



**Local Government Association**  
of South Australia



An Initiative of  
**Government of  
South Australia**

# State Local Government Infrastructure Partnership

## Funding Deed

## Yorke Peninsula Council

## Main Township Footpath Replacement Programme

*A job stimulus program backed by  
the SA Government,  
the Local Government Association  
of South Australia, the Local  
Government Finance Authority and  
participating SA Councils*



Jointly administered by the Department of Planning, Transport and Infrastructure and the LGA.  
[www.lga.sa.gov.au/infrastructurepartnership](http://www.lga.sa.gov.au/infrastructurepartnership)

## Date

## Parties

Local Government Association of South Australia (ABN 83 058 386 353) (**LGA**)  
Yorke Peninsula Council (ABN 82 179 825 615) (**Council**)

## Background

- A. The Council has been approved for funding under the State Local Government Infrastructure Partnership in respect of the Approved Project.
- B. The LGA has entered into the State Funding Deed with the Treasurer. Under the State Funding Deed, the Treasurer agrees to pay the State Funding to the LGA to meet the LGA's costs of servicing a loan taken out by the LGA to fund the grants payable for projects approved under State Local Government Infrastructure Partnership.
- C. The State Funding Deed requires the LGA to pay the Grant to the Council subject to the LGA entering into a funding deed with the Council including specified terms.
- D. This deed sets out the terms on which the Grant is paid to the Council.

# 1. Definitions and interpretation

## 1.1. Definitions

**Annual Administration Fee** means the fee payable to the LGA under clause 10(c) of this deed.

**Approval** means the Treasurer's letter included in the Attachment.

**Approved Project** means the project described in the Grant Application as approved in the Approval, including any variation to the Approved Project in accordance with clause 6(b) of this deed.

**Business Day** means a day other than:

- (a) a Saturday or Sunday; or
- (b) a day which is a public holiday in South Australia (within the meaning of the *Holidays Act 1910 (SA)*)

**Confidential Information** means, in relation to a party, information about that party or its business or affairs that:

- (a) is by its nature confidential;
- (b) is reasonably designated by that party as confidential; or
- (c) the other party knows or ought to know is confidential,

and includes the terms of this deed.

**Eligibility Requirements** means the requirements for eligibility for the Grant set out in clause 3.

**Grant** means a grant payment in the amount set out in item 2 of the Schedule.

**Grant Application** means the application made by the Council for a grant in respect of the Approved Project under the Partnership Guidelines as included in the Attachment.

**Law** means any statute, regulation, order, rule, subordinate legislation or other document enforceable under any statute, regulation, order, rule or subordinate legislation.

**LGFA** means the Local Government Finance Authority established under the *Local Government Finance Authority Act 1983*.

**LGFA SLGIP Rate** means the rate at which the LGFA will lend money to the Council for the Approved Project being the LGFA's cost of funds (inclusive of State guarantee fee) plus a 0.2 percentage point margin.

**Local Contractor** means a contractor with a primary or branch office located in South Australia.

**Partnership Guidelines** means the document entitled *2016 State Local Government Infrastructure Partnership* published in December 2016 (available at <http://www.lga.sa.gov.au/infrastructurepartnership>).

**Practical Completion** means the Approved Project being substantially complete and fit for use, all performance or structural tests required by Council having been satisfactorily completed and omissions or defects identified through these tests being made good to the satisfaction of the Council.

**Project Completion** means the date on which the Approved Project is entirely finished including the expiry of any defects liability period, the completion of works undertaken under any defects liability provision to the satisfaction of the Council and the completion of all project administration.

**Project Phase** means the period commencing on the execution of this deed and ending on the day after the Council provides a report to the LGA in accordance with clause 11.1(c).

**Quarter** means a period of three months ending on 31 March, 30 June, 30 September and 31 December during the Term.

**State Funding** means the funding provided by the Treasurer to the LGA under the State Funding Deed.

**State Funding Deed** means the funding deed between the LGA and the Treasurer (dated 22 June 2017).

**State Local Government Infrastructure Partnership** means the program implemented by the State of South Australia and the LGA to support councils to accelerate spending on community infrastructure projects and deliver public value and economic stimulus as described in the Partnership Guidelines.

**Term** means the term of this deed as specified in clause 2.

**Treasurer** means Treasurer for the State of South Australia.

## 1.2. Interpretation

In this deed, unless the contrary intention is evident:

- (a) the background and schedule form part of this deed;
- (b) singular includes plural and *vice versa*;
- (c) a reference to a person includes a body politic or corporate, an individual or a partnership;
- (d) a reference to legislation includes a reference to that legislation as amended or replaced;
- (e) headings do not affect construction;
- (f) no rule of construction applies to the disadvantage of a party because that party put forward this deed or any portion of it;
- (g) another grammatical form of a defined word has a corresponding meaning; and
- (h) reference to a party:
  - (i) if more than one, means each of them jointly and severally; and

- (ii) includes a successor to the rights or obligations of that party under this deed.

## 2. Term

- (a) This deed commences on the date it has been executed by both parties.
- (b) This deed expires on the later of:
  - (i) the date on which the LGA notifies the Council that the report provided by the Council in compliance with clause 11.1(c) is satisfactory; or
  - (ii) 1 July 2020.

## 3. Eligibility Requirements

The Council acknowledges that it is only entitled to the Grant if:

- (a) construction on the Approved Project has commenced by 31 December 2017 (unless otherwise consented to by the Treasurer in writing on the basis of the Treasurer being satisfied that construction has been delayed for reasons beyond the Council's reasonable control); and
- (b) the Council funds 80% of the cost of the Approved Project.

## 4. Grant

- (a) The Council is only eligible for the Grant if the Council continues throughout the Term to meet the Eligibility Requirements and comply with the terms of this deed.
- (b) The Council agrees only to use the Grant for the Approved Project.
- (c) The Council warrants that it will meet the Eligibility Requirements.
- (d) Subject to the Council providing satisfactory evidence that construction on the Approved Project has commenced by 31 December 2017 (or such later date as consented to in writing by the Treasurer), the LGA agrees to pay the Grant to the Council no later than 30 June 2018 on the basis of the warranty given under clause 4(c) and the Council complying with this deed.
- (e) Throughout the Term the Council must provide assistance required by the LGA from time to time for the LGA to meet its obligations under the State Funding Deed.
- (f) The Council must notify the LGA within 10 Business Days of:
  - (i) seeking or receiving a consent of the Treasurer for the purposes of clauses 3(a) or 4(d);
  - (ii) providing information to the Treasurer for the purposes of clause 7(c);
  - (iii) becoming aware of circumstances which require a repayment to be made by the Council to the LGA under clause 8; or
  - (iv) Project Completion.

## 5. Financing

The Council acknowledges that the application of the LGFA SLGIP Rate to any borrowings from the LGFA by the Council for the Approved Project:

- (a) will be dependent on the terms of the loan agreement between the Council and the LGFA; and

- (b) may be removed or varied if the Council does not receive a grant or is required to repay all or some of the grant under this deed.

## 6. Approved Project

- (a) The Council agrees to undertake the Approved Project:
  - (i) in a manner which is consistent with, and gives effect to, the Approval and the Partnership Guidelines;
  - (ii) subject to clause 6(b), in accordance with initial scope of the Approved Project;
  - (iii) in accordance with relevant Laws and good industry practices, including in respect of work health and safety; and
  - (iv) within a reasonable timeframe.
- (b) A Council may only vary the scope of an Approved Project with the prior written approval of the LGA.
- (c) The Council agrees to use only Australian certified steel in the Approved Project.
- (d) The Council must maximise the use of Local Contractors during the construction of the Approved Project where practicable.
- (e) The Council acknowledges that clauses 6(c) and 6(d) are not intended to vary the application of the Council's procurement policies, practices and procedures developed and maintained for the purposes of section 49 of the *Local Government Act 1999*, except to the extent necessary to give effect to those clauses.

## 7. Capital expenditure

- (a) The Council acknowledges that expenditure on the Approved Project must be in addition to the Council's capital expenditure plans as at the date of the Grant Application.
- (b) The Council agrees that it will not deliberately offset project expenditure with a reduction in total planned other capital expenditure as at the date of the execution of the Grant Application:
  - (i) in 2017-18 and 2018-19 for projects commencing by 30 June 2017; or
  - (ii) in 2017-18, 2018-19 and 2019-20 for projects commencing in the period 1 July to 31 December 2017.
- (c) The Council will not be taken to have deliberately offset project expenditure with a reduction in total planned other capital expenditure where the Council can demonstrate to the Treasurer's reasonable satisfaction that the Council is reducing capital expenditure due to circumstances outside of the Council's reasonable control.
- (d) The Council will draw this deed to the attention of the Council's audit committee and highlight the obligation under this clause 7.

## 8. Repayment

### 8.1. Project cost savings

- (a) Subject to clause 8.1(b), if the final total project cost for the Approved Project are less than or equal to the estimated project cost included by the Council in its Grant Application, then the Council will repay to the LGA a proportion of the Grant calculated as follows:

- $AG - ((FC - EF) * 0.2) = RA$
  - Where:
  - **AG** = Approved grant amount
  - **FC** = Final total project cost
  - **EF** = Final external funding (Other State or Federal funding)
  - **RA** = Repayment amount
- (b) If the final external funding is equal to or greater than final total project cost, the full amount of the Grant will be repayable to the LGA.

## 8.2. Variation of Approved Project

If a Council varies the scope of an Approved Project in accordance with clause 6(b) and the variation reduces the scope of the Approved Project, the Council will repay to the LGA an amount proportionate to the reduction in scope as determined by the Treasurer.

## 8.3. Repayment, reduction or termination of State Funding

- (a) The State Funding Deed includes:
- (i) an obligation on the LGA to repay the State Funding or a portion of the State Funding in specified circumstances;
  - (ii) a right in the Treasurer to reduce the amount of State Funding payable to the LGA in specified circumstances;
  - (iii) a right in the Treasurer to withhold future funding from the LGA in specified circumstances; and
  - (iv) rights in the Treasurer to terminate the State Funding Deed.
- (b) Obligations to repay funding to the Treasurer or rights in the Treasurer to reduce or terminate funding may be triggered by the Council failing to:
- (i) satisfy the Eligibility Requirements under clause 3;
  - (ii) provide assistance to the LGA as required by clause 4(e) resulting in the LGA materially breaching a term of the State Funding Deed;
  - (iii) undertake the Approved Project in accordance with clause 6;
  - (iv) comply with clause 7 with respect to capital expenditure; and
  - (v) satisfy the reporting requirements under clause 11 of this deed.
- (c) Where the Treasurer:
- (i) requires repayment of the State Funding or a portion of the State Funding;
  - (ii) reduces the State Funding payable to the LGA;
  - (iii) withholds future funding from the LGA; or
  - (iv) terminates the State Funding Deed,
- due or partially due to the action, omission or default of the Council under this deed, the Council must (as applicable):
- (v) repay to the LGA the Grant or the portion of the Grant relating to the LGA's repayment obligation;
  - (vi) pay the LGA the proportion of the reduced State Funding or withheld funding referable to the Grant to the LGA; or

- (vii) pay the LGA the proportion of the State Funding referable to the Grant which remains unpaid by the Treasurer to the LGA as at the date the State Funding deed terminates.
- (d) Without altering the operation of clause 8.3(b), the Council must repay the Grant in full to the LGA if the Council fails to provide to the LGA on request:
  - (i) information on the commencement of construction or Practical Completion of the Approved Project; or
  - (ii) any other information requested by the LGA relevant to the State Local Government Infrastructure Partnership.

## 8.4. Timing

- (a) A payment by the Council to the LGA under this clause 8 will be paid within 1 month of the Council being notified by the LGA that a payment is required or in instalments on dates notified to the Council by the LGA.
- (b) A payment obligation under this clause 8 survives expiry or termination of this deed.

## 9. GST

- (a) The Grant is an amount exclusive of GST.
- (b) Subject to clause 9(c), if the payment of the Grant by the LGA is subject to GST then the LGA will pay an amount to the Council in addition to the Grant calculated by multiplying the Grant by the rate at which GST is levied at the time the Grant is paid.
- (c) The LGA is not liable to pay the GST payment or any instalment of the GST payment unless the Council has delivered to the LGA a valid tax invoice under GST Law, referable to the Grant and associated GST payment.
- (d) For the purpose of this clause, the term 'GST Law' has the meaning attributed to that term in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

## 10. Grant administration

- (a) The Council acknowledges that the LGA will incur administrative costs as a consequence of taking out the loan to finance the Grant and being a party to the State Funding Deed and this deed. The Council agrees that the LGA undertakes these actions to benefit the Council and other councils receiving grants through the State Local Government Infrastructure Partnership.
- (b) The Treasurer has agreed under the State Funding Deed to provide funding to the LGA in respect of the LGA's administrative costs. If the funding received from the Treasurer is insufficient to cover the LGA's administrative costs then the LGA will fund the balance of the administrative costs for State Local Government Infrastructure Partnership grant recipients which are members of the LGA.
- (c) If during any financial year the Council is not a member of the LGA, the Council agrees to pay the LGA an annual administration fee to cover the administrative costs funded by the LGA which are proportionate to the Grant as a proportion of the State Funding.

## 11. Reporting

### 11.1. During the Project Phase

The Council agrees during the Project Phase to provide to the LGA:

- (a) a report within three weeks of the end of each Quarter indicating the number of jobs (in full-time equivalents (FTE)) and types of job created by the Approved Project;
- (b) a report no later than 31 August in each year of the Project Phase concerning the preceding financial year including:
  - (i) the date construction of the Approved Project commences;
  - (ii) the anticipated Practical Completion date for the Approved Project;
  - (iii) progress of the Approved Project, including any delays;
  - (iv) any changes in the scope of the Approved Project;
  - (v) information demonstrating compliance with clause 7;
  - (vi) the number of jobs (in FTE) and types of job created by the Approved Project;
  - (vii) a confirmation that only Australian certified steel is being used for the Approved Project; and
  - (viii) a confirmation that the Approved Project is maximising the use of Local Contractors; and
- (c) a final report within four months of Project Completion indicating:
  - (i) a description of the Approved Project, with before and after photos;
  - (ii) the date on which the construction of the Approved Project commenced and the date of Practical Completion of the Approved Project;
  - (iii) the total project costs and sources of funds for the Approved Project; and
  - (iv) a summary of outcomes (including information about jobs created and key contractors).

## 11.2. During the Term

The Council agrees during the Term to provide to the LGA:

- (a) project documentation with content and in format requested by the LGA; and
- (b) other reports, records or information requested by the LGA in respect of the Approved Project and the Grant.

## 12. Confidentiality

- (a) Each party agrees that it will not use any Confidential Information of the other party or allow any Confidential Information of the other party to be used for any purpose except as contemplated by this deed.
- (b) Each party will:
  - (i) keep confidential;
  - (ii) take reasonable steps to ensure that the party's officers and employees do not disclose to a third party;
  - (iii) maintain proper and secure custody of; and
  - (iv) not use or reproduce in any form,
 any Confidential Information belonging to the other party.

- (c) The obligations in clauses 12(a) and 12(b) do not apply to Confidential Information in the public domain or which is known other than as a result of a breach of this clause 12.
- (d) Notwithstanding the provisions of clause 12(b), Confidential Information may be disclosed by a party:
  - (i) to employees, legal advisers, auditors and other consultants of a party requiring the information for the purposes of this deed;
  - (ii) with the consent of the party to which the obligations of confidentiality under this clause 12 are owed, which consent may be given or withheld at that party's absolute discretion; or
  - (iii) to comply with a requirement of Law or a parliamentary convention.
- (e) If a party proposes to release or provide access to Confidential Information under 12(d)(i), it will not do so until it has obtained from employees, legal advisers, auditors or other consultants a written undertaking to keep the information confidential and not to release it to any other party.

## 13. Termination

- (a) This deed will terminate if the Council fails to satisfy the Eligibility Requirements by 31 December 2017 (or such later date as is consented to by the Treasurer for the purposes of clause 3(a)).
- (b) The LGA may terminate this deed by notice to the Council if the Council is in default of an obligation under this deed.

## 14. Dispute resolution

### 14.1. Engagement

Any dispute in connection with this deed must not be the subject of litigation until the parties have engaged in the dispute resolution process set out in this clause 14.

### 14.2. Notice of dispute

Either party may notify the other party of a dispute by notice setting out:

- (a) the nature of the dispute (with reasonable details); and
- (b) what action the party giving notice thinks will resolve the dispute, and proposing a meeting of the parties to resolve the dispute.

### 14.3. Dispute resolution process

- (a) If a party gives notice of a meeting as above, each party to the dispute must ensure its representative has authority to resolve the dispute and at the meeting make a good faith attempt to resolve the dispute.
- (b) If the dispute is not able to be resolved under clause 14.3(a) within ten Business Days of the dispute being notified under clause 14.2, the parties agree to appoint a mediator to resolve the dispute.
- (c) If the parties are unable to agree on a mediator, then either party may request the President of the Law Society of South Australia to appoint a suitably qualified mediator.
- (d) In respect of a mediation under this clause, the parties agree to:
  - (i) engage in the mediation in good faith; and

- (ii) jointly meet the costs of the mediator.

## 14.4. Effect of dispute

- (a) The parties will continue to perform their respective obligations under this deed following the notification of a dispute to the extent that the dispute does not relate to or impact upon those obligations.
- (b) This clause does not prejudice the right of a party to seek injunctive relief to prevent immediate and irreparable harm.

## 15. Audit

The Council agrees that the LGA may audit any records or information in the possession of the Council relating to the Grant or the Approved Project for the purpose of assessing compliance with this deed.

## 16. Publicity

- (a) The Council must invite the Treasurer, the Minister for Local Government and the President of the LGA to attend a formal opening of the Approved Project.
- (b) The Council agrees to comply with any signage or publicity requirements in respect of the Project or Grant notified to the Council by the LGA.

## 17. Miscellaneous

### 17.1. Notices

- (a) Any notice, communication, consent, approval or other communication contemplated in this deed (Notice) must be provided in writing in accordance with this clause.
- (b) Addresses for Notices are set out in item 1 of the Schedule.
- (c) A Notice must be signed by or on behalf of the sender addressed to the recipient and be:
  - (i) delivered to the recipient's address;
  - (ii) sent by pre-paid mail to the recipient's address; or
  - (iii) transmitted by email to the recipient's address.
- (d) A Notice given to a person in accordance with this clause is treated as having been given and received:
  - (i) on the day of delivery if delivered before 5.00 pm on a business day, otherwise on the next business day;
  - (ii) if sent by pre-paid mail, on the third business day after posting; or
  - (iii) if transmitted by email:
    - (A) when the relevant email appears in the sender's sent log with properties disclosing an appropriate routing; and
    - (B) the sender does not receive a message from the system operator to the effect that the relevant email was undeliverable.
- (e) A party may from time to time notify a change of its contact details by written notice to the other party.

## **17.2. Assignment**

A party is only able to assign or novate this deed with the written consent of the other party. Consent under this clause will not be unreasonably withheld.

## **17.3. Entire agreement**

The parties agree that this deed contains the entire agreement between the parties with respect to its subject matter and supersedes any prior agreement, understanding or representation of a party on the subject matter.

## **17.4. Severance**

- (a) Each word, phrase, sentence, paragraph and clause of this deed is severable.
- (b) If a court determines that a part of this deed is unenforceable, invalid, illegal or void, that part may be severed.
- (c) Severance of a part of this deed will not affect any other part of the deed.

## **17.5. Waivers**

A party waives a right under this deed only by written notice expressly indicating the waiver.

## **17.6. Survival**

Obligations of confidentiality and terms expressed to survive the expiry or termination of this deed, survive the expiry or termination of this deed.

## **17.7. Counterparts**

This deed may be signed in counterparts and each counterpart is taken to be an original. All counterparts together constitute one deed.

## **17.8. Jurisdiction**

- (a) The Laws of South Australia apply to this deed.
- (b) The courts of South Australia will have exclusive jurisdiction to determine any proceeding in relation to this deed.
- (c) Any proceeding brought in a Federal Court must be instituted in the Adelaide Registry of that Federal Court

## Schedule Deed details

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1. **Party details**

**LGA**

Contact person: Mr Matt Pinnegar  
Address: GPO Box 2693, ADELAIDE SA 5001  
Phone: 08 8224 2000  
Email: slgip@lga.sa.gov.au

**Council**

Yorke Peninsula Council  
Contact person: Sid Jain  
Address: PO Box 57, MAITLAND SA 5573  
Phone: 08 8832 0000  
Email: sid.jain@yorke.sa.gov.au

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2. **Grant**

\$300,000 (exclusive of GST)

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# **Attachment    Approved Project**

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## State Local Government Infrastructure Partnership

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# Application Form

## A. Introduction

Guidelines and other information on the State Local Government Infrastructure Partnership is available on the LGA web page:

<http://www.lga.sa.gov.au/infrastructurepartnership>. This applications form must be accompanied by two essential documents:

- a) A declaration signed by the council Mayor / Chairperson and CEO (or those acting in such positions); and
- b) A business case for the project.

If you are submitting more than one project, please lodge a separate application for each project.

Should you have any questions, please contact Patricia Coonan on 0408 801 026 or [slgip@lga.sa.gov.au](mailto:slgip@lga.sa.gov.au).

**Applications are to be submitted via email to [slgip@lga.sa.gov.au](mailto:slgip@lga.sa.gov.au).**

### Preliminary

I have read and understand the SLGIP Guidelines document

## B. Council Information

1. Council name: Yorke Peninsula Council
2. Contact officer name: Sid Jain  
Contact officer office phone: 08 8832 0000  
Contact officer mobile phone: 0414 664 274  
Contact officer email: sid.jain@yorke.sa.gov.au
3. Multiple council application? [Click here to enter text.](#)

If a multiple council application please list all participating councils here – if not leave blank. Note that each participating council must submit a separate application

## C. Project Overview

1. Name of proposed project Main Township Footpath Replacement Programme
2. Project priority 1

If one project submitted = 1. If submitting a second project indicate second priority with 2 etc. Note that only one project per council will be approved unless the program is not fully subscribed with projects that meet the essential criteria.

3. Project location description Improvement of existing footpaths in Council's townships of Maitland, Price, Port Clinton, Ardrossan, Port Vincent, Stansbury, Edithburgh, Yorketown, Warooka, Minlaton and Port Victoria as per Attachment 1 of the Business Case. More detail is available in the Business Case.
4. Type of project Renewal, replacement or upgrade of an existing asset
5. Outcomes and benefits This project will benefit Council's Community, visitors and local businesses by improving the standard of footpath infrastructure in the respective townships and provide a short-term boost to the local economy through the construction phase and ongoing benefits post construction. The new and improved footpaths will be safer to use especially for the Council's older citizens, children and people with a disability and help prevent trips, falls and hazards resulting in reducing injuries and health issues. This benefit is ongoing and will provide a social benefit well beyond the initial construction phase. The attached Business Case goes into more detail.

Please identify the specific outcomes and benefits this project will achieve in less than 200 words, in particular any groups/sections of the community which will benefit from the project. These should be explored in more detail in the business case.

6. Risk identification This project is expected to have risks in the categories of contractor management, third party, environmental, financial, maintenance, project and general hazards. These are explored in more detail in Attachment 3 of the Business Case.

Please identify the impacts (economic, social and environmental impacts) or risk anticipated for the project for your council and for the community in less than 200 words. These should be explored in more detail in the business case.

## D. Funding

1. Total project cost \$1,500,000

Please indicate the total cost (including all contributions). Please provide key figures here and ensure the basis of the estimates is explained in the attached business case.

2. Total SLGIP contribution sought \$300,000

Note maximum of 20% of project costs incurred by your council (i.e. excluding other contributions as detailed at 5 below).

3. Your council contribution \$1,200,000

4. Contributions from other councils [Click here to enter text.](#)

For projects involving more than one council

5. Other contributions [Click here to enter text.](#)

e.g. from other state or federal programs, business or community (name organisation/program and \$)

6. Is council formally seeking an exemption to the minimum project size **No**

Consideration will be given, on a case by case basis, to applications for smaller projects by councils with an estimated residential population of less than 3,000 and rate revenue in 2016-17 of less than \$4 million.

## E. Employment

1. Will the project lead to additional employment? Yes

If so:

- a) Additional employment opportunities (construction phase) FTE

Please estimate direct additional employment over the life of construction, i.e. all onsite labour, design, project management & other funded work by weeks & record total as annual FTE. Predicted flow on jobs should be included in section 3 Q6 above)

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- b) Additional employment opportunities (ongoing) FTE

Please estimate any operational/ongoing jobs created by the asset once completed, e.g. a new recreation centre may involve a half-time recreation officer = 0.5 FTE. If none recorded 0. Predicted flow on jobs should be included in section 3 Q6 above

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2. If the work is to be contracted, will council seek to maximise the use of local contractors consistent with the SA Government Industry Participation Policy? Yes

## F. Timeframes

Note that a successful application for funding under this program requires that the project must commence construction by 31 December 2017.

- |                                 |           |
|---------------------------------|-----------|
| 1. Commence planning and design | 13-Apr-17 |
| 2. Construction commences       | 31-Jul-17 |
| 3. Construction completed       | 31-Jan-19 |

## G. Bring Forward

Note that a successful application for funding under this program requires that the project will commence at least 2 years earlier than would otherwise be the case.

- |   |             |
|---|-------------|
| 1. Planned/bring forward or unfunded?             | Unfunded    |
| 2. Existing projected capital expenditure 2017/18 | \$8,263,000 |
| 3. Existing projected capital expenditure 2018/19 | \$8,975,000 |
| 4. Existing project capital expenditure 2019/20   | \$9,749,000 |

5. Please identify where the above information is published

e.g. please identify page number and link to current Long Term Financial Plan

Page 18 of the Long Term Financial Plan found at the link below:

<https://yorke.sa.gov.au/content/uploads/2016-17-to-2025-26-Long-Term-Financial-Plan.pdf>

- |  |  |
|--|--|
| 6. Capital expenditure revised to include this project 2017/18   | \$9,388,000                                    |
| 7. Capital expenditure revised to include this project 2018/19   | \$9,350,000                                    |
| 8. Capital expenditure revised to include this project 2019/20   | \$9,749,000 – project will conclude in 2018/19 |
| 9. Has the project already commenced, is it included in the 2016/17 budget or is it scheduled to commence before 30 June 2019? | No   |

If yes, please explain briefly below and provide more detail in the business case.

More information from Q9 above, if required

[Click here to enter text.](#)

## H. Financial Sustainability

1. Please insert web link to council's current Long Term Financial Plan

<https://yorke.sa.gov.au/content/uploads/2016-17-to-2025-26-Long-Term-Financial-Plan.pdf>

2. Please insert web link to council's current Infrastructure and Asset Management Plan

<https://yorke.sa.gov.au/content/uploads/Transport-Asset-Management-Plan-October-2015.pdf>

- |   |     |
|---|-----|
| 3. Is council currently (on average over time) achieving an operating surplus or is it trending in this direction?                                      | Yes |
| 4. Council understands its projected levels of indebtedness resulting from the project and how this impacts on its financial sustainability             | Yes |
| 5. Council has assessed the long-term maintenance and renewal costs of the project and understands how this will impact on its financial sustainability | Yes |
| 6. Council has the necessary resources, project management expertise, internal controls and administrative capacity to deliver the project              | Yes |

## I. Alignment

1. Please identify how the project aligns with State Government priorities

Please summarise in less than 200 words. Refer to page 5 of the partnership guidelines. Please outline more fully in business case.

The South Australian Strategic Plan (SASP) has a set of 100 targets, some of which are relevant to this project. The relevant links between this project and the SASP are: -

- Target 4: Tourism Industry
- Target 25: Support for people with a disability
- Target 47: Jobs
- Target 56: Strategic Infrastructure

This project directly aligns with the Strategic Infrastructure Plan for SA (SIPSA) for the planning and delivery of infrastructure in SA as follows: -

- Objective 1: Growing Prosperity
  - o Strategic Infrastructure – increase investment in strategic areas of infrastructure, such as transport, ports and energy to support and achieve the targets in SA's Strategic Plan.
- Objective 5: Building Communities
  - o Regional Infrastructure – build and maintain infrastructure to develop and support sustainable communities in regions.
  - o Regional Unemployment – reduce regional unemployment rates

2. Does the project mitigate against the impacts of major events such as floods and storms? Yes

3. Please separately attach any evidence of community support for the project and email to [slgip@lga.sa.gov.au](mailto:slgip@lga.sa.gov.au).

## J. Other

1. Is the project likely to result in commercial profits to private parties (other than contractors involved in construction) after completion? No
2. If you answered yes to the previous question, please outline the nature and expected level of any such profit and the parties who will benefit

For example, explain whether the project will cover costs through user charges but is for community benefit rather than commercial profit making purposes

[Click here to enter text.](#)

3. Please estimate the percentage of the project budget expected to involve purchase of information/communication technology (ICT)? 0%

e.g. computers etc if any

## K. Declaration

Please separately attach the Partnership Declaration signed by the Mayor and CEO and email to [slgip@lga.sa.gov.au](mailto:slgip@lga.sa.gov.au).

## L. Business Case

Please separately attach the project business case and email to [slgip@lga.sa.gov.au](mailto:slgip@lga.sa.gov.au). If your business case involves multiple files, please consider zipping the files into one attachment. If the total files being sent, please contact Patricia Coonan on 0408 801 026 to identify an alternative file sending arrangement.

**Applications should be submitted via the LGA online form, however if you experience any internet issues you may complete this word version and email with any required attachments to [slgip@lga.sa.gov.au](mailto:slgip@lga.sa.gov.au). Note as outlined on P.8 of the guidelines that the closing date is 28 February.**

# MAIN TOWNSHIP FOOTPATH REPLACEMENT PROGRAMME

## BUSINESS CASE

### Executive Summary

Yorke Peninsula Council is proposing to spend \$1.5 million on the renewal and replacement of various footpaths in its major townships. We are seeking 20% of the project cost (\$300,000) through the SLGIP with the rest to come from borrowings of \$1.2 million from the LGFA.

The project will be undertaken by contractors appointed as a result of an open public tender, with supervision and management of the project undertaken by Council officers. Subject to notification of the outcome of our application it is proposed that the tender process will commence in early May 2017 with construction to commence towards the end of July 2017 and conclude no later than January 2019.

The proposed footpath improvements will benefit Council's Community, visitors and local businesses by improving the standard of footpath infrastructure in the respective townships and provide a short-term boost to the local economy through the construction phase and ongoing benefits post construction. The employment and economic benefits for the region are consistent with objectives of the South Australian Industry Participation Policy and State Government Strategic Directions and Plans. The project which represents capital expenditure additional to current and forecast future expenditure levels, meets the outcomes and objectives of Council's Strategic, Asset and Long Term Financial Plans.

The financial impact of this expenditure is understood and accepted by Council and its Elected Members and is not detrimental to the achievement of Council's objective to become financially sustainable in the medium to long term.

### 1. Strategic Assessment

Yorke Peninsula Council is continuously looking to increase investment in its Community by taking up infrastructure renewal opportunities and any available funding to do so. This is consistent with Council's Strategic Management Plan Goals of "Community Connected through Infrastructure" and "Economically Prosperous Peninsula." Further this project aligns with the outcomes in Council's Transport Asset Management Plan (AMP) and Long Term Financial Plan (LTFP). All three (3) documents are available on Council's website at <https://yorke.sa.gov.au/about-us/forms-plans-and-publications/corporate-publications>.

The funding opportunity available to Council through the State Local Government Infrastructure Partnership (SLGIP) will allow Council to undertake much needed renewal and replacement of its footpath network in its main township areas. This is a new project as it has not been included in Council's ten (10) year capital works programme (refer page 30 of Council's AMP), however the AMP principles and objectives require Council to invest in the renewal and replacement of its footpaths on a consistent basis.

Council's Elected Members have endorsed this project and the submission of this funding application and the relevant Council reports and minutes are attached (refer Attachment 4) to this business case.

## **Project Description**

The SLGIP funding will be used to improve the state of existing footpaths in Council's townships of Maitland, Price, Port Clinton, Ardrossan, Port Vincent, Stansbury, Edithburgh, Yorketown, Warooka, Minlaton and Port Victoria. Individual footpaths that will be improved are shown on the town maps attached (refer Attachment 1) to this business case and a full list of footpaths to be replaced and their estimated cost is detailed in the Project Funding section later in this business case.

Council is proposing to spend \$1.5 million (GST exclusive) on this project and is seeking 20% (\$300,000) of that amount through the SLGIP with the rest to be borrowed from the LGFA for a ten (10) year period at a reduced interest rate.

## **Strategic Alignment with SA Government**

### South Australian Strategic Plan (SASP)

In 2011, the South Australian State Government released the revised SASP. The revised plan has a set of 100 targets, some of which are relevant to this project. The relevant links between this project and the SASP are: -

- Target 4: Tourism Industry
- Target 25: Support for people with a disability
- Target 47: Jobs
- Target 56: Strategic Infrastructure

### Strategic Infrastructure Plan for SA (SIPSA)

This project directly aligns with this overarching state framework for the planning and delivery of infrastructure in SA as follows: -

- Objective 1: Growing Prosperity
  - Strategic Infrastructure – increase investment in strategic areas of infrastructure, such as transport, ports and energy to support and achieve the targets in SA's Strategic Plan.
- Objective 5: Building Communities
  - Regional Infrastructure – build and maintain infrastructure to develop and support sustainable communities in regions.
  - Regional Unemployment – reduce regional unemployment rates

### Integrated Transport and Land Use Plan (ITLUP)

This project aligns with the following actions of the ITLUP: -

- Work with local Councils and the Local Government Association to implement local transport strategies to complement land use directions of local Development Plans, with a focus on freight movements, tourism and accessible townships:
  - Create safe and convenient walkable neighbourhoods

## **Alignment with Council Strategy**

### Yorke Peninsula Council Strategic Management Plan (SMP)

Goal 2 "Community Connected through Infrastructure" in Council's SMP states the Council will maintain and expand the connectivity of our Community through a sustainable road network and planning for the necessary infrastructure for every age group in the district. The Plan goes on to state that this will be achieved through the

creation of new infrastructure and the delivery of Asset Management Plans for all asset classes.

Goal 3 “Economically Prosperous Peninsula” in Council’s SMP states the Council will create an environment that encourages and supports a strong, diverse economy that attracts more businesses, residents and visitors. Success will mean revitalisation of our towns and retaining young, active and working future generations. The Plan goes on to state that this will be achieved through improved infrastructure, supporting employment opportunities for our Community and exploring opportunities for missing or sub-standard infrastructure.

The footpath replacement project delivers on both these Goals.

#### Yorke Peninsula Council Transport Asset Management Plan (TAMP)

Council’s TAMP was adopted by Council in October 2015 for a period of ten (10) years after consultation with its Community and endorsement by Council’s Audit Committee. The TAMP demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements, and communicates funding needed to provide the required levels of service over a ten (10) year period.

Council’s goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are: -

- Providing a defined level of service and monitoring performance;
- Managing the impact of growth through demand management and infrastructure investment;
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- Identifying, assessing and appropriately controlling risks;
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed;
- Continuous improvement in asset management practices.

The footpath replacement project is consistent with the objectives and outcomes of Council’s TAMP; however, these works are not programmed into Council’s ten (10) year capital works programme (appended to the TAMP) and subsequently no funding has been allocated in Council’s LTFP. The project proposed for funding under the SLGIP is a new project i.e. in addition to existing capital expenditure over the next ten (10) years. Successful partnership support will result in a gross increase to capital expenditure in 2017-18 and 2018-19 additional to that proposed in Council’s TAMP and LTFP. The financial impact of the additional expenditure and subsequent borrowing to fund it are detailed later in this business case.

#### Yorke Peninsula Council Long Term Financial Plan (LTFP)

Council’s current LTFP for a period of ten (10) years commencing 2016-17 was adopted by Council in May 2016 after consultation with our Community and endorsement by Council’s Audit Committee. It focuses on making Council financially sustainable in the medium to long term by achieving a breakeven or surplus operating position (operating expenditure will be less than or equal to operating revenue) and a continual increase in spending on the renewal and replacement of existing Council assets especially

infrastructure. The spending on renewal of existing Council assets aligns with the objectives and focus of Council's TAMP.

The "Income Statement" on page 15 of Council's LTFP demonstrates that Council is forecast to reduce its operating deficit year on year to finally achieve an operating surplus seven (7) years from now, in 2023-24 and then maintain it. This has a flow on effect to Council's Operating Surplus Ratio which is forecast to improve from -12% in Year 1 of the LTFP to 0% in Year 7 (2023-24) and then remain positive for the next two (2) years. This shows that Council is committed to operating in a financially sustainable manner and is committed to improving its long term financial position by achieving its target of breakeven or a small surplus.

The "Cash Flow Statement" on page 18 of the LTFP shows that in 2017-18 Council is aiming to spend at least \$6.78 million on renewal and replacement of existing assets with the majority of it on road infrastructure. In addition, \$1.48 million is forecast to be spent on new and upgraded assets. No expenditure for footpath renewal and replacement is included in this amount reflecting the pattern of spending as identified in Council's ten (10) year capital works programme attached to its TAMP.

The following nine (9) years of the LTFP demonstrate the increase in capital spending year on year, emphasising Council's focus on providing infrastructure to its Community that is of a satisfactory standard while ensuring existing assets are replaced in a cost-effective way when due, in line with the objectives in its SMP and TAMP. This project expenditure will be over and above the annual capital expenditure forecast in the LTFP.

The forecast increase in capital renewal spending annually will lead to Council achieving its target Asset Sustainability Ratio (ASR) of 80% in Year 4 (2019-20) of the LTFP (refer to page 19) and maintain it going forward. The achievement of this target in a reasonably short time frame demonstrates Council's significant focus on renewal and replacement of existing infrastructure assets and the achievement of financial sustainability. Successful completion of this project will add to forecast capital expenditure and increase the ASR in the short term.

## 2. Outcomes and Benefits

This project will benefit Council's Community, visitors and local businesses by improving the standard of footpath infrastructure in the respective townships and provide a short-term boost to the local economy through the construction phase and ongoing benefits post construction. The new and improved footpaths will be safer to use especially for the Council's older citizens, children and people with a disability and help prevent trips, falls and hazards resulting in reducing injuries and health issues. This benefit is ongoing and will provide a social benefit well beyond the initial construction phase.

To quantify the importance of well-constructed footpaths in our region, the 2011 ABS Census data shows that the Yorke Peninsula Council region has a median age of 52 years, making ours one of the oldest council regions. More specifically, the Census data shows that within our Council region, 37.5% of our population is aged 60 years or older. This is compared to the South Australian average of 22.3% and the Australian average of 19.6%. More specifically, when looking at our community that is aged 80 years or older (assuming many of these residents require walking aids), we have 7.9% of our community in this range compared to 4.9% and 3.9% of the South Australian and Australian averages respectively.

Again to use Census data to support the importance of footpaths in our region, 10.5% of our employed population cited their method of travel to work was walking (compared to 3.2% for South Australia and 3.7% for Australia).

Safe footpaths are also vitally important to those within our community with ability issues. The Census data shows that 7.5% of our community had a core activity need for assistance.

In terms of visitors to our region, many of the towns requiring the upgraded footpaths are key tourism centres. As shown within Attachment 1, a number of the footpaths are at the entrances of caravan parks and many others are within towns' main streets where there is considerable foot traffic over peak tourism periods. The Yorke Peninsula tourism region (spans across to neighbouring council districts) attracted 488,000 visitors cumulating in 1.63m visitor nights for the period December 2013 – December 2015<sup>1</sup>.

In terms of community support for this project, during 2016 our community lodged 208 separate requests for footpath upgrades. Council was able to carry out minor works (e.g. repairing small high-risk sections), however without additional funds, the priority locations (per Attachment 1) will not be completed to our community's level of satisfaction for many years to come.

The footpaths in question are currently a mix of open surface, crusher dust, worn bitumen and failed concrete and the proposal is to replace them with brick paving. Some of the benefits of brick paving are: -

- Sound and sustainable footpaths greatly reducing the maintenance effort;
- Ability to remove pavers and replace once maintenance completed resulting in easier and quicker maintenance;
- Improved safety due to a more even surface;
- Longer lasting and greater amenity value;
- Increased surface texture;
- Current standard and industry preferred.

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<sup>1</sup> Latest data available. Source South Australian Tourism Commission; Yorke Peninsula Regional Tourism Profiles 2013-2015.

The works will be undertaken by contractors appointed through an open tender process. Council's tender process encourages and ensures that local businesses capable of delivering this work are given full, fair and reasonable opportunity to tender and participate. Further incentive for local businesses is provided by allocating extra points in the assessment of tenders for use of local labour and sub-contractors, resources, materials and contribution to the local economy (accommodation, fuel, food etc). There will be local employment benefits through the short-term employment of local labour and use of local sub-contractors and long-term employment will be associated with on-going maintenance and renewal. Council provides an undertaking that it will do whatever it can to maximise the use of local contractors during the construction phase. This demonstrates alignment with the objectives of the South Australian Industry Participation Policy.

### 3. Project Management

#### Delivery Timeline

The project is proposed to follow the timeline below: -

	Action	Date
1	Council endorsement of Loan application	12 April 2017
2	Lodgement of loan application with LGFA	13 April 2017
3	Formulation of tender documentation	13 April 2017 – 28 April 2017
4	Open tender process	1 May 2017 – 26 May 2017
5	Evaluation of tenders	29 May 2017 – 9 June 2017
6	Council consideration of tender evaluation <sup>2</sup>	12 July 2017
7	Appointment of contractor	13 July 2017
8	Commencement of project – construction	31 July 2017
9	Completion of project	31 January 2019

#### Management and Control

These vital footpath assets belonging to the Community of Yorke Peninsula, will be delivered, maintained and renewed (in future) by Council using the objectives and outcomes of its TAMP, internal financial control policy, administrative capacity and project management expertise. The following details how this will be achieved.

Council's TAMP demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements, and communicates funding needed to provide the required levels of service over a ten (10) year period.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. As mentioned earlier in this business case this project is not programmed in the current ten (10) year capital works programme, however, it fits within the objectives and outcomes of the TAMP. The TAMP will guide the delivery and ongoing maintenance and renewal of the footpath assets identified for replacement.

Internal financial control will be managed through Council's Internal Financial Control policy adopted in January 2017 after endorsement by Council's Audit Committee. A full copy of the policy can be found on Council's website at <https://yorke.sa.gov.au/content/uploads/Internal-Financial-Control-Policy.pdf>. Further Council received an independent audit report from its Auditors, Dean Newbery and Partners Chartered Accountants that the financial transactions of the Council have been conducted properly and in accordance with applicable legislations. An unqualified audit

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<sup>2</sup> Scheduled Council meeting

opinion was also received from the Auditors on Council's Internal Controls. Both audit opinions are attached (refer Attachment 2) to this business case. This shows that Council's financial systems and operations are sound and compliant.

A senior manager from Council's Assets and Infrastructure team will act as Project Manager and will manage the project from start to finish. Council staff have a number of years' experience in managing projects of this scale and budget. Staff recently managed stage 1 of a major road construction project with a value of approximately \$2 million. The project was delivered to specifications and budget. Council staff currently have all the expertise and necessary machinery for any ongoing maintenance to these footpaths once constructed and Council prides itself on maintaining a multi-skilled workforce, striving for continual improvement.

These footpaths will continue to form part of Council's asset register and will be regularly monitored to ensure they are fit for purpose and risks or hazards are identified and appropriately mitigated. These footpaths will be included in future budget considerations with funds allocated for maintenance and upgrade activities. Council's LTFP (refer "Income Statement" on page 15) demonstrates that level of operational funding for maintenance of existing infrastructure assets is maintained and increased annually.

### **Risk Management**

As this project will be delivered by external contractors the majority of risks and WHS requirements will need to be identified and managed by them. Through its open public tender process, Council asks all tenderers to address a minimum level of WHS and risk management requirements depending on the nature of works. The main risks that will need to be mitigated by Council for this project have been identified by Council and are attached to this business case (refer Attachment 3). The majority of them centre on contractor management.

## 4. Project Funding

### Income

Of the total project cost of \$1.5 million, Council intends to borrow \$1.2 million from the LGFA at a reduced interest rate. The balance of \$300,000 is being sought through the SLGIP.

It is proposed that loan funds while considered for approval in April 2017, will be drawn down to match the schedule of progress payments for construction as advised by the successful contractor. Dependent on Council cash levels all or some of the loan may be drawn down at various stages of the construction programme. It should be noted that Council has satisfactory cash flow (via Rates and other income and existing cash reserves) throughout the year to sustain this programme should the loan funds be delayed for any particular reason and/or while waiting for the grant funds to be paid.

### Expenditure

A list of the footpaths to be replaced and their estimated cost is as follows: -

	Location	Estimated Cost
1	Elizabeth St, Maitland – four (4) sections	\$215,000
2	Fowler Tce, Price – caravan park entrance	\$60,000
3	Cumberland Road & Emeu St, Port Clinton – three (3) sections	\$130,000
4	First, Second, Fourth & Fifth Sts, Ardrossan – seven (7) sections	\$215,000
5	Main St and Koolywurtie St, Port Vincent – six (6) sections	\$175,000
6	Anzac Parade and St Vincent St, Stansbury – three (3) sections	\$45,000
7	Jetty area and Blanche St, Edithburgh – three (3) sections	\$100,000
8	Warooka Rd and Minlaton Rd, Yorketown – four (4) sections	\$160,000
9	Brentwood Rd and Main St, Warooka – two (2) sections	\$50,000
10	Main St, Minlaton – four (4) sections	\$200,000
11	Main St, Port Victoria – three (3) sections	\$150,000
	<b>TOTAL</b>	<b>\$1,500,000</b>

The estimated costs in the table above are based on contractor costs and rates for previous work carried out in the last six (6) to twelve (12) months.

### Wider and longer - term impact

Council is proposing to borrow \$1.2 million over a ten (10) year period to fund its portion of this project. This equates to annual repayments of \$146,776 with total interest over the life of the loan being \$267,761. Page 18 of the LTFP shows that Council's closing cash position is more than adequate to fund the repayment of this additional loan and well within its target range for its forecast Net Financial Liabilities Ratio (NFLR). Page 19 of the LTFP shows that Council's NFLR is well below its target range of 100%, with a slight decrease each year after Year 1 of the plan based on reduction in existing loans.

A significant decrease is forecast from Year 6 as a number of existing loans reach maturity. All of this demonstrates Council's capacity to borrow additional funds for infrastructure capital renewal and in combination with Council's improving operating bottom line, the ability to repay them without significant adverse impact on financial sustainability targets. Adding additional debt of \$1.2 million from Year 2 of the LTFP will only increase the NFLR by 0.6% in 2017-18 to 24.8%, which is still well below Council's target of 100%. It should be noted that even with this slight increase to the NFLR in 2017-18 the following nine (9) years of the LTFP see a reduction, year on year, if no new loans are taken.

The impact of additional debt to Council's LTFP has been considered by Elected Members as demonstrated by the attached Council reports (refer Attachment 4) and they understand and are comfortable with Council's projected levels of debt as a result of this project. They understand that while Council's NFLR will increase marginally, it is still well below the target range of 100% and that Council is still on track to achieve financial sustainability in the medium to long term through its LTFP.

As mentioned previously this project will result in capital expenditure during 2017-18 and 2018-19 being greater than that listed on page 18 of Council's LTFP. Total capital expenditure in 2017-18 is forecast to be \$8.26 million while in 2018-19 it is forecast to be \$8.98 million, which includes the annual expenditure on assets as listed in the ten (10) year capital works programme attached to Council's TAMP. Pages 81 – 83 of the programme detail the assets that are proposed to be renewed, replaced or upgraded based on whole of life costing and their condition. The total required to be spent in 2017-18 is \$2.264 million subject to funding availability and as can be seen from the list is primarily for Council's unsealed road network with a small amount to be spent on the sealed road network. No footpath renewal or replacement works are included in this list, demonstrating that this project will result in capital expenditure over and above that proposed in Council's TAMP and LTFP. The same can be seen for 2018-19 on pages 83 – 86 of the programme. The revised total forecast capital expenditure in 2017-18 and 2018-19 will be \$18.74 million, which is an increase of \$1.5 million to that forecast in the LTFP.

## **5. Attachments**

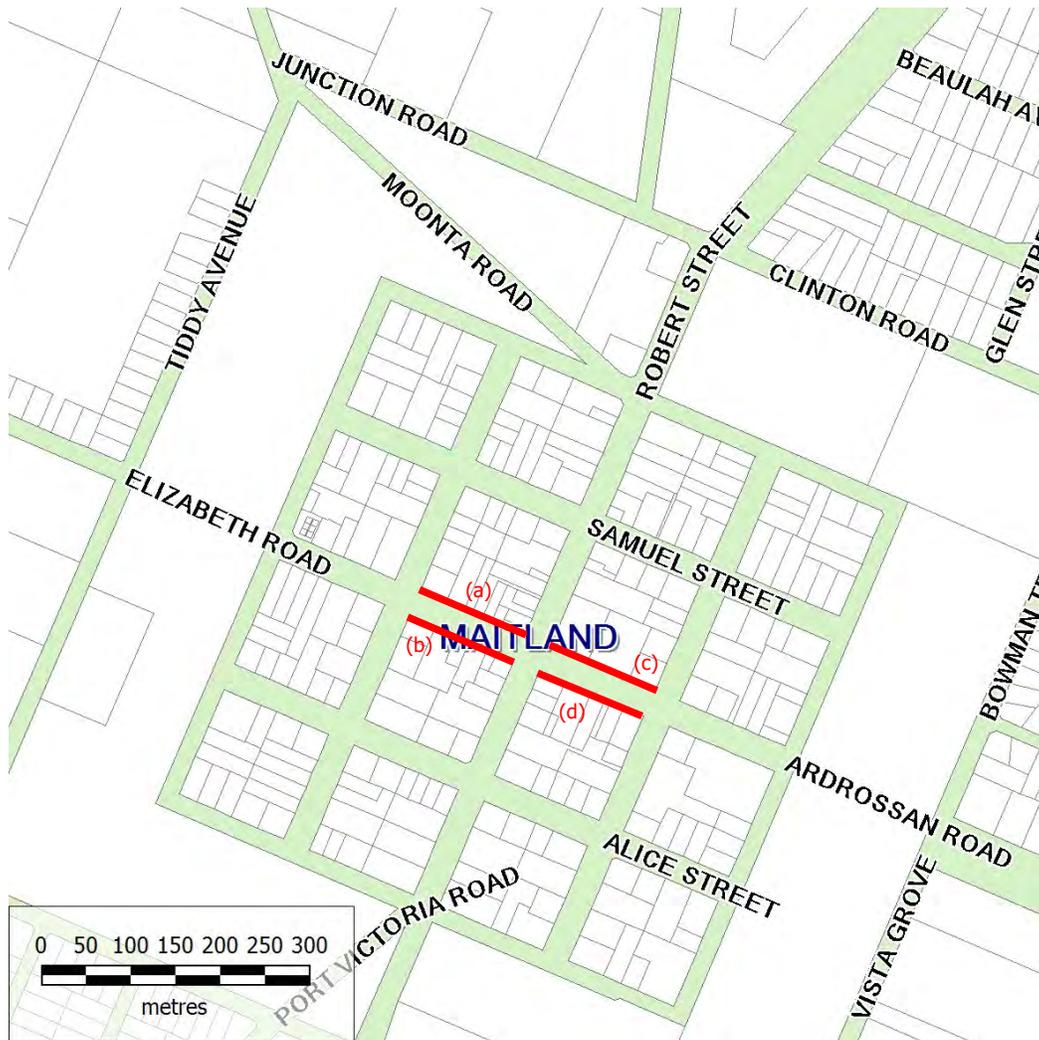
Attachment 1: Location maps of footpaths

