



**MINUTES OF A MEETING OF THE
BROWN HILL AND KESWICK CREEKS
STORMWATER BOARD**

HELD THURSDAY October 18, 2018, AT 6.00 PM

At the City of Unley
181 Unley, Road, Unley

MEMBERSHIP

J Choate (Chairperson)
R Barratt
P Bowler
P Gelston
G Vogt

ATTENDEES

M Salkeld, Project Director
Dallis Von Wald, City of Unley

MINUTES

BROWN HILL AND KESWICK CREEKS

STORMWATER BOARD MEETING

THURSDAY October 18, 2018

Commencing at 6.00pm

1. Meeting Administration

The meeting opened at 6:07pm at which time the Chair noted that the agenda had been constructed to reflect legislative requirements.

1.1. Present:

J Choate (Chairperson)
R Barratt
P Bowler
Paul Gelston
G Vogt

In attendance:

Michael Salkeld, Executive Officer
Julie Kerr, Minute Taker

1.2. Apologies:

Nil

1.3. Minutes-20 September 2018

Moved: R Barratt

Seconded: G Vogt

BHKCSB18/18-19

CARRIED

That the minutes of the Brown Hill and Keswick Creeks Stormwater Board held on September 20, 2018, be accepted as a true and correct record of the proceedings.

1.4. Correspondence

Addressed below in items 2.3 and 3.1.

1.5. Declaration of Interests

Nil

2. Matters arising from the minutes

2.1. Staffing

The recruitment process for the Executive Project Director role is being undertaken by Perks, with Paul Gelston to join the interview panel when it convenes on November 1 and 15. The Chair noted that the charter specifies at 13.1 a maximum term of five years for the Executive Project Director's role.

2.2. Appointment of Accountant

Following referee checks, William Buck has been appointed as the subsidiary's accountant. At the first meeting with the firm it needs to be advised that the financials must be prepared in accordance with the requirements of the Local Government Act.

2.3. ABN, establishment of bank account and GST registration

The paperwork for the bank account has been prepared and the account will be opened as soon as the ABN is provided by the Tax Office. GST registration took effect on February 20, 2018.

2.4. Advisian

The assumptions underpinning the modelling are to be provided. Currently there is no provision for inflation or escalation of costs as the assessment was based on today's values to determine what the councils would have to pay if funds were borrowed to shorten the project delivery time. Evidence to date would indicate that estimated project costs are likely to be exceeded due to factors such as increases in property values, the cost of repairs for flood damage and the cost of doing business.

It was noted that, due to the level of design, the SMP takes into account contingencies. The latest review by a cost estimator indicated that the total project cost would be approximately \$45 million.

It was agreed that calculations of project costs must be updated annually, and in that process, take into account all business planning and financial modelling undertaken by the Board. If inflation were built in it would improve the benefit/cost ratio which wasn't a driving force in the preparation of the SMP but is now more critical. Annually updated figures will be used by the Board in their financial planning and by the Councils in the preparation of their budgets and LTFPs.

Questions that need to be addressed are:

- What is the actual cost of the works in today's values (base inputs)?
- What is the risk in the current timing of the works?
- What is the project's value to determine the real benefit/cost ratio?

Moved: G Vogt

Seconded: P Gelston

BHKCSB 18/18-19

CARRIED

That the incoming Executive Project Director be directed to draft a scope for commissioning a review and update of base case inputs of the SMP, risks, and benefit/cost ratio. The instruction to whomever is commissioned to undertake the work is to include the fact that its outputs will inform the Councils' lobbying.

2.5. Financial Statements - 2017/2018

The legislation requires the Board to authorise the Chair to certify the financial statements. As the latter cover the period prior to the appointment of the current Board, it is not in a position to authorise or certify the 2017/18 financial statements. This is the responsibility of the Interim Board.

Moved: R Barratt

Seconded: P Bowler

BHKCSB 19/18-19

CARRIED

That, through the Executive Officer, the Interim Board be asked to certify the 2017/18 statements.

Action: M Salkeld

The Chair noted that the Charter at 6.2, 6.6 and 6.7 requires the Board to either return to the Councils any surplus revenue as at June 30 or hold it over for future capital expenditure.

Moved: G Vogt

Seconded: R Barratt

BHKCSB 20/18-19

CARRIED

That the \$57k surplus as at June 30, 2018, be set aside for future capital expenditure.

3. Financial matters

3.1. Letter from Minister Spiers

This was discussed, noting that for any additional funds to be made available to the project, there would need to be compelling new evidence as to the urgency of the works. A revised BCR may assist with material that can be used by the Mayors and CEOs in lobbying State and Federal politicians.

4. Project Works

4.1. Annual Report

The report, with minor amendments, is to be provided to the Councils along with the audited financial statements. This was due by September 30. In addition, the Board must prepare (1) a long term financial plan, due to be reviewed by March 30, 2019 and (2) an asset and infrastructure plan and register. Further, the charter requires any funding applications to the SMA and any project contracts to be novated to the Board. A report on these is to be brought to the next Board meeting.

