the *Local Government (Procedures at Meetings) Regulations 2013*, are observed during Committee Meetings and that all Committee Members have an opportunity to participate in discussions in an open and responsible manner; and
- 6.2.3 to certify, together with the Chief Executive Officer, in accordance with Regulation 22 of the *Local Government (Financial Management) Regulations 2011*, the 'Independence of External Auditor' as part of the end-of financial-year audit process.

## 7. MEETINGS

- 7.1 In accordance with Section 126(5) of the Act, the Committee will meet at least quarterly and Special Meetings may be convened in accordance with Section 87 of the Act.
- 7.2 The Committee will approve a schedule of Meetings for each year and as an indicative guide, meetings will be arranged to coincide with the relevant Council reporting deadlines, the development of Strategic Plans, the Annual Business Plan and Budgets and to coincide with the finalisation of the Financial Statements and the draft Annual Report.
- 7.3 Meetings will be held in the Mayor's Parlour, Norwood Town Hall, unless otherwise notified.
- 7.4 Notice of each Committee Meeting confirming the venue, time, and date, together with an Agenda of items to be discussed, shall be forwarded to each Member of the Committee, no later than three (3) clear business days before the Meeting.
- 7.5 Subject to the operation of Section 90 of the Act and in accordance with the requirement of Section 132 of the Act, the Agenda and Minutes of the Committee Meeting will be published on a website as determined by the Chief Executive Officer.
- 7.6 In accordance with Section 88 of the Act, Notice of Meetings of the Committee must be displayed at the Principal Office of the Council and on a website determined by the Chief Executive Officer, and must continue to be published and kept on display until the completion of the relevant Meeting.
- 7.7 The quorum for a Meeting of the Committee shall be three (3) Members of the Committee, and must comprise a majority of Independent Members.
- 7.8 The Chief Executive Officer may adjourn a scheduled meeting of the Committee, in circumstances where sufficient apologies have been received to indicate a quorum will not be achieved for the scheduled Meeting.<sup>5</sup>
- 7.9 Meetings of the Committee must be conducted at all times in accordance with the *Local Government Act 1999* and Parts 1, 3 and 4 of the *Local Government (Procedures at Meetings) Regulations 2013*.
- 7.10 If the Presiding Member of the Committee is absent from a meeting, then the Members present will determine by resolution who will preside at the meeting.
- 7.11 All decisions of the Committee shall be made based on a majority decision of the Members present.
- 7.12 Each Member of the Committee at a Meeting will have one vote. The Presiding Member will have a deliberative vote and does not, in the event of an equality of votes, have a casting vote.
- 7.13 There must be at least one occasion each year where a Meeting is held with the external Auditor on a confidential basis, ensuring that the majority of Committee Members are present for the Meeting and that no Elected Members or employees of the Council are present (other than those Elected Members who are Committee Members).<sup>6</sup>
- 7.14 Minutes of the Committee Meetings shall be circulated within five (5) days after a meeting to all Committee Members and to all Members of the Council.

<sup>5</sup> *Local Government (Procedures at Meetings) Regulations 2013*, Regulation 7(1)

<sup>6</sup> *Local Government (Financial Management) Regulations 2011*, Regulation 17B(a)

## 8. REPORTING

- 8.1. The Committee will provide a report to the Council after each Meeting, that summarises the work of the Committee during the period preceding the Meeting and the outcomes of the Meeting.<sup>7</sup>
- 8.2. The Committee will provide an Annual Report to the Council on the work that has been undertaken by the Committee and the Council must include this report in its Annual Report.<sup>8</sup>
- 8.3. As part of the preparation of the Annual Report, the Committee will evaluate its performance, which may include consideration of these Terms of Reference, to ensure the Committee is operating at maximum effectiveness with recommendations for any changes presented to the Council for their consideration.
- 8.4. The Chief Executive Officer will provide an Annual Report to the Committee on the Council's internal audit processes.<sup>9</sup>

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<sup>7</sup> *Local Government Act 1999*, Section 126(8)(a)

<sup>8</sup> *Local Government Act 1999*, Section 126(8)(b)

<sup>9</sup> *Local Government Act 1999*, Section 99(1)(ib)

## 12. ADOPTION OF COMMITTEE RECOMMENDATIONS

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**REPORT AUTHOR:** General Manager, Governance & Civic Affairs  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4549  
**FILE REFERENCE:** Not Applicable  
**ATTACHMENTS:** A - B

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### PURPOSE OF REPORT

The purpose of the report is to present to the Council the Minutes of the following Committee Meetings for the Council's consideration and adoption of the recommendations contained within the Minutes:

- Business & Economic Development Advisory Committee – (12 November 2024)  
(A copy of the Minutes of the Business & Economic Development Advisory Committee meeting is contained within **Attachment A**)
- Special Meeting of the Audit & Risk Committee – (18 November 2024)  
(A copy of the Minutes of the Special Meeting of the Audit & Risk Committee meeting is contained within **Attachment B**)

### ADOPTION OF COMMITTEE RECOMMENDATIONS

- **Business & Economic Development Advisory Committee**

That the Minutes of the meeting of the Business & Economic Development Advisory Committee held on 12 November 2024, be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council.

- **Special Meeting of the Audit & Risk Committee**

That the Minutes of the Special Meeting of the Audit & Risk Committee held on 18 November 2024, be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council.

# **Attachment A**

## **Adoption of Committee Recommendations**

### **Business & Economic Development Committee**



# Business & Economic Development Advisory Committee

## Minutes

**12 November 2024**

### Our Vision

*A City which values its heritage, cultural diversity,  
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable  
and socially cohesive, with a strong community spirit.*

---

City of Norwood Payneham & St Peters  
175 The Parade, Norwood SA 5067

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Socials  /cityofnpsp  @cityofnpsp



City of  
Norwood  
Payneham  
& St Peters

Page No.

- 1. CONFIRMATION OF MINUTES OF THE BUSINESS & ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING HELD ON 13 AUGUST 2024 ..... 1
- 2. PRESIDING MEMBER’S COMMUNICATION ..... 1
- 3. PRESENTATION..... 2
- 4. STAFF REPORTS..... 2
  - 4.1 PROGRESS REPORT ON THE 2021–2026 ECONOMIC DEVELOPMENT STRATEGY ..... 3
- 5. OTHER BUSINESS ..... 6
- 6. NEXT MEETING ..... 6
- 7. CLOSURE ..... 6

**VENUE** Mayors Parlour, Norwood Town Hall

**HOUR** 6.31pm

**PRESENT**

**Committee Members** Mayor Robert Bria (Presiding Member)  
 Cr Grant Piggott  
 Cr John Callisto  
 Ms Amanda Grocock  
 Ms Amanda Pepe  
 Mr Ben Pudney  
 Mr Joshua Baldwin (entered the meeting at 6.32pm)  
 Ms Rebecca Thomas  
 Ms Trish Hansen

**Staff** Mario Barone (Chief Executive Officer)  
 Claire Betchley (Manager, Marketing & Place Activation)

**APOLOGIES** Mr Matt Grant  
 Cr Victoria McFarlane

**ABSENT** Nil

**TERMS OF REFERENCE:**

*The Business & Economic Development Advisory Committee is established to fulfil the following functions:*

- *To provide high-level independent expert advice to the Council on economic development matters and employment growth opportunities in the City of Norwood Payneham & St Peters and to have oversight of the continued implementation of the Council's Economic Development Strategy.*
- *To identify issues, opportunities, and initiatives which impact on business and economic development in the City of Norwood Payneham & St Peters.*
- *To provide advice to the Council and recommend actions, including the conduct of studies associated with business and economic development, as required, in order to facilitate the identification of opportunities, issues, strategies and actions.*
- *To assist the Council to facilitate and promote economic growth and development in the City of Norwood Payneham & St Peters.*
- *To provide advice to the Council as required, to facilitate the creation of business networks (both within South Australia and Australia), which provide benefits for the City of Norwood Payneham & St Peters and the business sector.*
- *To provide strategic direction and leadership to ensure that members of the business community are able to participate in the development and implementation of the City's business and economic development outcomes.*
- *Conduct forums to identify and articulate relevant information in respect to services and activities in the City of Norwood Payneham & St Peters that contribute to the City's economic growth.*
- *Advocate and work actively with State and Federal Governments and their agencies, the private sector and relevant peak bodies on key economic priorities which deliver positive outcomes for the City and the community.*
- *Consider and advise the Council on medium and long term matters relevant to business and economic development within the City of Norwood Payneham & St Peters.*

**1. CONFIRMATION OF MINUTES OF THE BUSINESS & ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING HELD ON 13 AUGUST 2024**

*Cr Callisto moved that the Minutes of the Business & Economic Development Advisory Committee meeting held on 13 August 2024 be taken as read and confirmed. Seconded by Ms Rebecca Thomas and carried unanimously.*

Mr Joshua Baldwin entered the meeting at 6.32pm.

**2. PRESIDING MEMBER'S COMMUNICATION**

Nil

**3. PRESENTATION**

The Chief Executive Officer presented and discussed the structure, function and role of the Business & Economic Development Advisory Committee for the next two years.

**4. STAFF REPORTS**



#### 4.1 PROGRESS REPORT ON THE 2021–2026 ECONOMIC DEVELOPMENT STRATEGY

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**REPORT AUTHOR:** Manager, Place Activation & Marketing  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4582  
**FILE REFERENCE:** qA135720  
**ATTACHMENTS:** A

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##### PURPOSE OF REPORT

The purpose of this report is to provide the Business & Economic Development Advisory Committee, with a progress report on the implementation of the *2021-2026 Economic Development Strategy*.

##### BACKGROUND

The *2021-2026 Economic Development Strategy*, is designed to guide economic development within the City, identify priority areas for the five (5) year period and articulate the Council's role in supporting business and economic development.

This report provides an update on the key Strategies and Actions that have progressed since the last Committee meeting.

##### RELEVANT STRATEGIC DIRECTIONS & POLICIES

The *2021-2026 Economic Development Strategy* is the Council's "blueprint" to guide the growth of the City's economy over a five (5) year period. The Strategy sits within the Council's decision-making framework and has been developed to align with other key strategic and policy documents.

The key strategies that have been used to inform, or that will work in conjunction with the *2021-2026 Economic Development Strategy* are listed below:

- *The 30-Year Plan for Greater Adelaide*
- *The Planning & Design Code*
- *CityPlan 2030: Shaping Our Future – Mid Term Review 2020*
- *Kent Town Economic Growth Strategy 2020 - 2025*
- *Norwood Parade Precinct Annual Business Plan*
- *Smart City Plan*

##### FINANCIAL AND BUDGET IMPLICATIONS

In addition, *Raising the Bar Adelaide 2023* and the *Eastside Business Awards 2024*, received separate funding as part of the Council's 2023-2024 Budget.

The Council's 2023-2024 Economic Development Budget has been used to deliver the final Actions listed in Year 3 and to commence the delivery of the Year 4 Actions of the Strategy. Some of the Year 3 and 4 and Ongoing Actions that have progressed since the last Committee meeting are set out in **Attachment A**.

The total budget to deliver the Economic Development Agenda in the 2024-2025 financial year, was included in the Council's endorsed 2024-2025 Budget. The intent is that this budget will be used to fund the remaining Actions in Year 4 and commence with further Actions in Year 5 of the Strategy as well as deliver any other initiatives determined by the Committee and the Council.

##### EXTERNAL ECONOMIC IMPLICATIONS

The successful delivery of the *2021-2026 Economic Development Strategy* may be impacted by the broader economic environment and world events, although Australia's and more specifically the City of Norwood Payneham & St Peters' economy, has shown resilience over the past three (3) years as indicated by steady expenditure growth via *Spendmapp by Geographia*. With that said, the current interest rate is sitting at an average 6.49%, which is the highest rate that Australians have experienced over the last twelve (12) years.

In June 2023, the State Government released its 2023-2024 State Budget, which allocated substantial funding to areas such as health, housing and child protection and primarily focused on addressing the cost-of-living concerns. Whilst households have received some respite in this Budget, unfortunately this has not carried through to businesses. Businesses continue to face cost pressures, including wage growth, while being impacted by lower consumer demand.

## **SOCIAL ISSUES**

Economic development impacts on both the business sector and the local community. Whilst the key focus of this Strategy is on the business sector, the two (2) are intrinsically linked and the prosperity of the local economy relies on creating a holistic environment where people want to invest, work, do business, live, shop and socialise.

## **CULTURAL ISSUES**

The City is a culturally rich and diverse place, with a strong identity, history and “sense of place”. Cultural and creative activity is increasingly recognised as important components of economic growth. Economic growth and sustainability through employment, vibrancy and growth are all important factors in achieving cultural vitality.

## **ENVIRONMENTAL ISSUES**

A vital component in meeting the aspirations of current and future businesses located in the City of Norwood Payneham & St Peters, is ensuring that issues relating to environmental sustainability are considered together with economic sustainability. A sustainable environment impacts on business investment decisions and is a key asset in the success of local businesses.

The Council will continue to promote programs aligned with environmental actions, as well as look to introduce initiatives with a sustainable focus that encourage and promote a circular economy.

## **RESOURCE ISSUES**

The *2021-2026 Economic Development Strategy* has been prepared by the Council Staff, however it will require additional support, from both internal and external resources to ensure its timely implementation. Council staff continue to work with stakeholders across the organisation to deliver the Actions in the Strategy.

## **RISK MANAGEMENT**

In establishing the Strategic Framework for the *2021-2026 Economic Development Strategy*, the Council considered the economic and demographic profile of the City, the views of the business community and partners and the key influences and trends that have, and will, impact on the City’s economy. In doing so, the Council has ensured that the Strategy appropriately addresses the wide range of opportunities and challenges facing businesses and economic growth in the City. The Council will continue to work with the business community to ensure that the Strategies and Actions remain relevant and beneficial.

## **DISCUSSION**

The implementation of the *2021-2026 Economic Development Strategy* commenced in January 2021 and to ensure that it is delivered in a timely manner, Council staff have developed a reporting structure that is presented to the Business & Economic Development Advisory Committee at each of its meetings, for the purpose of tracking the progress of the Strategy’s implementation and to provide direction and guide the staff in its implementation.

The table contained in **Attachment A**, outlines progress on the Actions under each of the four (4) key themes that have been delivered in Year 3 of the Strategy and those that have commenced in Year 4 or are ‘Ongoing’ Actions for the duration of the five (5) year Strategy. It should be noted that only the Actions that have recently been completed, commenced or progressed since the last Committee meeting have been included.

The information in the table, whilst detailed, should be read in conjunction with the *2021-2026 Economic Development Strategy* to obtain a better understanding of the individual Action and the Objective that the Council is proposing to achieve.

Further reporting on the implementation of the *2021-2026 Economic Development Strategy* is identified through the 'Implementation & Monitoring' section of the strategy. An update on the progression of these measures and targets will be provided in early 2025.

## **CONCLUSION**

The *2021-2026 Economic Development Strategy* recognises the Council's leadership in setting a clear direction for economic development within the City and in supporting the business sector. Developing the Strategy with clear direction and focus provides the foundation for the Council to implement successful actions and initiatives and establish partnerships with different stakeholders (i.e. Federal and State Governments, developers, businesses and residents) in order to ensure the successful longevity of the City's business and economic sector.

## **RECOMMENDATION**

That the report be received and noted.

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*Ms Trish Hansen moved:*

*That the report be received and noted.*

*Seconded by Ms Amanda Grocock and carried unanimously.*

**5. OTHER BUSINESS**

Nil

**6. NEXT MEETING**

To be confirmed.

**7. CLOSURE**

There being no further business the Presiding Member declared the meeting closed at 8.22pm.

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**Mayor Robert Bria**  
**PRESIDING MEMBER**

**Minutes Confirmed on** \_\_\_\_\_  
(date)

# **Attachment B**

**Adoption of Committee Recommendations**

**Special Meeting of the Audit & Risk Committee**



# Special meeting of the Audit & Risk Committee **Minutes**

**18 November 2024**

## **Our Vision**

*A City which values its heritage, cultural diversity,  
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable  
and socially cohesive, with a strong community spirit.*

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City of  
Norwood  
Payneham  
& St Peters

Page No.

- 1. CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 28 OCTOBER 2024 .....1
  
- 2. CONFIDENTIAL REPORTS .....1
  - 2.1 REVIEW OF LIBRARY SERVICES .....2
  
- 3. NEXT MEETING .....4
  
- 4. CLOSURE .....4

<b>VENUE</b>	Meeting Room 3 (upper level), Norwood Town Hall
<b>HOUR</b>	7.00pm
<b>PRESENT</b>	
<b>Committee Members</b>	Mayor Robert Bria (Presiding Member) Cr Grant Piggott Cr Claire Clutterham Ms Stefanie Eldridge (Independent Member) Ms Sandra Di Blasio (Independent Member)
<b>Staff</b>	Mario Barone (Chief Executive Officer) Andrew Hamilton (General Manager, Community Development) Marina Fischetti (Governance Officer)
<b>Visitor</b>	Mr Dan Jellings (Senior Consultant, BRM Advisory)
<b>APOLOGIES</b>	Nil
<b>ABSENT</b>	Nil

**TERMS OF REFERENCE:**

*The functions of the Audit & Risk Committee include:*

- (a) reviewing Annual Financial Statements to ensure that the Statements present fairly the state of affairs of the Council; and*
- (b) proposing, and providing information relevant to, a review of the Council's strategic management plans or annual business plan; and*
- (c) monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's External Auditor; and*
- (d) proposing, and reviewing, the exercise of powers under Section 130A of the Local Government Act 1999; and*
- (e) liaising with the Council's External Auditor in accordance with any requirements prescribed by the regulations; and*
- (f) reviewing the adequacy of the accounting, internal controls, reporting and other financial management systems and practices of the Council on a regular basis; and*
- (g) providing oversight of planning and scoping of the Internal Audit work plan; and*
- (h) reviewing and commenting on reports provided by the person primarily responsible for the Internal Audit function at least on a quarterly basis; and*
- (i) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and*
- (j) reviewing any report obtained by the Council pursuant to Section 48(1) of the Local Government Act 1999; and*
- (k) performing any other function determined by the Council or prescribed by the regulations.*

**1. CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 28 OCTOBER 2024**

*Cr Clutterham moved that the Minutes of the Audit & Risk Committee meeting held on 28 October 2024 be taken as read and confirmed. Seconded by Ms Sandra Di Blasio and carried unanimously.*

**2. CONFIDENTIAL REPORTS**



## 2.1 REVIEW OF LIBRARY SERVICES

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### RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999*, the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

### RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999*, the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12) months.

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*Cr Clutterham moved:*

*That pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Community Development, Mr Dan Jellings (Senior Consultant, BRM Advisory) and Governance Officer], be excluded from the meeting on the basis that the Council will receive, discuss and consider:*

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).*

*and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.*

*Seconded by Ms Sandra Di Blasio and carried unanimously.*

### Short Term Suspension of Proceedings

At 7.04pm, with the approval of two-thirds of the Committee Members present, the Presiding Member suspended the meeting proceedings pursuant to Regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013*, for 45 minutes, to enable informal discussion regarding the Review of Library Services.

### Resumption of Proceedings

The meeting resumed at 7.50pm.

*Cr Piggott moved:*

1. *That the Final Service Review Report prepared by BRM Advisory be received and noted.*
2. *That the Committee recommends to the Council the following:*
  - a. *to maintain its current three (3) Library strategy;*
  - b. *with the exception of Recommendation 5.2 of the Final Service Review Report, to endorse “in principle” the recommendations contained in the Report;*
  - c. *authorise staff to progress Recommendations 5.1.2 and 5.1.5 of the Final Service Review Report as a priority; and*
  - d. *request subsequent reports regarding the implementation of the remaining recommendations contained in the Final Service Review Report, as required.*

*Seconded by Ms Sandra Di Blasio and carried unanimously.*

*Cr Clutterham moved:*

*Under Section 91(7) and (9) of the Local Government Act 1999, the Council orders that the report (excluding the Service Review of Library Services Report contained in Attachment A) and discussion be kept confidential for a period not exceeding two (2) years and that this order be reviewed every twelve (12) months.*

*Seconded by Ms Sandra Di Blasio and carried unanimously.*

**3. NEXT MEETING**

Monday 10 February 2025

**4. CLOSURE**

There being no further business the Presiding Member declared the meeting closed at 8.10pm.

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**Mayor Robert Bria**  
**PRESIDING MEMBER**

**Minutes Confirmed on** \_\_\_\_\_  
(date)

**13. OTHER BUSINESS**  
(Of an urgent nature only)

**14. CONFIDENTIAL REPORTS**

## 14.1 MUNICIPAL SOLID WASTE DISPOSAL AND PROCESSING TENDER

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### RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
  - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information; and
  - (ii) would, on balance, be contrary to the public interest;

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

### RECOMMENDATION 2

Under Section 91(7) and (9) of the Local Government Act 1999, the Council orders that the report and discussion be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12 months).

Under Section 91(7) and (9) of the Local Government Act 1999, the Council orders that the minutes be kept confidential until the contract has been entered into by all parties to the contract.

## 14.2 2025 AUSTRALIA DAY AWARD NOMINATIONS

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### RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

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

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

### RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the report, discussion, and minutes be kept confidential until 26 January 2025.

### 14.3 STAFF RELATED MATTER – STAFF RECRUITMENT

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#### RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

#### RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the report, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

**15. CLOSURE**