Attachment 2: 2015-16 Audit Opinion letters

Attachment 3: Risk Management Plan

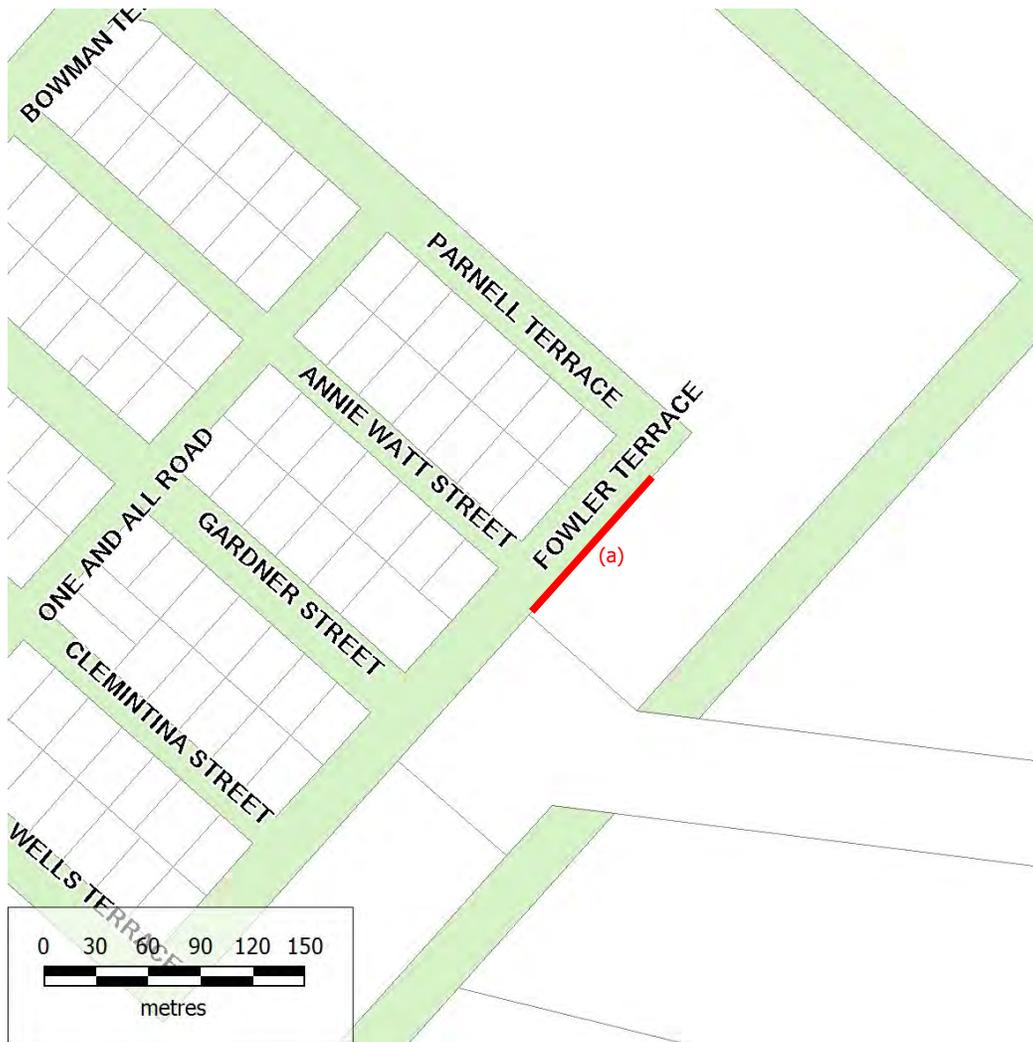
Attachment 4: Council reports and minutes

## Proposed Footpath Paving Locations Maitland



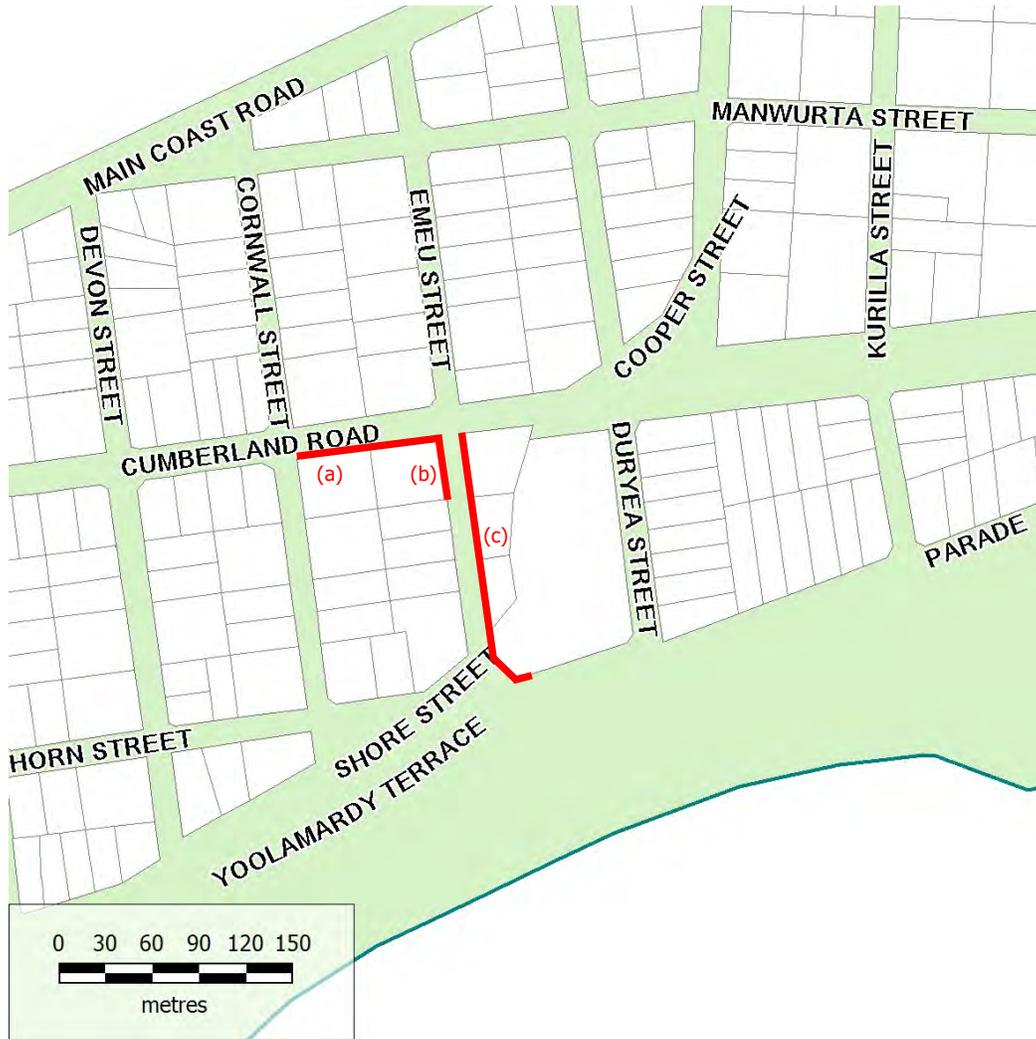
Id	Location	
(a)	Elizabeth Street between Robert Street & Caroline Street, north side	
(b)	Elizabeth Street between Robert Street & Caroline Street, south side	\$215,000
(c)	Elizabeth Street between Robert Street & Walter Street, north side	
(d)	Elizabeth Street between Robert Street & Walter Street, south side	

## Proposed Footpath Paving Locations Price



Id	Location	
(a)	Fowler Terrace – by caravan park entrance	\$60,000

## Proposed Footpath Paving Locations Port Clinton



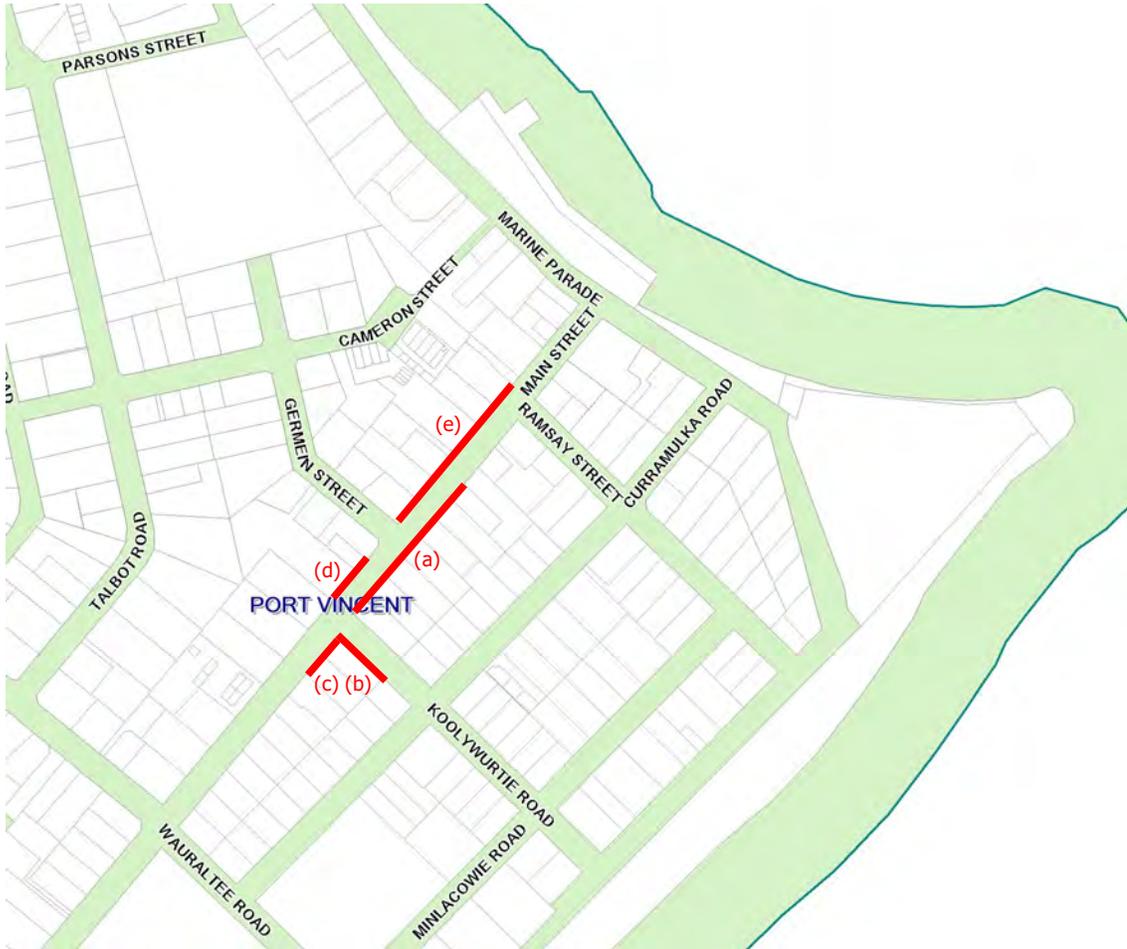
Id	Location	
(a)	Cumberland Road between Cornwall & Emeu Street, south side	\$130,000
(b)	Emeu Street to new toilets	
(c)	Emeu Street from Cumberland Road cnr to Caravan Park, eastern side	

## Proposed Footpath Paving Locations Ardrossan



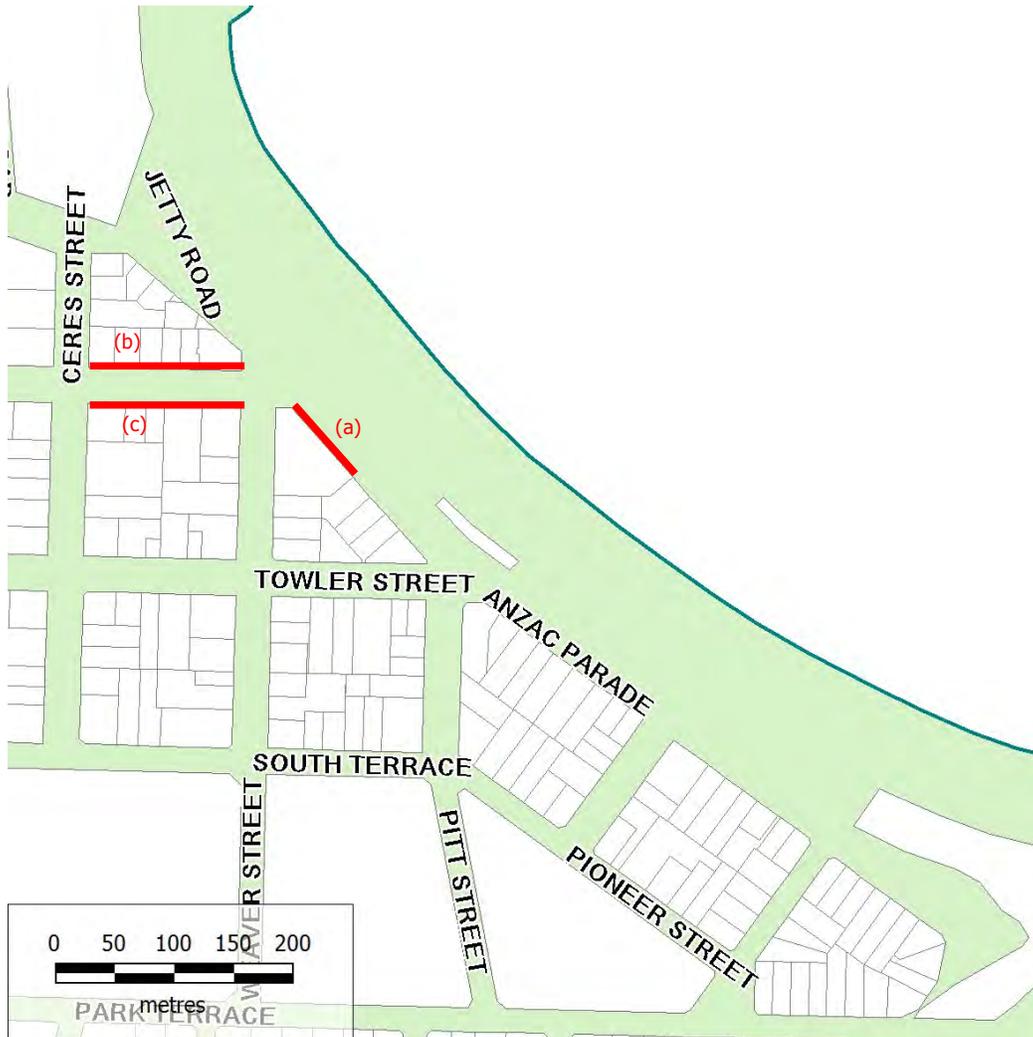
Id	Location	
(a)	Second Street between Fourth Street & Fifth Street, north side	\$215,000
(b)	Fourth Street between Second Street & First Street, east side	
(c)	First Street between West Terrace & Fourth Street, south side	
(d)	First Street between West Terrace & Fourth Street, north side	
(e)	Fifth Street between First Street & Second Street, west side	
(f)	First Street between Fifth Street & East Terrace, south side	

## Proposed Footpath Paving Locations Port Vincent



Id	Location	
(a)	Main Street between Koolywurtie Street & Ramsay Street, south side	\$175,000
(b)	Koolywurtie Road by Hardware Shop	
(c)	Main Street from Koolywurtie Road to church	
(d)	Main Street from Auto Centre to Post Office	
(e)	Main Street from Sports Shop to Butcher	

## Proposed Footpath Paving Locations Stansbury



Id	Location	
(a)	Anzac Parade in front of the Dalrymple Hotel	\$45,000
(b)	St Vincent Street between Ceres Street & Weavers Street, north side	
(c)	St Vincent Street between Ceres Street & Weavers Street, south side	

## Proposed Footpath Paving Locations Edithburgh



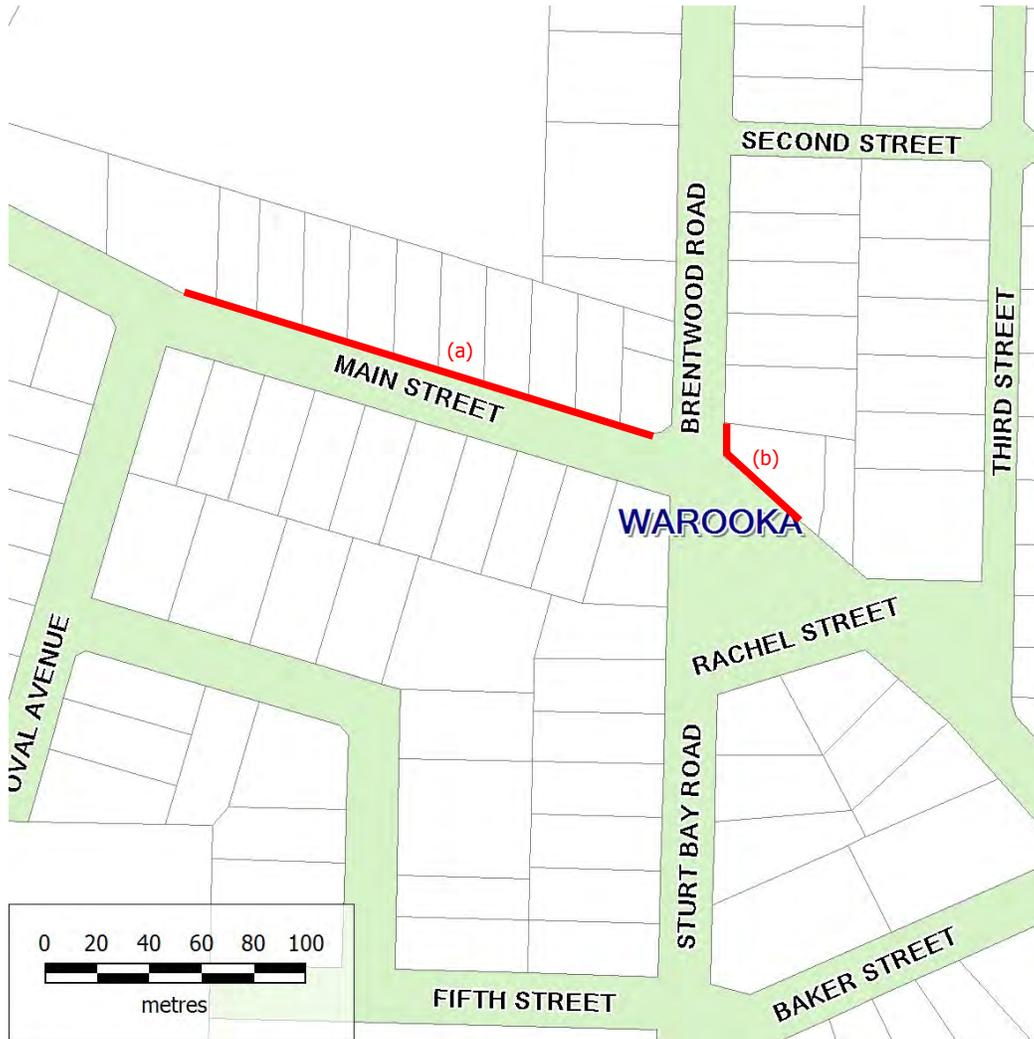
Id	Location	
(a)	Area in front of Jetty	\$100,000
(b)	Blanche Street between Thomas & Cross Street, west side	
(c)	Blanche Street between Thomas & Cross Street, east side	

## Proposed Footpath Paving Locations Yorketown



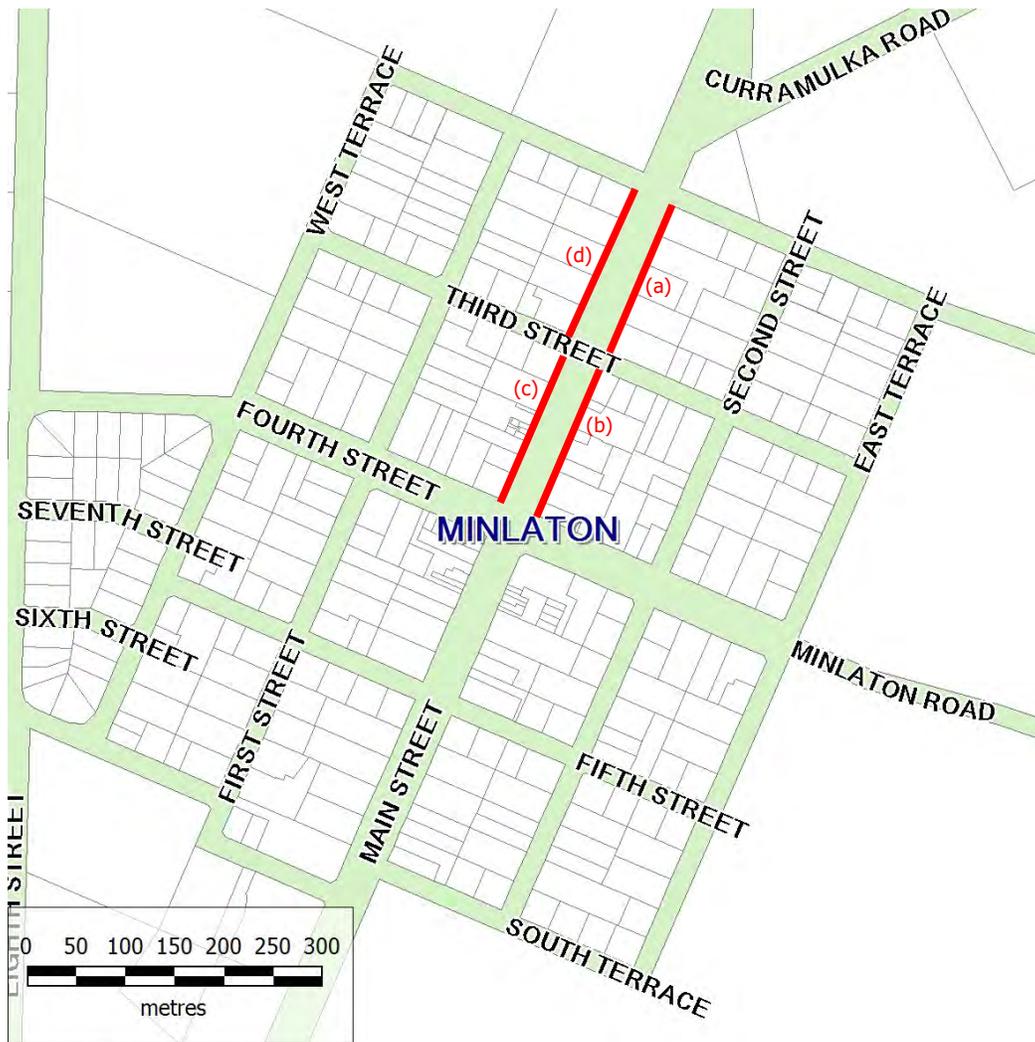
Id	Location	
(a)	Warooka Road between Charles Street & William Street	
(b)	Warooka Road between William Street – YP Ag Building	\$160,000
(c)	Minlaton Road between Tonkin Street & Hermann Street, east side	
(d)	Minlaton Road between Tonkin Street & Stansbury Road, east side	

## Proposed Footpath Paving Locations Warooka



Id	Location	
(a)	Brentwood Road to Oval Avenue, north side	\$50,000
(b)	Corner of Main Street and Brentwood Road (new butcher shop)	

## Proposed Footpath Paving Locations Minlaton



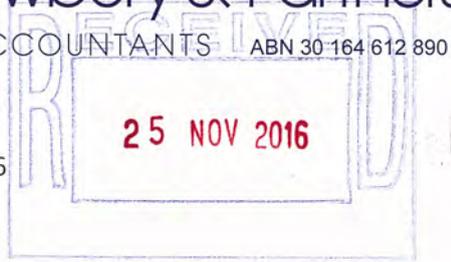
Id	Location	
(a)	Main Street between North Terrace & Third Street, east side	\$200,000
(b)	Main Street between Third Street & Fourth Street, east side	
(c)	Main Street between Fourth Street & Third Street, west side	
(d)	Main Street between Third Street & North Terrace, west side	

## Proposed Footpath Paving Locations Port Victoria



Id	Location	
(a)	Main Street between Victoria Terrace & Passat Street, south side	\$150,000
(b)	Main Street between Passat Street & Lawhill Street, south side	
(c)	Main Street between Lawhill Street & Wilson Terrace, south side	

11 November 2016



Mayor Ray Agnew  
Yorke Peninsula Council  
PO Box 57  
**MINLATON SA 5573**

Dear Mayor Agnew

**COMPLETION OF EXTERNAL AUDIT: PROVISION OF 2016 AUDITOR'S REPORT TO COUNCIL**

Please be advised that in accordance with the requirements under the *Local Government Act 1999* (the Act), we have now completed the statutory audit of the Yorke Peninsula Council for the financial year ended 30 June 2016.

We have enclosed the 2016 Auditor's Report which has been signed without reference to any qualification.

As required under Section 129 of the Act, we wish to advise of the following matters in conjunction with the work recently completed.

**1. No report is required to the Minister**

There is no matter arising from the audit of your Council for the year ended 30 June 2016 which we need to report to the Minister, as would otherwise be required under Section 129(6) of the Act.

**2. Audit Correspondence issued during the 2016 Financial Year**

Various audit matters have been formally communicated through our issued Management Letters to you from time to time during the year. We are satisfied that action has, or is in the process of addressing all matters previously raised.

**3. Accounting Practices and Management of the Council's Financial Affairs**

In reaching our audit opinion, we are satisfied as to the overall standard of Council's accounting practices and management of Council's financial affairs.

**4. Council's Audit Committee**

We are satisfied that Council's Audit Committee has addressed all of its prescribed functions as outlined in Section 126(4) of the Act.

## 5. Auditor's Independence Declaration

Please note that our signed Auditor Independence Declaration has been issued as required by Section 16A of the *Local Government (Financial Management) Regulations 2011*.

## 6. 2016 Balance Date Audit Management Letter

Our 2016 Balance Date Management Letter will be separately issued to you shortly, with a copy forwarded to Council's Audit Committee as is our customary practice.

Please contact me on the details provided below should you require any further information.

Yours sincerely

**DEAN NEWBERY & PARTNERS**



**Jim Keogh**  
Partner

T: 8267 4777

E: [jimkeogh@deannewbery.com.au](mailto:jimkeogh@deannewbery.com.au)

C. Council's Audit Committee.

Enc:

Statutory Audit Opinion 2016

## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE YORKE PENINSULA COUNCIL

We have audited the Internal Controls of the Yorke Peninsula Council (the Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2015 to 30 June 2016 have been conducted properly and in accordance with law.

### The Council's Responsibility for the 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, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the 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 2015 to 30 June 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assessed risks.

### Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

### 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 internal 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.

### Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

## Opinion

In our opinion, the Council has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2015 to 30 June 2016.

**DEAN NEWBERY & PARTNERS**  
**CHARTERED ACCOUNTANTS**



**JIM KEOGH**  
**PARTNER**

Signed on the 11<sup>th</sup> day of November 2016  
at 214 Melbourne Street, North Adelaide, South Australia, 5006

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE YORKE PENINSULA COUNCIL**

We have audited the accompanying financial report of the Yorke Peninsula Council, which comprises the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

**The Responsibility of the Chief Executive Officer for the Financial Report**

The Chief Executive Officer of the Yorke Peninsula 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 Local Government (Financial Management) Regulations 2011. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011. We confirm that the independence declaration required by the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 provided to the Chief Executive Officer, would be in the same terms if provided to the Chief Executive Officer as at the date of this auditor's report.

**Auditor's Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Yorke Peninsula Council as of 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

**DEAN NEWBERY & PARTNERS**  
**CHARTERED ACCOUNTANTS**

  
**JIM KEOGH**  
**PARTNER**

Signed on the 11<sup>th</sup> day of November 2016,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

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### Certification of Auditor's Independence

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I confirm that, for the audit of the financial statements of the Yorke Peninsula Council for the year ended 30 June 2016, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



**Jim Keogh**

**Partner**

**DEAN NEWBERY & PARTNERS**

**CHARTERED ACCOUNTANTS**

Dated this 11<sup>th</sup> day of November 2016

**RISK MANAGEMENT PLAN**Date of Risk Review **February 2017**Compiled By **Sid Jain**Function /  
Activity**Main Township Footpath Replacement Programme**Reviewed By **Stephen Goldsworthy  
Roxanne White**

Ref	The Risk:	Risk Assessment	Current Controls	Consequence	Likelihood	Risk Rating	Accept Avoid Reduce Transfer or Retain?	Person(s) Responsible	How will this be Measured/ Monitored
<b>1</b>	<b>Contractor Management</b>								
	<b>Risk of Injury / WHS</b>	Ensure all contractors engaged to undertake works have appropriate Work Health and Safety (WHS) systems in place as per Council's WHS Contractor Management Policy and Procedures.	Use contractors who have provided necessary documentation and are on Council's Preferred Contractors Register All contractors are required to comply with WHS Contractor Management Policy and Procedures and other WHS policies and procedures. On site inductions and surveillance is undertaken with each contractor.	3	E	<b>M</b>	Accept	Project Manager & Risk Administrator	Evidence of Contractor Management Induction. Monitor JSAs. Regular site inspections.
	<b>Failure to Adequately Insure</b>	Ensure all contractors engaged have appropriate and current public liability, workcover, etc as per Council's WHS Contractor Management Policy and Procedures. Failure to have adequate insurance.	Ensure all contractors have provided necessary documentation and are on Council's Preferred Contractors Register.	3	E	<b>M</b>	Accept	Project Manager & Risk Administrator	Evidence of adequate insurance.
	<b>Lack of Appropriate Licences / Qualifications</b>	Ensure all contractors engaged are appropriately licenced/qualified to undertake the work required. Lack of appropriate license/qualifications	Use contractors who have provided necessary documentation and are on Council's Preferred Contractors Register.	3	E	<b>M</b>	Accept	Project Manager & Risk Administrator	Evidence of appropriate Licences / Qualifications
	<b>Lack of Appropriate / Compliant Agreement</b>	Appropriate/compliant contract agreements to be in place for all contractors.	Use contractors who have provided necessary documentation and are on Council's Preferred Contractors Register. Local Government Association Workers Compensation Scheme/Mutual Liability Scheme (LGAWCS/MLS) compliant Works Order / contracts to be in place.	3	E	<b>M</b>	Accept	Project Manager & Risk Administrator	Appropriate Works Order/Contracts in place.
	<b>Failure to Meet Performance Criteria/Targets</b>	Damaged plant/equipment, Inclement weather conditions, illness, etc may delay contract works.	Project Manager to monitor the project. Including - contractors - material costs - time frames	2	D	<b>L</b>	Accept	Project Manager	Regular site inspections undertaken and documented.
<b>2</b>	<b>Third Party</b>								
	<b>Damage to Infrastructure</b>	Identify third party infrastructure prior to commencing works. Dial Before You Dig Job Safety Analysis (JSA)	JSA to be undertaken for each section. Dial Before You Dig	2	E	<b>L</b>	Accept	Project Manager	Evidence JSA has been reviewed daily and updated when any changes occur to the worksite, work environment and/or scope of work. Evidence "Dial before you Dig" has been undertaken.
	<b>Potential Impact on Adjacent Properties</b>	Identify all owners of properties and consult with them. Identify infrastructure to be relocated.	Approvals in place and arrangements for infrastructure to be relocated.	3	E	<b>M</b>	Accept	Project Manager	Evidence of Consultation. Evidence of Appropriate documentation for land acquisitions and infrastructure relocations.
	<b>Failure to Adequately Consult</b>	Failure to adequately consult with property owners, adjoining property owners and general public. Loss of reputation/public image.	Consultation with property and adjoining landowners.	2	D	<b>L</b>	Accept	Project Manager	Consultation undertaken and documented.
<b>3</b>	<b>Environmental</b>								
	<b>Impact on Street Trees</b>	Some street trees may need to be trimmed. Damage to plant and equipment and street trees.	Street trees to be considered as part of JSA. Identify all street trees that are affected. Project Manager to work with contractor to ensure street trees are not damaged.	2	C	<b>M</b>	Accept	Project Manager	Evidence JSA has been reviewed and updated when any changes to worksite, work environment and/or scope of work occur. Evidence of areas identified and strategies applied. Appropriate Approvals in place
<b>4</b>	<b>Financial</b>								
	<b>Funding Withdrawal</b>	Failure to adequately budget project. Funding may be revoked due to failure to meet deadlines. Costs may exceed budget. Loss of reputation/negative public image.	Project Manager to monitor the project. Including - costs - time frames Project Management Plan in place.	4	D	<b>H</b>	Accept	Project Manager	Evidence of Financial monitoring.
	<b>Depreciation</b>	Failure to plan for depreciation.	Maintenance of the footpaths will be included in Council's annual budget as and when required once project is complete.	2	D	<b>L</b>	Accept	Director Assets & Infrastructure	Evidence of maintenance allocation in Council's budget.

**RISK MANAGEMENT PLAN**Date of Risk Review **February 2017**Compiled By **Sid Jain**Function /  
Activity**Main Township Footpath Replacement Programme**Reviewed By **Stephen Goldsworthy  
Roxanne White**

Ref	The Risk:	Risk Assessment	Current Controls	Consequence	Likelihood	Risk Rating	Accept Avoid Reduce Transfer or Retain?	Person(s) Responsible	How will this be Measured/ Monitored
<b>5</b>	<b>Maintenance</b>								
	<b>Failure to Maintain the replaced footpaths</b>	Ongoing maintenance will be required as asset ages.	Regular inspection / maintenance regime to be setup. Maintenance will be included in Council's annual budget as and when required once project is complete.	2	D	L	Accept	Director Assets & Infrastructure	Evidence of maintenance allocation in Council's budget.
<b>6</b>	<b>Project</b>								
	<b>Delays</b>	Funding dependent on start date. Delay in start will put funding at risk. Inclement weather could impose further delays.	Project Manager to monitor the project. Project Plan in place with firm time lines. Project Manager to undertake regular visits to monitor progress, address issues and implement corrective actions.	3	C	H	Accept	Project Manager	Regular meetings undertaken and documented to monitor project. Evidence of regular site visits.
	<b>Failure to Meet Project Objectives</b>	Project failure. Do not meet funding deadlines and potentially lose funding. Project reports. Agreements and permissions required. Potential for funding to be withdrawn. Loss of reputation.	Project Manager to monitor the project.	4	D	H	Accept	Project Manager	Regular meetings undertaken and documented to monitor project. Evidence of regular site visits.
	<b>Work Not Scoped Properly</b>	Risk of costs/tasks being potentially overlooked.	Scope of works developed/reviewed in detail by the Project Manager.	3	C	H	Accept	Project Manager	Evidence of regular meetings to monitor project.
	<b>Community Complaints</b>	Complaints such as disruption, dust, noise. Project does not go ahead.	Complaints to be managed by the Project Manager.	2	D	L	Accept	Project Manager	Evidence of Community feedback from consultation. Complaints Managed.
<b>7</b>	<b>General Hazards</b>								
	<b>Not Currently Identified</b>	Hazards may be identified during the Project that have not been identified.	Regular inspection / maintenance regime to be setup. Project Manager to address these as they arise.	2	C	M	Accept	Project Manager	Evidence of regular site visits and meetings to monitor the project.

**ITEM 2 MAYORS REPORT**

**Cr Headon moved Cr Braund seconded**

That the report from Mayor Agnew be received.

**CARRIED 245/2016 (14/12/2016)**

**ADOPTION OF INFORMATION AGENDA**

**Cr Meyer moved Cr Rich seconded**

That the information items contained within the Information Agenda, be received.

**CARRIED 246/2016 (14/12/2016)**

**ITEM 6 DEBATE AGENDA**

**CHIEF EXECUTIVE OFFICER**

**DA/CEO/R1**

**ELECTED MEMBERS POLICIES**

**Cr Langford moved Cr Hoyle seconded**

That Council endorse and adopt the updated:

1. PO089 Elected Members Entitlements, Facilities, Services and Expenses Policy
2. PO135 Elected Members Training and Development Policy
3. PO135A Elected Members Training Plan

as presented, for inclusion in the Council's Policy Manual and on Council's website.

**CARRIED 247/2016 (14/12/2016)**

**DA/CEO/R2**

**ORDER MAKING POLICY**

**Cr Hoyle moved Cr Meyer seconded**

That Council endorse the updated Order Making Policy PO100 for public consultation in accordance with the requirements of Section 259 of Local Government Act 1999.

**CARRIED 248/2016 (14/12/2016)**

**DA/CEO/R3**

**PO058 PURCHASING AND PROCUREMENT POLICY**

**Cr Langford moved Cr Hoyle seconded**

That Council endorse the updated PO058 Purchasing and Procurement Policy, as presented, for inclusion in Council's Policy Manual and on Council's website.

**CARRIED 249/2016 (14/12/2016)**

**DA/CEO/R4**

**2016 STATE LOCAL GOVERNMENT INFRASTRUCTURE PARTNERSHIP**

**Cr Hoyle moved Cr Headon seconded**

1. That the report be received.
2. Council explore suitable projects for consideration at either the January or February 2017 meetings.

**CARRIED 250/2016 (14/12/2016)**

**CHIEF EXECUTIVE OFFICER****DA/ITEM 6.1****4. 2016 STATE LOCAL GOVERNMENT INFRASTRUCTURE PARTNERSHIP****PURPOSE**

Council has received notification of a new 2016 State Local Government Infrastructure Partnership job stimulus funding programme.

**RECOMMENDATION**

- 1) That the report be received.
- 2) Council explore suitable projects for consideration at either the January or February 2017 meetings.

**LINK TO STRATEGIC PLAN**

Goal: 2 Community Connected through Infrastructure  
 Strategy: 2.5 Explore provision of new infrastructure

**BACKGROUND**

The State Local Government Infrastructure Partnership (the Partnership) has been developed to support Councils to accelerate spending on community infrastructure projects and deliver public value and economic stimulus.

Under the Partnership, the State government will provide funding support to facilitate payment of \$25 million in grants to Councils for up to 20 per cent of the cost of eligible projects. Councils will finance the remaining 80 per cent of the cost either through their own reserves or borrowings.

Partnership grants will be available as a once-off for projects approved in 2016-17, with grants being paid once construction has commenced.

The Local Government Financing Authority (LGFA) will provide finance, for a ten-year period, for any Council borrowings on Partnership projects at its cost of funds (inclusive of State guarantee fee) plus a 0.2 percentage point margin.

**DISCUSSION**

The guidelines in relation to the funding round have been provided as an attachment to this report. As with any funding programme there are eligible projects and essential criteria to meet in order to qualify for consideration.

To be eligible for Partnership support, proposed infrastructure projects must:

- Be renewal, replacement or upgrades of existing assets or the creation of new assets;
- Be included in the council's existing adopted Infrastructure and Asset Management Plan and Long-term Financial Plan and able to be brought forward by at least 2 years as a result of Partnership assistance, or be currently unfunded;
- Be supported by a business case, including cashflow projections for the construction and operation phase (including any grants or private contributions to the project), and demonstrate the council's capacity to meet the ongoing additional

- costs associated with any new/upgraded infrastructure (i.e. maintenance, depreciation and other operating expenses associated with such infrastructure);
- Commence construction by 31 December 2017;
  - Lead to additional employment and maximise the use of local contractors during the construction phase, consistent with the South Australian Industry Participation Policy;
  - Use Australian certified steel products;
  - Have a GST exclusive cost of at least \$1 million.

The table below summarises the key dates:

Early registration (not compulsory)	23 December 2016
Application closing date	28 February 2017
Applicants notified of decision	31 March 2017
Project commencement date	Prior to 31 December 2017
Acquittal	As per funding agreement

The initial and obvious projects for consideration would be upgrades to our unsealed road networks. However, given the recent open tendering results for similar work (due to the additional fuel excise), I would strongly recommend Council steer away from this option, as the 20% funding would provide no value or a negative value to Council and the community.

In the same vein I would avoid any projects relating to our building assets pending a full service review next year. Another major Infrastructure component that could be considered is our Coastal infrastructure, again I would recommend avoiding this asset class, at this point, due to the detailed design work required and relatively short time frame to lodge an application.

Council may wish to consider the following three areas or provide feedback to staff on other suitable infrastructure projects.

1. Sealed Road Network Renewal – Contractual

Bring forward projected road reseals from future budgets. This would fit the criteria and assist in our long term renewal of this asset class. Note: the sealed network is currently in sound shape as long as Council commits to the current and projected levels of expenditure.

2. Coastal Reserves/Bush Camping – Contractual

The Bush Camping Working Party is currently reviewing, infrastructure signage, amenities, public safety, fencing, beach access, car parking etc, of all of Council's camping reserves and selected coastal reserves. We will have an ongoing capital budget for those projects into the future.

A study back in 2012 identified numerous sites and general action work plans (in excess of \$1m) in order to address those issues noted above. The intent being to enhance these areas for visitors and locals and make Yorke Peninsula a destination of choice. Note: This may be premature, given the recent improvements made this financial year, and the working party having limited time to assess feedback and visitation numbers.

### 3. Main Township Footpath Improvement - Contractual

We currently have a piecemeal approach for footpath upgrades/renewal. A programmed approach over two budget cycles to this capital project would address a number of access issues and provide an immediate impact to those towns.

Note: Staff would need to scope out suggested areas, it would be suggested that areas be limited to the CBD and surrounds or high traffic areas such as the recently layed path to the Maitland hospital, which has received fantastic public feedback.

## **COMMUNITY ENGAGEMENT PLAN**

Not applicable

## **CONSULTATION PROCESS**

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Corporate Management Team

In preparing this report, the following External Parties were consulted:

- Nil

## **POLICY IMPLICATIONS**

Not applicable

## **BUDGET AND RESOURCE IMPLICATIONS**

Council will be required to fund 80% of any projects submitted for consideration under this funding programme. Officers are currently modelling financing options through our LTFFP, on capital projects at \$1m, \$1.5m and \$2m respectively.

## **RISK/LEGAL/LEGISLATIVE IMPLICATIONS**

An opportunity exists to capitalise on 20% State Government funding support for infrastructure projects over \$1 million. Council should carefully consider if there are any capital projects in the forward planning, that fall within the guidelines of this programme, that can bring benefit to our region.

## **ATTACHMENTS**

**Attachment 1:** 2016 State Local Government Infrastructure Partnership

**ITEM 6 DEBATE AGENDA**

**CHIEF EXECUTIVE OFFICER**

**DA/CEO/R1**

**2016 STATE LOCAL GOVERNMENT INFRASTRUCTURE PARTNERSHIP**

**Cr Cook moved Cr Hoyle seconded**

**That Council endorse the submission of the identified Main Township Footpath Improvement Programme as detailed in the report.**

**CARRIED 27/2017 (08/02/2017)**

**DA/CEO/R2**

**ORDER MAKING POLICY**

**Cr Bittner moved Cr Rich seconded**

**That Council endorse and adopt the updated PO100 Order Making Policy, as presented, for inclusion in Council's Policy Manual and on Council's website.**

**CARRIED 28/2017 (08/02/2017)**

**CHIEF EXECUTIVE OFFICER**

**DA/ITEM 6.1**

**1. 2016 STATE LOCAL GOVERNMENT INFRASTRUCTURE PARTNERSHIP**

**PURPOSE**

To seek approval from Council to submit a suitable project for consideration under this job stimulus funding programme.

**RECOMMENDATION**

That Council endorse the submission of the identified Main Township Footpath Improvement Programme as detailed in the report.

**LINK TO STRATEGIC PLAN**

Goal: 2 Community Connected through Infrastructure

Strategy: 2.5 Explore provision of new infrastructure

**BACKGROUND**

Elected Members would recall a report was presented to the 14<sup>th</sup> December 2016 Council meeting advising Council of this new job stimulus funding programme to be made available to Local Government on a partnership arrangement.

Elected Members were asked to explore suitable projects for consideration at the January or February 2017 meetings.

Three identified areas for consideration of projects were presented in the December report being:

- Sealed Road Network Renewal – Contractual
- Coastal Reserves/Bush Camping – Contractual
- Main Township Footpath Improvement - Contractual

**DISCUSSION**

The Corporate Management Team have considered the funding guidelines and discussed the suitability of planned projects in line with the requirements of the Long Term Financial Plan and adopted Asset and Infrastructure Management Plans.

The Corporate Management Team consider that the Main Township Footpath Improvement concept identified at the December 2016 Council meeting will provide the most effective outcome in addition to meeting community aspirations for township improvements.

Field Staff have identified high priority township footpath areas suitable for inclusion in the stimulus funding project. Indicative costings have been provided for each of the identified high priority footpath areas and are included on the attached maps showing locations which total \$1.5 million.

Councils with projects that meet the essential funding criteria will be eligible to receive up to 20 per cent of the cost of the project through the stimulus funding programme and will need to finance the remaining 80 per cent of the cost through either existing financial

reserves or the Local Government Finance Authority (LGFA) at the concessional rates offered.

In recommending this project, a funding quote was sought for \$1.2m from the Local Government Finance Authority over a ten (10) year term at the concessional interest rates on offer.

The indicative concessionary interest rate applicable to this project is 4.00% (currently 4.5% for other borrowings).

Subject to any budget decisions made outside of the current parameters of the endorsed Long Term Financial Plan (LTFP), analysis shows that this option fits within current forecast cash flows, borrowing capacity, ratios etc.

Based on the indicative rate above, this option will require 20 half yearly payments of \$73,388.06 totalling \$1.468m over the term of the loan.

Maintenance costs during the 10 year period are considered to be insignificant with very little impact on the LTFP.

If approved, the project cost of \$1,500,000, with 20% funding to be received of \$300,000 and the agreed financing of \$1,200,000 will be included in the revised LTFP to be presented to Council later this year.

If the Council's project submission is successful, a further report will be provided to Council to enable a debenture loan application to be submitted, to provide the necessary funding for Council's contribution.

## **COMMUNITY ENGAGEMENT PLAN**

Level 1, Inform.

## **CONSULTATION PROCESS**

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Corporate Management Team

In preparing this report, the following External Parties were consulted:

- Nil

## **POLICY IMPLICATIONS**

Not applicable.

## **BUDGET AND RESOURCE IMPLICATIONS**

Council is required to fund 80% of the project submitted for consideration.

If approved, the project cost of \$1,500,000, with 20% funding to be received of \$300,000 and the agreed financing of \$1,200,000 will be included in the revised LTFP to be presented to Council later this year.

## **RISK/LEGAL/LEGISLATIVE IMPLICATIONS**

An opportunity exists to capitalise on 20% State Government funding support for infrastructure projects over \$1 million.

## **ATTACHMENTS**

**Attachment 1:** Maps of identified priority locations and indicative costings





**Government  
of South Australia**

TRS17D0437

Mayor Andrew Cameron  
District Council of Yorke Peninsula  
PO Box 88  
MINLATON SA 5575

**Treasurer  
Minister for Finance  
Minister for State  
Development  
Minister for Mineral  
Resources and Energy**  
Level 8  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
GPO Box 2264  
Adelaide SA 5001  
DX 56203 Victoria Square  
Tel 08 8226 1866  
Fax 08 8226 1896  
minister.koutsantonis@sa.gov.au

Dear Mayor

On behalf of the Minister for Local Government, the Hon Geoff Brock MP, and the Local Government Association President, Mayor Lorraine Rosenberg, I would like to thank you for submitting an application for funding support under the State Local Government Infrastructure Partnership.

Your submission has been evaluated against the selection criteria and following evaluation I am pleased to offer the District Council of Yorke Peninsula support of \$300,000 towards the costs of the Main Township Footpath Replacement Programme. Please note that a requirement of this funding is that construction must commence by 31 December 2017.

The Local Government Association will be in contact with you shortly to discuss a funding contract.

Should you have any queries about the program in the meantime, please contact Mr Chris Russell, Strategic Advisor, Local Government Association on 8224 2030 or [chris.russell@lga.sa.gov.au](mailto:chris.russell@lga.sa.gov.au).

Yours sincerely

  
**Hon Tom Koutsantonis MP**  
Treasurer  
Minister for Finance

30 March 2017



# Signing page

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EXECUTED as a DEED

The COMMON SEAL of the LOCAL )  
GOVERNMENT ASSOCIATION OF )  
SOUTH AUSTRALIA was affixed )  
in the presence of: )

.....  
Witness

[Print Name: ]

The COMMON SEAL of the )  
YORKE PENINSULA COUNCIL was )  
hereunto affixed as authorised by )  
resolution on in the presence of: )

.....  
Mayor

.....  
Chief Executive Officer