Action: M Salkeld

Moved: G Vogt
Seconded: P Gelston

BHKCSB 21/18-19

CARRIED

That the Board direct the Executive Officer to provide to the Councils the financial statements and annual report (subject to correction of minor typographical errors).

Action: M Salkeld

4.2. Everard Park

Survey and design works are currently being undertaken to help identify engineering issues and projected costs. A report on the community engagement outcomes is to be provided to the Board.

Action: M Salkeld

The Board endorsed the proactive approach taken by the Executive Officer, noting, however, that in future any financial approvals above the EO's delegation are to be put to the Board.

Moved: P Gelston
Seconded: R Barratt

BHKCSB 22/18-19

CARRIED

That the Executive Officer be given a financial delegation of \$15k, with any financial decisions above that amount to be made by the Board via circular resolution.

The Board is to discuss with the Owners' Executive Committee the issue of community consultation and whether the charter can be amended so that, rather than requiring the consent of all five councils for any community consultation, only the consent of any affected council need be sought.

The Audit and Risk Committee is to consider consultation as part of drafting any policies for delegation of authority.

Action: A&R Committee

4.3. South Parklands

APLA must be approached prior to, and to ensure the subsidiary is ready for, any public consultation about the proposed works. The subsidiary does not have powers of approval.

P Bowler noted his concern about the requirement to go through Section 33 for any planning approvals due to the clause in the *Planning, Development and Infrastructure Act 2016* that precludes the use of Section 49.

Further information about Section 49 is to be provided to the Board.

Action: M Salkeld

After some discussion it was agreed that the project is unlikely to qualify for approval under Section 49 of the *Planning, Development and Infrastructure Act 2016*.

Moved: G Vogt
Seconded: P Gelston

BHKCSB 23/18-19

CARRIED

That the subsidiary not pursue an application under Section 49 of the *Planning, Development and Infrastructure Act 2016*.

4.4 Hawthorn Creek Reserve Upgrade

The report previously circulated was discussed, noting that the charter requires the Board to notify the Councils of any material changes to the cost of works. For the Hawthorn Creek Reserve Upgrade, the budgeted cost in the Business Plan was \$2.3m but the current estimated cost is \$2.8m. An agreed process is required for dealing with cost blowouts; this must be discussed with the Owners' Executive Committee.

Moved: P Bowler
Seconded: P Gelston

BHKCSB 24/18-19

CARRIED

That the Board endorse Mitcham Council's letting of a contract to *Outside Ideas* for the amount of \$2,830,444 for the Hawthorn Creek Reserve creek upgrade works, subject to the following:

- Concurrence by the Chief Executives or delegates of all five constituent councils;
- Notification of the SMA of the projected works and cost;
- Signing of a formal agreement with the City of Mitcham in terms agreeable to the Board;
- Meeting with the BHKCS Owners' Executive Committee to discuss management of cost overruns, with the City of Mitcham to keep the Board informed of any additional anticipated cost overruns; and
- The City of Mitcham being advised of this resolution.

It was noted that the common seal is required for the signing of any contracts but the seal can't be obtained until the ABN is provided by the Tax Office.

4.5 Other project investigations

Discussion of these was deferred until the next meeting.

5 Other business

5.1 Registration for workers compensation and superannuation

The subsidiary can be registered for these, as required, in advance of the engagement of the Executive Project Director.

Action: M Salkeld

A presentation on these has been offered by the relevant bodies, to be given when the Executive Project Director has commenced.

5.2 Tax treatment of Board payment

The Chair is working with Mark Booth of BRM Holdich to clarify the tax treatment of Board sitting fees and superannuation requirements. The outcome will be conveyed to the Board within the week.

Action: J Chaote

5.3 Vote of thanks

The Board formally thanked Dallis Von Wald for the outstanding work she has undertaken for them over the past months.

5.4 Audit and Risk Committee

The Chair noted that the charter requires a person external to the Board to be appointed to the Audit and Risk Committee.

Moved: G Vogt

Seconded: R Barratt

BHKCSB 25/18-19

CARRIED

That the Board appoint to the Audit and Risk Committee an independent person whose financial qualifications are endorsed by the Councils, and who is to be paid an amount equivalent to that of independent members of other Local Government subsidiary Audit Committees.

5.5 Program of work

The Chair is mapping a work program charting when each report/plan is due. This will be circulated for discussion prior to the next meeting.

Action: J Choate

5.6 Date of December Board meeting

It was tentatively agreed that the date of the December meeting be moved to December 12, pending confirmation by G Vogt of his availability.

Action: G Vogt

The Executive Officer left the meeting at 9.00pm, prior to discussion of item 5.7.

5.7 Executive Officer's time allocation

Moved: G Vogt
Seconded: P Bowler

BHKCSB 2618-19

CARRIED

That the Chair approach P Tsokas to propose that the Executive Officer's time allocation be increased to 0.8 FTE with no time in lieu.

6 Meeting close:

The meeting closed at 9:07pm

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Chairperson

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Date: