



## **AGENDA**

### **FOR WORKS AND SERVICES COMMITTEE MEETING TO BE HELD ON 20 MARCH 2017 AT THE CONCLUSION OF BUDGET AND FINANCE COMMITTEE**

**IN THE COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY**

#### **MEMBERS**

Cr G Reynolds (Chairman)  
Mayor G Aldridge (ex officio)  
Cr C Buchanan  
Cr G Caruso  
Cr E Gill  
Cr S Reardon (Deputy Chairman)  
Cr S White  
Cr J Woodman  
Cr R Zahra

#### **REQUIRED STAFF**

General Manager City Infrastructure, Mr M van der Pennen  
General Manager Community Development, Ms P Webb  
Manager Communications and Customer Relations, Mr M Bennington  
Governance Support Officer, Ms K Boyd  
Governance Coordinator, Ms J Rowett

#### **APOLOGIES**

#### **LEAVE OF ABSENCE**

#### **PRESENTATION OF MINUTES**

Presentation of the Minutes of the Works and Services Committee Meeting held on 20 February 2017.

Presentation of the Minutes of the Confidential Works and Services Committee Meeting held on 20 February 2017.

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## OTHER BUSINESS

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## CONFIDENTIAL ITEMS

### 2.9.1 Football Federation SA Proposal to Sublet the Burton Park Community Recreation Facility to Salisbury United Soccer Club

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on that grounds that:

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (d)(i) and (d)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
  - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
  - *information the disclosure of which would, on balance, be contrary to the public interest; and*
  - *commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
  - *commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.*
2. *In weighing up the factors related to disclosure,*
  - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
  - *Non disclosure of the discussion of this item would protect commercial information provided by Salisbury United Soccer Club and enable Council to consider the information prior to making a decision on the proposal.*

*On that basis the public's interest is best served by not disclosing the **Football Federation SA Proposal to Sublet the Burton Park Community Recreation Facility to Salisbury United Soccer Club** item and discussion at this point in time.*
3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

**CLOSE**







**MINUTES OF WORKS AND SERVICES COMMITTEE MEETING HELD IN THE  
COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY ON**

**20 FEBRUARY 2017**

**MEMBERS PRESENT**

Cr G Reynolds (Chairman)  
Mayor G Aldridge (ex officio)  
Cr C Buchanan  
Cr G Caruso  
Cr E Gill  
Cr S Reardon (Deputy Chairman)  
Cr S White  
Cr J Woodman  
Cr R Zahra

**STAFF**

General Manager City Infrastructure, Mr M van der Pennen  
General Manager Community Development, Ms P Webb  
General Manager City Development, Mr T Sutcliffe  
Acting Manager Governance, Ms J Rowett  
Governance Support Officer, Ms K Boyd  
Governance Project Officer, Ms M Woods  
Manager Technical Services, Mr D Roy  
Manager Property and Buildings, Ms K Pepe  
Manager Strategic Relations – Infrastructure, Mr H Pitrans

The meeting commenced at 7:07 pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

**APOLOGIES**

There were no apologies.

**LEAVE OF ABSENCE**

Nil

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## PRESENTATION OF MINUTES

Moved Cr S White  
Seconded Cr S Reardon

The Minutes of the Works and Services Committee Meeting held on 23 January 2017, be taken and read as confirmed.

**CARRIED**

Moved Cr J Woodman  
Seconded Cr R Zahra

The Minutes of the Confidential Works and Services Committee Meeting held on 23 January 2017, be taken and read as confirmed.

**CARRIED**

## REPORTS

### *Administration*

#### **2.0.1 Future Reports for the Works and Services Committee**

Moved Cr S Reardon  
Seconded Cr S White

1. The information be received.

**CARRIED**

#### **2.0.2 Appointment of Deputy Chairman - Works and Services Committee**

Moved Cr G Caruso  
Seconded Cr R Zahra

1. Cr Shiralee Reardon be appointed as Deputy Chairman of the Works and Services Committee for the remainder of the term of Council.

**CARRIED**

### **2.0.3 Appointment of Members to the Strategic Property Development Sub Committee**

Moved Cr R Zahra

Seconded Cr C Buchanan

1. The membership of the Strategic Property Development Sub Committee for the remainder of the term of Council comprise:
  - Cr Steve White
  - Cr G Caruso
  - Cr G Reynolds
  - Cr J Woodman
  - Cr D Proleta
  - Cr R Zahra
  - Cr S Reardon
  - Cr E Gill

**CARRIED**

### *Landscaping*

#### **2.4.1 Autism Friendly Play Space - Social Demographics of Potential Users**

Moved Cr C Buchanan

Seconded Cr G Caruso

1. The information within the report be received.
2. That this project be submitted as a separate budget bid for consideration as part of the 2017/18 budget process.
3. Staff continue to seek alternative funding opportunities.

**CARRIED**

*Mayor G Aldridge entered the meeting at 7:49 pm.*

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*Property***2.5.1 Revocation of Community Land Classification Allotment 163 in Deposited Plan 7792 known as Joe Costello Reserve.**

Moved Cr S Reardon

Seconded Cr J Woodman

1. Pursuant to the provisions of Section 194(3) (b) of the Local Government Act 1999, and having complied with all the requirements thereof, the Council of the City of Salisbury hereby revokes the classification as community land of allotment 163 in deposited plan 7792, Certificate of Title Volume 6174 Folio 123, also known as Joe Costello Reserve, located on Gloucester Avenue at Salisbury East.
2. Allotment 163 in deposited plan 7792, Certificate of Title Volume 6174 Folio 123, also known as the Joe Costello Reserve, located on Gloucester Avenue at Salisbury East is to be removed from Councils register of community land.
3. The Manager Property and Buildings be authorised to prepare a contract of sale with Tyndale Christian School for allotment 163 in deposited plan 7792, Certificate of Title Volume 6174 Folio 123, also known as Joe Costello Reserve, located on Gloucester Avenue at Salisbury East.

**CARRIED****2.5.2 Road Closure Portion of Ryans Road Plantation, Parafield Gardens/Greenfields***Cr E Gill left the meeting at 07:58 pm.**Cr E Gill returned to the meeting at 08:00 pm.*

Moved Mayor G Aldridge

Seconded Cr S White

1. This report be received.
2. Pursuant to the provisions of the *Roads (Opening and Closing) Act 1991*, Council resolves to make a Road Process Order to formally close a portion of Ryans Road Plantation as marked "A" on the attached Preliminary Plan 16/0016 (Attachment 1, 2.5.2 Works & Services Committee 20/2/2017), granting required easements to SA Water, APA Group and SA Power Networks.
3. A Final Plan will be amended and certified to incorporate the granting of the required easements to SA Water, APA Group and SA Power Networks.
4. Pursuant to *Section 193(4) of the Local Government Act 1999*, Council resolve that the portion of Ryans Road Plantation marked "A" on the attached Preliminary Plan (Attachment 1, Item No. 2.5.2 Works & Services Committee 20/2/2017) be excluded from classification as Community Land and site retained by Council for potential development.

**CARRIED**

**2.5.3 Proposed Road Opening - Ann Street, Salisbury**

Moved Cr E Gill

Seconded Mayor G Aldridge

1. This report be received and noted.
2. Pursuant to *Section 210 of the Local Government Act 1999*, Council resolves to give public notice of its intent to declare Ann Street, Salisbury a public road as marked "A" on the attached preliminary plan (Attachment 1, Item No. 2.5.3 Works and Services Committee, 20/2/2017).
3. A final plan be prepared in substantially the same form as the Preliminary plan by a licensed surveyor to be lodged with the Lands Title Office.
4. A further report will be presented to Council following the expiry of the three month notice period to declare Ann Street, Salisbury a public road.

**CARRIED**

*Public Works*

**2.6.1 Capital Progress Report - January 2017**

Moved Cr S White

Seconded Cr G Caruso

1. Within the Third Quarter Budget Review include an approved Non-discretionary bid to transfer \$1.14M from PR13948 Diment Rd Upgrade to PR12000 Road Reseal Program; reduce the Income Budget within PR13948 Diment Rd Upgrade to \$280K in accordance with previous stage of funding received and return \$340K Expenditure Budget from PR13948 Diment Road
2. Construction of new footpaths and/or associated kerb ramps as set out in this report (Item No. 2.6.1, Works and Services Committee, 20<sup>th</sup> February 2017) be endorsed as program inclusions within the Council Funded Footpath and Kerb Ramp Construction / Upgrade Programs.
3. Include Gawler Street, Salisbury, within the 2016/17 Road Reseal Program.
4. Include renewal works, Operations Centre, Salisbury South, within the 2016/17 PR18097 Council Building Renewal Program.
5. Utilise program remaining funds to acquire additional GPS units as part of the 2016/17 PR22803 GPS Tracking Units Program.
6. Within the 2016/17 Plant and Fleet Replacement Program procure a drum type chipper with winch in lieu of blade chipper.

**CARRIED**

## 2.6.2 Impact of Storm Damage

Moved Cr S Reardon

Seconded Cr C Buchanan

1. Council consider the increase in funding by \$500,000, (\$400,000 Capital, \$100,000 Operating) for the Local Flooding – Mitigation Program, New Initiative Bid 2017/18, DWN 16999
2. Council consider the increase in Capital funding of \$200,000 for the Water Course Management Plan, New Initiative Bid 2017/18, DWR 17205, for additional erosion and siltation works
3. Council consider the increase in Capital funding of \$200,000 for the Trail Renewal Program, New Initiative Bid 2017/18, TRR 22118, for repair and bituminising of Dry Creek trails between Bridge Road and Pauls Drive.
4. Council allocate an additional \$100,000 operating budget, for contractual works in response to the storm with respect to tree and tree debris removal, tree corrective pruning and Streetscape management as a third quarter non- discretionary bid.

**CARRIED**

## OTHER BUSINESS

Nil

## CONFIDENTIAL ITEMS

### 2.9.1 Greater Edinburgh Parks stormwater funding application

Moved Cr R Zahra

Seconded Cr J Woodman

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
  - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
  - *information the disclosure of which would, on balance, be contrary to the public interest.*

2. *In weighing up the factors related to disclosure,*
  - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
  - *This report contains information on the potential future rezoning of land within the Council area. Non-disclosure of this information will protect negotiations on the future acquisition of land for drainage purposes by Council.*

*On that basis the public's interest is best served by not disclosing the **Greater Edinburgh Parks stormwater funding application** item and discussion at this point in time.*

3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

**CARRIED**

The meeting moved into confidence at 8:27 pm.

The meeting moved out of confidence at 9:00 pm.

The meeting closed at 9:04 pm.

CHAIRMAN.....

DATE.....





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<b>ITEM</b>	2.0.1
	<b>WORKS AND SERVICES COMMITTEE</b>
<b>DATE</b>	20 March 2017
<b>HEADING</b>	Future Reports for the Works and Services Committee
<b>AUTHOR</b>	Michelle Woods, Projects Officer Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	4.3 Have robust processes that support consistent service delivery and informed decision making.
<b>SUMMARY</b>	This item details reports to be presented to the Works and Services Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

#### **RECOMMENDATION**

1. The information be received.

#### **ATTACHMENTS**

There are no attachments to this report.

#### **1. BACKGROUND**

- 1.1 Historically, a list of resolutions requiring a future report to Council has been presented to each committee for noting.

#### **2. CONSULTATION / COMMUNICATION**

- 2.1 Internal
  - 2.1.1 Report authors and General Managers.
- 2.2 External
  - 2.2.1 Nil.

### 3. REPORT

3.1 The following table outlines the reports to be presented to the Works and Services Committee as a result of a Council resolution:

Meeting Item	- Heading and Resolution	Officer
28/02/2011 2.1.3	<b>Update of Council's Flood Management Strategy</b> 4. On completion of the Flood Plain Mapping an amended Stormwater Management Plan be submitted to Council for endorsement.  <b>Due:</b> March 2017 <b>Deferred to:</b> April 2017 <b>Reason:</b> A discussion paper concerning the management of flooding with respect to Council's Development Plan is being prepared. This combined with the report on Council's Flood Plain Mapping results will give Council a complete picture of what steps are to be taken in the future, with respect to flood management and future development.	Dameon Roy
27/07/2015 1.10.1	<b>Salisbury Oval Precinct Plan</b> 5. A report to commence the community land revocation process required for the Salisbury Oval Precinct be presented to Council in September 2015.  <b>Due:</b> May 2017	Karen Pepe
24/08/2015 OB2(WS)	<b>Pedestrian Safety - Beovich Road</b> 2. That staff bring back a report on various options available to improve the safety of pedestrians on the stretch of Beovich Road bounded by sports fields.  <b>Due:</b> June 2017	Dameon Roy
14/12/2015 NOM3	<b>Traffic monitoring, Kesters Road between Main North Road and Ceafield Road</b> 1. That following the opening of the Masters store and other new businesses on Main North Road, staff undertake traffic monitoring on the lower part of Kesters Road, between Main North Road and Ceafield Road to determine the impact of the operation of those businesses on traffic flow and volume in the area. The report should include consideration of: a. The requirement for additional parking restrictions in the area b. Vehicle movements of heavy and long vehicles through the area c. Risks to public safety as a result of changed traffic patterns.  <b>Due:</b> April 2017	Dameon Roy

14/12/2015	<b>Proposed works relative to the junction of Kings Road with Bolivar Road, Paralowie</b>	Harry Pitrans
2.7.1	4. A report be brought back to the Committee outlining options for improving traffic management between Port Wakefield Road and Salisbury Highway on Kings Road.	
<b>Due:</b>	March 2017	
<b>Deferred to:</b>	May 2017	
<b>Reason:</b>	Report deferred as will be presented via Informal Strategy which will occur in May 2017.	
22/02/2016	<b>Investigation of Costs Associated with Waterslide/Diving Platform Installation at Salisbury Recreation Precinct</b>	Pippa Webb
2.1.1	2. A report be brought back to Council exploring the provision of a spray pad/play structure at the Salisbury Recreational Precinct for consideration in the 2017/2018 budget.	
<b>Due:</b>	March 2017	
<b>Deferred to:</b>	April 2017	
<b>Reason:</b>	Waiting on civil costs information to finalise report.	
22/02/2016	<b>Strategic Transport Plan and E-W Traffic Movements Across the City</b>	Harry Pitrans
OB4	2. Within six months, Council consider a further report addressing the management of E-W traffic movements across the city.	
<b>Due:</b>	March 2017	
<b>Deferred to:</b>	May 2017	
<b>Reason:</b>	Report deferred as will be presented via Informal Strategy which will occur in May 2017.	
29/03/2016	<b>Implementation of Free Bike Hire Scheme (in conjunction with Bike SA) - investigation findings</b>	Adam Trotman
2.2.2	3. The implementation of a Free Bike Hire Scheme within the City of Salisbury be considered again in three years.	
<b>Due:</b>	March 2019	
26/04/2016	<b>Your Tutor Trial</b>	Pippa Webb
6.4.3	2. Report on Outcomes of the Your Tutor Trial to be included on the futures report for Works and Services, and scheduled for March 2017.	
<b>Due:</b>	March 2017	
<b>Deferred to:</b>	June 2017	
<b>Reason:</b>	Report is deferred to June 2017 as a result of a delay with the commencement of the trial.	
24/10/2016	<b>St. Kilda Mangrove Trail Status Update</b>	Mark Purdie
2.4.1	3. That staff continue to investigate future options for the mangrove trail with a further update report to be provided in June 2017.	
<b>Due:</b>	June 2017	

24/10/2016	<b>Joint Use Agreement with Temple Christian College and Licence Agreement with Bethany Christian School for Fairbanks Drive Reserve</b>	Thuyen Vi-Alternetti
2.5.1	6. In the event that objections to Joint Use Agreement with Temple Christian College and Licence Agreement with Bethany Christian School for the purpose of shared use over a portion of Fairbanks Drive Reserve, as marked "A" and "B" on the attached site plan (Attachment 1, Item No. 2.5.1) a further report be presented to Council for consideration.	
<b>Due:</b>	April 2017	
28/11/2016	<b>St. Kilda Master Plan - Stage 2</b>	Terry Sutcliffe
2.4.3	3. A further report be brought back to the April 2017 Works and Services Committee meeting seeking endorsement of the final St Kilda Stage 2 Master Plan.	
<b>Due:</b>	April 2017	
27/02/2017	<b>Proposed Road Opening - Ann Street, Salisbury</b>	Thuyen Vi-Alternetti
2.5.3	4. A further report will be presented to Council following the expiry of the three month notice period to declare Ann Street, Salisbury a public road.	
<b>Due:</b>	June 2017	

#### 4. CONCLUSION / PROPOSAL

- 4.1 Future reports for the Works and Services Committee have been reviewed and are presented to Council for noting.

#### CO-ORDINATION

Officer: EXEC GROUP  
Date: 14/03/2017

ITEM	2.1.1
	<b>WORKS AND SERVICES COMMITTEE</b>
DATE	20 March 2017
HEADING	Para Hills Community Hub Prudential Report and Progression to Construction Phase
AUTHOR	Pippa Webb, General Manager Community Development, Community Development
CITY PLAN LINKS	<p>1.1 Have a community with the skills, knowledge and agility to participate in a rapidly changing economy.</p> <p>3.1 Be an adaptive community that embraces change and opportunities.</p> <p>4.1 Strengthen partnerships that enable us to better address our community's priorities.</p>
SUMMARY	<p>This report provides Council with the <i>Prudential Report – Para Hills Community Hub (February 2017)</i>, prepared by BRM Holdich to inform decision making for progression to the next stage of the project. The Prudential Report does not identify any areas of concern, and concludes that the Para Hills Community Hub Project has been progressed to date consistent with satisfying the principles and requirements of the Salisbury Prudential Management policy.</p> <p>On the basis of the Prudential Report, cost estimate information relating to the project, detailed design and documentation (as set out within this report) which has been undertaken in accordance with Council Resolution number 1250/2016, this report also seeks Council's endorsement to proceed to the Construction Phase of the Para Hills Community Hub.</p> <p>The cost estimate indicates total project costs based on detailed design documents to be in the order of <b>\$4.67 million</b> including design and contingency, which is within <b>7%</b> of the approved budget of <b>\$4.4 million</b>. Cost estimates are intended to be conservative. An example of estimated cost reductions to achieve budget from current estimates is given in section 4.2.4 of this report.</p>

## RECOMMENDATION

1. The *Prudential Report – Para Hills Community Hub (February 2017)* prepared by an independent consultant in accordance with the requirements of section 48 of the *Local Government Act 1999* and set out in Attachment 1 to this report (Item No. 2.1.1, Works and Services Committee, 20/03/2017) be endorsed.
2. Project cost estimates are supportive of the currently allocated budget of \$4.4 million and set out in section 4.2 of this report (Item No. 2.1.1, Works and Services Committee, 20/03/2017) be endorsed.
3. Staff be endorsed to proceed to the Construction Phase for the Para Hills Community Hub project.

**ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. Option 3 Para Hills Community Hub Concept (as approved in August 2016)
2. Prudential Report - Para Hills Community Hub (February 2017)
3. Para Hills Community Hub - Image of current 3D design model
4. Para Hills Community Hub - Site Plan
5. Para Hills Community Centre Cost Estimates

**1. BACKGROUND**

- 1.1 On 21 September 2015, Council made a number of decisions relating to the building of a 500m<sup>2</sup> extension to the Para Hills Library and Positive Ageing Centre, located at Wilkinson Road, Para Hills (Council Resolution 0607/2015). Those decisions were:

1. *Council endorse Option 3 of the Paddocks Centre Review Stage 2 (as set out in Item No. 2.1.1, Works and Services Committee 21/09/15) for further development.*
2. *That Council note that Option 3 involves the demolition of the existing Paddocks community facility, but retention of the netball club rooms.*
3. *Concept design is undertaken in 2015/16 (based on an extension size of 500m<sup>2</sup>) in consultation with the local community.*
4. *That a further report is bought back to Council for endorsement of the proposed concept design before proceeding to detailed design.*

- 1.2 After a tender process an Architect was appointed to develop the Concept Design on 29 March 2016. The preliminary concept design was presented at Informal Strategy on 30 May 2016. Feedback from Elected Members related to concerns regarding the exterior treatments, the use of glass, and the overall cost and a desire was expressed to ensure that the building was in keeping with the moderate standards expected of a modest neighborhood community facility.

- 1.3 In order to further refine the concept design, community consultation on design elements from May-July 2016 included:

- Wide consultation with the Community (at least 200 face to face contacts).
- Specific consultation with the Paddocks Management Committee (3 face to face consultations with the group).
- Specific consultation with existing user groups (3 face to face consultations with each group).
- Open day at the existing Paddocks Centre (located at the corner of Kesters Road and Bridge Road) to seek feedback regarding the design concepts.

- Public advertising to seek feedback regarding the design.
  - Written feedback from key stakeholders.
  - Feedback to stakeholders regarding the preferred Option, including staff.
  - Production of a short film documenting the detailed design consultation process and outcomes.
- 1.4 An additional consultation was added to the schedule taking advantage of the Paddocks Market Day. This allowed existing users of the Paddocks facility to have input and the Management Committee to have their views included in the initial consultation.
- 1.5 A second informal presentation was provided to Elected Members that proposed 3 variations ahead of the formal presentation of the designs to Council on 22/08/2016.
- 1.6 In summary the key design features incorporated into the 3 designs were:
- Natural environment and landscape features.
  - Landscaped areas surrounding the building that enhance the area.
  - Landscaped connection to the memorial garden.
  - Improved access to the building for people with limited mobility.
  - Pathways to and from the school.
  - Easy access from the bus stop located on Wilkinson Road.
  - Parking to meet occupancy standards plus additional.
  - Drop zones for people with low mobility/people with prams.
  - Look and feel of the building.
  - Retention of the identity of the Paddocks Centre (signage) and acknowledgement to the past (words on windows, screens inside and out historical display).
  - Good connectivity to the existing building with seamless spaces.
  - Modern look and feel with natural lighting.
  - Natural finishes that are in keeping with the local area.
  - Required spaces.
  - Café and kitchen for use by the community.
  - Training spaces with good technology.
  - A place for students and young people.
  - A place for business people.
  - A place for the Paddocks Markets in the new carpark and adjoining veranda spaces.
- 1.7 All three design variations prepared and presented to Council took account of both the features specified in the design brief as well as views expressed during consultation. The design took account of site specific considerations such as ensuring one level to maintain accessibility for customers, maximizing existing connectivity to features such as the playground, memorial and existing building. The building has been designed so that the customer base plus the Paddocks Customers can be accommodated.



- 1.8 All three building concept designs provided a vibrant and interesting place for the whole community. The designs provided a welcoming place for people of all ages and all backgrounds and a focus for a variety of businesses, cultural, learning and recreational opportunities. Key spaces included areas for events, exhibitions, workshops and a multifunction space for hire accommodating around 120 people and be seamlessly integrated with the existing structure.
- 1.9 The designs ensured that the extension will seamlessly integrate with the existing library and the positive ageing facility, complementing these existing assets. The designs extend the availability of existing facilities to support lifelong learning, providing a new venue for many community activities and enable the precinct to strengthen its appeal to groups which have not traditionally been heavy community centre users.
- 1.10 The Budget for the project is split over two financial years, 2016/2017 and 2017/2018. In addition, in the 2015/2016 budget \$500,000 was allocated to undertake concept and detailed design.
- 1.11 The building design:
- Meets the principles of a Community Hub (for example, co-location of like services).
  - Provides new, multipurpose areas which will be highly versatile.
  - Maximises utilisation of the whole Para Hills asset.
  - Provides profile/visibility from adjoining roads (Wilkinson Rd).
  - Improves income generation capability for the Paddocks Association, as the community areas are more attractive and their available floor area has increased compared to the existing Paddocks Community Centre.
- 1.12 In all three variations presented to Council, asset renewal works to the existing building were planned to be undertaken during the 2018/2019 financial year to assist in the integration and to reduce the overall build costs. It will be more efficient to undertake these works during the building phase of the new Hub, so the works have been scoped and included in the project as noted below in 4.1.6.
- 1.13 On the 22nd of August 2016 Council considered a number of options related to the preferred concept design and resolved:
1. *That staff proceed to detailed design on Para Hills Community Hub – Floor Plan Option 3 as outlined in Attachment 4 (Item No. 2.1.1, Works and Services Committee, 15/08/2016).*
  2. *That the budget for delivery of Option 3 be reduced by \$705,000 from the cost estimate of \$5.1million to \$4.4 million. The \$705,000 savings to be drawn from reductions in the budgets for landscaping, decking and screening, internal library works and the contingencies.*
  3. *That a Prudential Report, based on Para Hills Community Hub – Floor Plan Option 3 as outlined in Attachment 4 (Item No. 2.1.1, Works and Services Committee, 15/08/2016) be prepared and bought back to Council for consideration.*

(Resolution number 1250/2016)



- 1.14 This report contains an update on the detailed design work, seeks Council endorsement of the Prudential Report prepared in accordance with Part 3 of the above resolution and seeks authority to proceed to Construction Phase of the Para Hills Community Hub.

## **2. CITY PLAN CRITICAL ACTION**

- 2.1 Deliver a new community hub facility at Para Hills incorporating the existing library and seniors centre; with a new community centre; and maximise future opportunities for the Paddocks development.

## **3. CONSULTATION /COMMUNICATION**

### **3.1 Internal:**

3.1.1 Informal Strategy 30 May 2016.

3.1.2 Briefing 2 Aug 2016.

### **3.2 External.**

3.2.1 Community Consultation feedback report was contained in Attachment 1 of the report of 15 August 2016 to the Works and Services Committee.

3.2.2 The Paddocks Committee was consulted towards the end of the concept design phase and the detail design accommodates their requirements.

## **4. REPORT**

### **4.1 Detailed Design:**

4.1.1 Following the decision of Council to move the detailed design phase, City Infrastructure have been working with key stakeholders to develop the internal design in line with the Council resolutions.

4.1.2 Costs associated with Option 3 (as presented on 22/08/2016) have been reduced by \$705,000 from the original cost estimate of \$5.1million to \$4.4 million.

4.1.3 The \$705,000 reductions (as per the Council resolution) have been drawn from reductions in the budgets for landscaping, decking and screening, internal library works and the contingencies.

4.1.4 The following table provides a summary of the changes which have been made to accommodate the Council resolution. **Attachment 1** contains the floor plan of the reduced Option 3 as approved by Council on 22/08/2016.

4.1.5 In summary the following elements were reduced from the original scope as per the Council decision in the resulting manner:

Item	Original costing for item	Reduced cost for item	Assumptions
Decking	\$115,000	\$65,000	Removed small area of decking from rear of building.
(Western Sun) Screen	\$130,000	\$65,000	Removed south end of screen from where building has brick wall. No screen needed at this location.
Ex. Library – Internal Works	\$170,000	\$70,000	Reduced scope including kitchen.
Landscaping	\$600,000	\$300,000	Reduced at rear of building and in carpark, keeping frontage as planned.
Design & Construct Contingency	\$490,000	\$300,000	Design contingency \$150,000 and construction contingency \$150,000.
<b>Totals</b>	<b>\$1,505,000</b>	<b>\$800,000</b>	<b>Total Reduction: \$705,000 resulting in a project budget of nominally \$4.4m</b>

4.1.6 **Asset renewal works scope** – asset renewal works to the existing building will be undertaken during the 2018/2019 Financial Year to assist in the integration of new with existing and to reduce the overall build CAPEX costs. The works include re-painting and some minor capital works to re-configure staffing areas. It will be more efficient to undertake these works during the building phase. This work has been scoped during detailed design and the estimated cost of the works, included in the cost estimate, is in the order of \$61K.

#### 4.2 Cost Estimates:

- 4.2.1 An independent quality surveyor cost estimate for the documented scope of works based is based on 80% detail design documents. **See Attachment 5.**
- 4.2.2 The estimate shows the cost of the proposed Hub and integrated building works, car parking, drainage, utility infrastructure, landscaping, Paddocks demolition including contractor's overheads, design and contingency amounts to **\$4.67 million**; within 7% of budget. The estimated project build cost within this amount is **\$4.2 million**, which excludes professional fees and design and construction contingencies.
- 4.2.3 Contingencies were defined when the budget was approved. These are shown in the Table in section 4.1.5 of this report. Design is almost 100% complete at present so the design contingency has been reduced to \$20,000 while the construction contingency remains at \$150,000; 4% of budgeted build cost.
- 4.2.4 An initial investigation of the cost estimates indicate the following areas where reductions in scope can be made which align to the estimate and approved budget of \$4.4 million. **Attachment 4** shows the site map of these scope reductions.

Item	Original estimate for item	Reduced estimate for item	Assumptions/Impacts
Library RFID Security Gates	\$117,000	\$31,000	Further consultation with Library staff rationalised scope and updated rates.
External Toilet	\$15,000	\$0	External toilet to be funded from the Playspace upgrade.
Building Renewal	\$61,000	\$0	Funds to be sourced from the building renewal program; works are renewal works, largely painting within the existing library.
Landscaping	\$300,000	\$190,000	Reduction of the scope of planting to the carpark, northeast and southeast areas of the proposed site using less mature plants, increasing plant spacing's and irrigation reductions (Attachment 4).
<b>Totals</b>	<b>\$493,000</b>	<b>\$221,000</b>	<b>Total Reduction: \$272,000 resulting in alignment with the project budget of nominally \$4.4m.</b>

4.2.5 Based on recent experience with CoS building projects it is reasonable to anticipate tender prices to be in the range of **10-20% below** the cost estimate. Previous cost estimates for Underdown Park Clubroom Facilities was 50% over actual tendered prices. (\$2.1M Actual vs \$3.3M Cost Estimate).

4.2.6 In addition, in the unlikely event that tenders exceed approved budget, cost reductions can be investigated through value engineering in consultation with the Design Team and if appropriate, the preferred tenderer.

#### 4.3 Prudential Report Findings:

4.3.1 On 22 August 2016, Council decision number 1250/2016 resolved that a prudential report, based on Para Hills Community Hub – Floor Plan Option 3 be prepared and brought back to Council for consideration.

4.3.2 This report contains the Prudential Report which has been prepared by an independent consultant and is provided in **Attachment 2**.

4.3.3 The Prudential Report has been prepared in accordance with Section 48 of the *Local Government Act 1999* (the Act), which requires Council to consider a report addressing the prudential issues set out in section 48(2) of the Act before engaging in a project where the expected capital costs over the ensuing 5 years are likely to exceed \$4.601 million. Whilst the development of Para Hills Community Hub is not expected to reach this threshold, Council commissioned the report as a matter of good governance.

4.3.4 The Prudential Report for the Para Hills project covered a summary of Council's risks in relation to the objectives of council, financial risk and project delivery.

4.3.5 The Prudential Report overall does not identify any areas of concern, and concludes that the Para Hills Community Hub Project has been progressed to date consistent with satisfying the principles and requirements of the Salisbury Prudential Management policy.

4.3.6 It should be noted that the finding of the Prudential Report note that the Council reductions of \$709,000 may place the project at risk of non-delivery on community expectations (see page ii, **Attachment 2**). Further reductions in scope could equally contribute to an inability to meet community expectations.

4.4 Stakeholder Engagement:

4.4.1 Library staff were engaged in the scoping of limited refurbishment works to the existing library during detailed design in order refresh and integrate the entry and circulation spaces and to secure library property.

4.4.2 Earlier stakeholder consultation during the concept development phase of the project was described in reports to Council in August 2016.

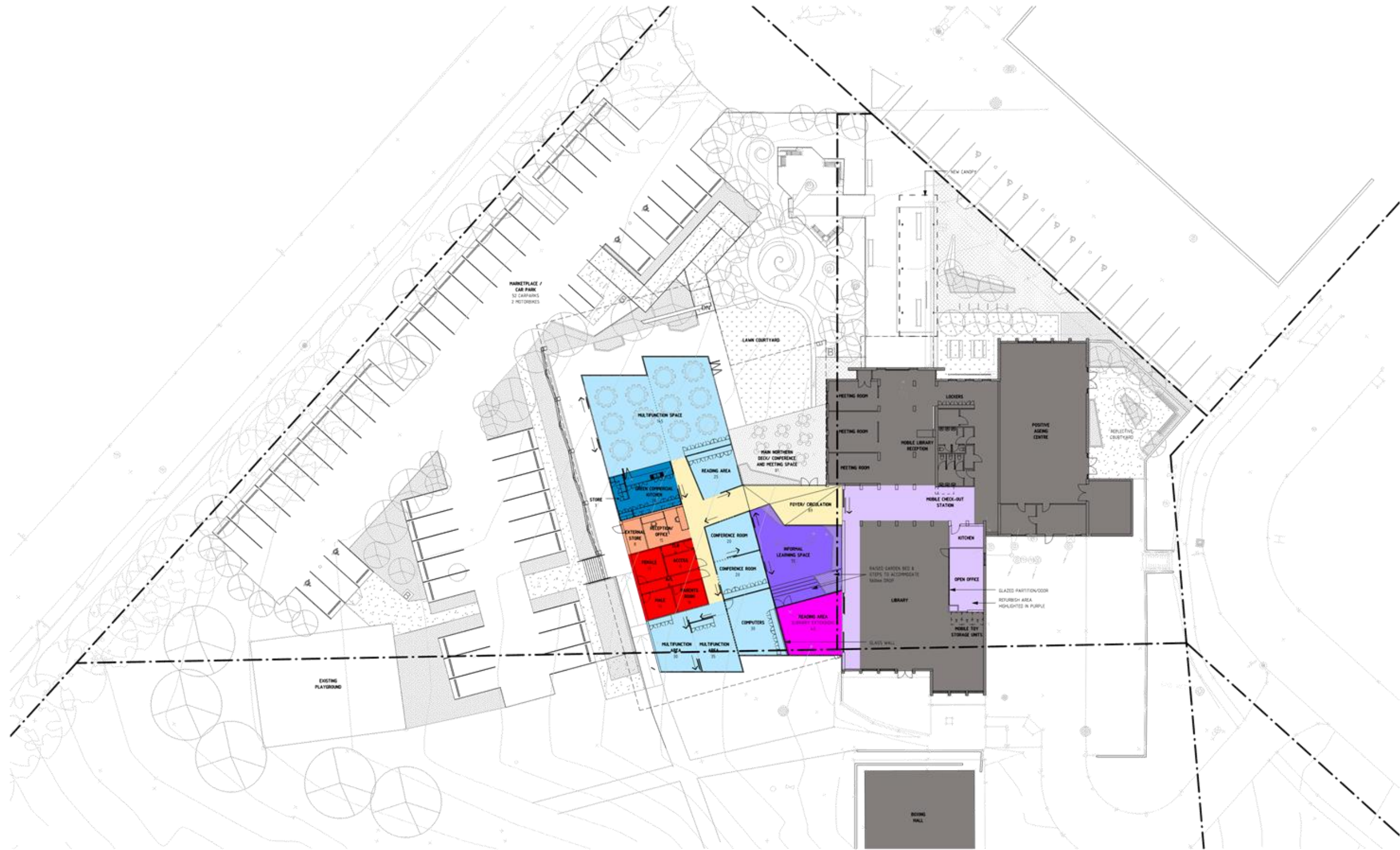
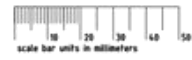
## 5. CONCLUSION / PROPOSAL

5.1 As cost estimates are within 7% of the approved budget, it is proposed that the project proceed to construction including items in 4.2.4. Recent tender's vs estimates have revealed a competitive market with pricing expected **10-20% below** the cost estimate.

5.2 The Prudential Report concludes that the Para Hills Community Hub Project has been progressed to date consistent with satisfying the principles and requirements of the Salisbury Prudential Management policy.

## CO-ORDINATION

Officer: EXECUTIVE GROUP  
Date: 14/03/2017



1  
SD40 1:200  
GROUND FLOOR PLAN - OPTION 03

3074-SALISBURY.PARA HILLS COMM. CENTRE

SD24

GROUND FLOOR PLAN - OPTION 03

JULY 2016







**City of Salisbury**  
**Section 48 Prudential Report**  
**Para Hills Community Hub**

February 2017



Item 2.1.1 - Attachment 2 - Prudential Report - Para Hills Community Hub (February 2017)



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## EXECUTIVE SUMMARY

The Para Hills Community Hub Project is the construction of an extension to the existing Para Hills Library and Positive Ageing Centre located at the corner of Kesters Road and Wilkinson Road at the Para Hills Shopping Centre. This facility will consolidate the services currently being provided at the existing location with those services which are presently provided at the Paddocks Centre. The budget for the Project has been set by Council at \$4.400 million.

The following report has been prepared in accordance with the requirements of Section 48 of the Local Government Act 1999 which requires a Council to consider a report addressing the prudential issues set out in subsection 2 of the Act before engaging in a project where the expected capital cost over the ensuing five years is likely to exceed \$4.628 million. Whilst the development of the Para Hills Community Hub is not expected to meet this expenditure threshold, the City of Salisbury has commissioned this report as a matter of good governance.

### *Relationship with Strategic Management Plans*

The Para Hills Community Hub Project is considered to be strongly aligned with the City of Salisbury strategic direction and the desired outcomes as outlined within the Salisbury City Plan 2030. It will assist to advance three of the four key directions identified in the Plan. The Project would also advance a number of the State priorities and targets, particularly in relation to the State Strategic Plan's "Our Community" objectives.

We note that if the Project proceeds as planned, the Salisbury Buildings Asset Management Plan will need to be amended to reflect decommissioning of the Paddocks Centre and the addition of the Para Hills Community Hub.

### *Objectives of the Development Plan*

The Para Hills Community Hub Project involves works which are defined as "development" under the Development Act 1993. A Development Application for the Project was submitted to the Minister for Planning for consideration in December 2016. If the matter is referred back to Salisbury for determination it should ensure the Guideline for Assessment of Council Development is followed.

The proposed land use and development is consistent with the Objectives of the City of Salisbury Development Plan for the Neighbourhood Centre Zone.

### *Contribution to Economic Development*

Should Council proceed with the Project, it is expected to have a positive economic impact in the region, generating an increase in economic output of over \$8.672 million from the \$4.400 million investment. The Project is estimated to have an impact of up to 23 jobs through direct, industrial and consumption effects.

### *Community Consultation*

Public Consultation on the Project dates back to 2008 and has been extensive. The Public Consultation performed has been undertaken in accordance with the Salisbury Public Consultation Policy and has followed the principles which are identified by Council as central to the Public Consultation process. The multi-staged consultation undertaken for the Para Hills Community Hub suggests that the community has had opportunity to influence this Project at a number of key decision points.

### *Financial Issues*

The Project is not expected to produce revenue.

The major financial risk associated with the Project relates to construction cost overruns. Salisbury can mitigate this risk through the procurement process.

Under the proposed governance model The Paddocks Centre Incorporated will be given operational responsibility for running the Para Hills Community Hub. The whole of life Project costs are based on the additional maintenance, depreciation and notional finance that will be incurred following completion of the Project. These costs have been estimated at approximately \$9.156 million over an expected 50 year useful life of the asset.

### *Risk Issues*

A risk management plan for the Project has not been prepared by Salisbury.

We have undertaken a high level risk assessment based on Salisbury's existing Risk Management Charter and Risk Management Guide.

29 risks have been identified, 18 of which have an inherent risk rating of High. Post the implementation of the recommended risk mitigation strategies, there are four risks with a residual risk rating of High. The overall inherent risk of the Project is assessed as High and the level of residual risk, post recommended mitigation strategies is Moderate. This level of residual risk is considered to be acceptable based on Salisbury's Risk Management Charter.

Salisbury should actively review and update the Project Risk Register as the Project progresses, particularly in the final design and through the construction phase.

Council, as part of the 22 August 2016 resolution, resolved to reduce the operating budget for the Para Hills Community Hub to \$4.40 million. This is 13.6% less than the internal cost estimate and 19.1% less than the estimate prepared by RLB based on current designs. To achieve this reduction in cost, Council sought reductions in the associated budget for landscaping, decking, screening, internal library works and contingencies.

The ability to deliver an outcome that meets community expectations within the financial constraints imposed by Council is a risk to the Project.

### *Project Delivery*

The project delivery mechanisms were determined having regard to external specialist consultant advice, and are considered appropriate in terms of managing financial, construction, environmental, community and other key project risks, and in terms of alignment of Project outcomes with Council's strategic management plans.

A formal Acquisition strategy is to be adopted by the Salisbury Executive for the engagement of construction contractors required to complete the Project. The strategy is scheduled for completion in March 2017. The procurement methods outlined in the strategy will need to be consistent with the Salisbury Procurement Policy.

### *Conclusions*

An appropriate level of "due diligence" appears to have been applied to the Project and consequently it should achieve the identified public benefits or needs. Subject to the adoption and implementation of the proposed Acquisition strategy and a more active

approach to risk management, the financial risks to Council will be minimised satisfying the principles and requirements of the Salisbury Prudential Management Policy.

*City of Salisbury*  
*Section 48 Report - Para Hills Community Hub Project*



## 1. INTRODUCTION

### 1.1 Background

- 1.1.1 The Paddocks Community Centre (Paddocks Centre) was built approximately 30 years ago at the corner of Bridge Road and Kesters Road, providing a focal point for a range of community activities for those in the Para Hills area.
- 1.1.2 The Paddocks Centre has an air-conditioned hall, seating 80, with access to an enclosed courtyard garden and a number of smaller meeting spaces.
- 1.1.3 As with all of Salisbury's community centres, the Paddocks Centre is operated by a Management Committee. The Paddocks Centre Incorporated (ABN 65 787 145 848) is the entity responsible for the day to day operations of the Paddocks Centre.
- 1.1.4 Over the past three years, the Paddocks Centre has delivered a range of community programs operating at or near a break even level.
- 1.1.5 In 2008, Salisbury committed funding to investigate a new purpose built extension to the Paddocks Centre to address the future service needs of the Para Hills community. As a result, initial designs were presented to Council in January 2010.
- 1.1.6 In April 2010, Council requested that alternative options be considered including an investigation into the most suitable sites for any proposed development.
- 1.1.7 An alternative option was further developed which included a new purpose built extension to the Para Hills Library and Positive Ageing Centre (Para Hills Centre). This option was presented to Council in March 2011. Following a review of this proposal, Council requested a further comprehensive needs analysis and community engagement process be performed to investigate the feasibility of the project.
- 1.1.8 In response, a report was commissioned by Salisbury which recommended a decision should be considered in light of a planned review of the existing library and community centre in Para Hills.
- 1.1.9 The Library and Community Centre Review proposed a service delivery model in the form of a 'hub' for the future delivery of community infrastructure for Para Hills.
- 1.1.10 Following completion of the Library and Community Centre Review, further community consultation and a report titled Paddocks Master Plan Stage 2, the Salisbury Works and Service Committee received a report in September 2015. That report contained a number of options for consideration to meet the identified future community facility needs of the area.



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Table One: Master Plan Stage 2 Report Options

Option	Description	Indicative Cost
One	The Paddocks location (400m <sup>2</sup> ) – Renewal of current building	\$3,216,786
Two	The Paddocks location (300m <sup>2</sup> ) – Extension to existing building	\$5,260,257
Three	Para Hills Centre – Build new hub	\$4,485,520
Four	The Paddocks location – Build new facility	\$5,386,435

- 1.1.11 The report recommended Council adopts Option 3 proposing the co-location of community assets in the form of a community hub located at the existing Para Hills Centre (adjacent to the site that currently contains the Para Hills Library and Positive Aging Centre).
- 1.1.12 The preferred option proposed a 500m<sup>2</sup> new-build extension to the Para Hills Centre, providing a combined maximum area of 1000m<sup>2</sup> of library, positive ageing centre and community centre. Under this proposal, the existing Paddocks Centre would be decommissioned, to be replaced by the Para Hills Community Hub.
- 1.1.13 On 15 August 2016, the Works and Service Committee received an update regarding the Para Hills Community Hub following concept design and sought Council endorsement to proceed to detailed design on the preferred concept. The report contained three design options for consideration and the final Community Consultation Report on the concept design development for the Para Hills Community Hub.
- 1.1.14 The Works and Services Committee resolved:
1. That staff proceed to detailed design on Para Hills Community Hub – Floor Plan Option 3 as outlined in Attachment 4 (Item No. 2.1.1, Works and Services Committee, 15/08/2016).
  2. That a Prudential Report, based on Para Hills Community Hub – Floor Plan Option 3 as outlined in Attachment 4 (Item No. 2.1.1, Works and Services Committee, 15/08/2016) be prepared and brought back to Council for consideration.
- 1.1.15 On 22 August 2016, the Works and Services Committee resolution was presented to Council. Council carried the resolution dated 15 October 2016 from the Works and Services Committee along with an additional resolution:
- That the budget for delivery of Option 3 be reduced by \$705,000 from the cost estimate of \$5.1 million to \$4.4 million. The \$705,000 savings to be drawn from reductions in the budgets for landscaping, decking and screening, internal library works and the contingencies.*

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## 1.2 Rationale

- 1.2.1 Salisbury has identified Para Hills as an important community hub, however services in the Para Hills region are currently located disparately at the Paddocks Centre and at the Para Hills Library and Positive Ageing Centre.
- 1.2.2 As a result of consultation undertaken in 2012, it was identified that the existing facilities at the Paddocks Community Centre were limited by space and configuration and were in need of an upgrade.
- 1.2.3 The vision is that 'The Para Hills Community Hub will become a key meeting place that creates opportunity and learning in a relaxed environment'.
- 1.2.4 The Project has been instigated to address the need for an upgrade of the existing community facilities in Para Hills consistent with Salisbury's commitment to provide modern and well-equipped facilities for those who reside in Salisbury as well as those who visit.

## 1.3 The Project

- 1.3.1 The Para Hills Community Hub (Project) is the construction of an extension to the existing Para Hills Centre.
- 1.3.2 The Para Hills Community Hub will consolidate the community services currently held between the Para Hills Centre (library and positive ageing services) and the established Paddocks Community Centre.
- 1.3.3 The combination of old and new buildings at the Para Hills Community Hub aims to form a modern multi purpose community facility with flexible spaces to accommodate a range of different groups.
- 1.3.4 The new Para Hills Community Hub will be a place for:
  - 1.3.4.1 local community to access training, community information and hold meetings;
  - 1.3.4.2 residents to meet others, study or just spend time;
  - 1.3.4.3 school students and young people to meet, learn, and participate in group and individual activities;
  - 1.3.4.4 seniors to access health and wellbeing information and be socially connected;
  - 1.3.4.5 business people looking for internet access, networking opportunities and space to do business;
  - 1.3.4.6 families to enjoy activity programs and access the internet;
  - 1.3.4.7 anyone who would like to access local history, and information regarding local services, walking trails and events in the local area; and

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1.3.4.8 volunteers wanting to become involved in the local community.

1.3.5 The concept design for the Para Hills Community Hub is detailed in the report to the Works and Services Committee report dated 15 August 2016. The favoured design option adopted by Council is Option 3 (with a reduced scope resulting in an expected budget saving).

1.3.6 Option 3 is a 580m<sup>2</sup> building which contains:

- 2 multifunction spaces (both of which can be opening to accommodate 120 people each);
- 6 meeting rooms (which can be used and training suites or for other program activities);
- kitchen café;
- storage and amenity areas;
- new foyer to connect the buildings;
- open access to the front of the building with an informal gathering space;
- increased parking including drop off zone;
- car parking which could be used as market space;
- landscaping which improves the connection of the building to the existing memorial;
- landscaping through the car parking areas to make this more attractive for markets and viewing from the building windows;
- additional space accessible from the library to integrate the building;
- minor works to the existing building to better accommodate staff;
- provision for outside space that can be accessed from the rooms which improves amenity and space available for use at low cost;
- large amounts of landscape terraces across the rear of the existing building for use by those accessing the existing playground;
- Improved court yards by landscaping in the existing areas; and
- Side exit doors from west facing rooms onto walkway areas.

1.3.7 Based on a Council resolution from 22 August 2016, the budget for the Project has been set at \$4.40 million.



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#### 1.4 Legal Framework and Prudential Issues

1.4.1 Salisbury has adopted a Prudential Management Policy, dated 27 July 2015 that sets out Council's approach for prudential management of all its projects. The objectives of the Policy are:

1.1 *to ensure that a Council project is undertaken only after an appropriate level of "due diligence" is applied to the proposed project; and*

1.2 *to ensure that each Council project is:*

- *managed during the project, and*
- *evaluated after the project, to*

*achieve identified public benefits or needs; and to minimise financial risks.*

1.4.2 The principles of the Policy require the following.

*"The decision maker should determine with respect to any project (based on the size, complexity and amount of financial or other risk) the level of:*

- *Due care and diligence that is required*
- *At a minimum this should require an assessment of:*
  - *the benefits and needs of the project*
  - *whether the project will (or might) generate any additional risks for the Council;*
  - *the financial sustainability of a project (large or small) and whether funding of the whole-of-life costs of the project will (or might) require additional allocations beyond those already accommodated in Council's annual budget and long-term financial plan*

- *Details required*

*This may range from a single page describing the project scope, to a comprehensive business case (for example using the Corporate templates - "Project Management – Business Case").*

- *Risk assessment appropriate*

*This may range from, a simple note that the proposed project has been determined as being of low or negligible risk, to a more detailed risk assessment in line with Council's Risk Management framework.*

- *Expertise required*

*This may range from a single staff member (for the smallest projects with least risk), to a working party of staff and external specialists with expertise*



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*in areas such as engineering, finance, project management, town planning (for more complicated and/or riskier projects).*

- *Accountability and reporting required*
- *Post project implementation review and evaluation*
  - *Evaluation and review can identify systemic issues and opportunities for improvement."*

1.4.3 This report has been prepared to ensure the requirements of the Prudential Management Policy have been met.

1.4.1 In addition, the Local Government Act 1999 (Act) Section 48 requires Council to consider a report addressing the prudential issues set out in subsection 2 when a project meets certain criteria, specified in (1) (a) and (b), namely where a Council:

- (a) *engages in a commercial project (including through a subsidiary or participation in a joint venture, trust, partnership or other similar body) where the expected recurrent or capital expenditure of the project exceeds an amount set by the council for the purposes of this section; or*
- (b) *engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body)—*
  - (i) *where the expected expenditure of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or*
  - (ii) *where the expected capital cost of the project over the ensuing five years is likely to exceed \$4,000,000.*

1.4.2 We note that the \$4.00 million threshold in Section 48 (1) (b) (ii) is indexed by CPI from a September 2009 base year. As at the date of this report, the relevant threshold is \$4.628 million.

1.4.3 The prudential issues identified in Section 48 are:

- (a) *the relationship between the project and relevant strategic management plans;*
- (b) *the objectives of the Development Plan in the area where the project is to occur;*
- (c) *the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;*
- (d) *the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have*

City of Salisbury  
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*been made by them, and the means by which the community can influence or contribute to the project or its outcomes;*

- (e) if the project is intended to produce revenue, revenue projections and potential financial risks;*
- (f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;*
- (g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;*
- (h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);*
- (i) the most appropriate mechanisms or arrangements for carrying out the project."*

- 1.4.4 We note that although the Project is not of a commercial nature, nor is it expected to trigger the expenditure requirements specified in the Act (based on the Council resolution dated 22 August 2016), Salisbury as a matter of good governance has engaged BRM Holdich to prepare a report which would satisfy the requirements of Section 48 and its Prudential Management Policy.

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## 2. RELATIONSHIP WITH RELEVANT STRATEGIC MANAGEMENT PLANS

*Local Government Act, Section 48 (2) The following are prudential issues for the purposes of subsection (1):*

(a) *the relationship between the project and relevant strategic management plans;*

### 2.1 Relevant Strategic Management Plans

2.1.1 Section 122 of the Act requires a council to develop and adopt strategic management plans; these are required to incorporate the extent to which a council's objectives are related to regional, state and national objectives.

2.1.2 For the purposes of this report the relationship between the Project and the following plans is considered relevant.

#### 2.1.2.1 City of Salisbury

- Salisbury City Plan 2030 – Sustainable Futures;
- Annual Plan 2016/17;
- Long Term Financial Plan;
- Asset Management Plans; and
- Other Plans
  - Guiding Principles for Community Hubs

#### 2.1.2.2 Regional

- No relevant regional plans were identified.

#### 2.1.2.3 South Australian State Government

- South Australian Strategic Plan; and
- 30 Year Plan for Greater Adelaide.

#### 2.1.2.4 National

- No relevant national plans were identified.

### 2.2 Salisbury City Plan 2030 – Sustainable Futures

2.2.1 The strategic direction for the City of Salisbury is detailed in *City Plan 2030 – Sustainable Futures*.

2.2.2 The Salisbury vision is for 'a flourishing City with opportunity for all'.

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2.2.3 This vision is implemented through four key directions:

- The Prosperous City
- The Sustainable City
- The Liveable City
- Enabling Excellence

2.2.4 The alignment of the Para Hills Community Hub Project with the first three key directions of City Plan 2030 is shown in Table Two.

**Table Two: Degree of Alignment with City Plan 2030**

Key Direction	Objective	Strategy / Critical Action	Alignment with Project
The Prosperous City	Have well planned urban growth that stimulates investment and facilitates greater housing and employment choice.	Encourage well designed infill development and unlock new urban development opportunities.	The new Community Hub will demonstrate Salisbury's commitment to modern and well-equipped facilities for those who reside in the City as well as those who visit.
The Sustainable City	Have a community that is knowledgeable about our natural environment and embraces a sustainable lifestyle.	Ensure long term flexibility in the management of our urban spaces (assets and infrastructure) to adapt to a changing environment.	Opportunity for the new Para Hills Community Hub to embody many principles of ecologically sustainable development (ESD) in a prominent public building. Integration with existing site facilities may also present opportunities to maximise these aims.
The Liveable City	Have interesting places where people want to be. Be a connected city where all people have opportunities to participate.	Provide opportunities for the community to engage in learning. Provide well maintained, clean and attractive places and facilities.	The Para Hills Community Hub will extend the life of existing facilities to support lifelong learning, provide a new venue for many community activities and enable the precinct to strengthen its appeal to groups which have not traditionally been heavy community centre users.

2.2.5 The Para Hills Community Hub is specifically referenced in the Salisbury City Plan 2030 as a critical action that needs to be undertaken in order for Salisbury to advance its vision.

2.2.6 With specific reference in the City Plan and alignment with a number of objectives, the Project is considered to be strongly aligned to the City of Salisbury City Plan 2030.





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### 2.3 Annual Plan 2016/17

- 2.3.1 The Salisbury Annual Plan links the overarching long term City Plan with the budget, the services delivered and rate levels.
- 2.3.2 The Para Hills Community Hub (referred to in the Annual Plan as the Para Hills Centre – Extension) is specifically referenced in the Annual Plan's Capital Works Program with the amount as shown in Table Three.

**Table Three: Current Budget Provisions per Annual Plan**

	Current Budget Provisions	
	Operating	Capital
2016/17 (million)		\$2.300
2017/18 (million)	\$0.001	\$2.300
<b>Total</b>	<b>\$0.001</b>	<b>\$4.600</b>

- 2.3.3 In previous years Council allocated \$0.500 million for design which was carried forward in the current Annual Plan.
- 2.3.4 The budget allocation for the Project has been reduced to \$4.40 million by the Council resolution dated 15 October 2016. The change in budget allocation should be reflected in the quarter one budget review process.

### 2.4 Long Term Financial Plan

- 2.4.1 While seeking to achieve its corporate goals, Salisbury is mindful of its responsibilities to be financially sustainable. Being financially sustainable means having a financial position capable of meeting long term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or disruptive cuts to services. It implies equity between generations.
- 2.4.2 The Long Term Financial Plan (LTFP) reflects these responsibilities and aspirations.
- 2.4.3 The LTFP covers the period 2016/17 to 2025/26 and is updated annually to incorporate changes in external factors such as government policy decisions and global economic pressures, and internal factors.
- 2.4.4 The LTFP as endorsed by Council incorporates a provision of \$4.60 million for the construction of the Para Hills Community Hub Project which is \$0.20 million more than the revised Project budget. The LTFP will need to be amended to reflect the reduced capital allocation to the Project.
- 2.4.5 We note that master planning for the existing Paddocks site is due for completion in March 2017. A provision for site remediation of the Paddocks Centre, consistent with the master plan, should be included in the next update of the LTFP.

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## 2.5 Asset Management Plan

- 2.5.1 Salisbury owns and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities to the community. Asset Management Plans have been developed to ensure that Council continues to provide effective and comprehensive management of its asset portfolios.
- 2.5.2 The Project works will create new Council assets that will need to be included within Council's Asset Management Plan on completion.
- 2.5.3 As a result of the Project, the Paddocks Centre will be decommissioned. The Buildings Asset Management Plan will also need to be amended to reflect this.

## 2.6 Other Plans

- 2.6.1 Salisbury has adopted a document titled 'Guiding Principles for Community Hubs'.
- 2.6.2 The essential characteristics of a community hub model were described in the 2014 Library and Community Centre Review and are shown below.
  - 2.6.2.1 Responds to, and is shaped by, the unique circumstances, needs and assets of the community;
  - 2.6.2.2 Co-locate or cluster a range of community facilities and human services;
  - 2.6.2.3 Include a variety of uses that attracts different groups of people at different times of the day for a variety of purposes and meet a wide range of community needs and support community strengths;
  - 2.6.2.4 Attracts people and are identified as a focal point and gathering place for the community;
  - 2.6.2.5 Is readily accessible to ensure all members of the community can utilise them; and
  - 2.6.2.6 Have a civic quality, sense of stability and level of amenity that marks them as an important place in the community.
- 2.6.3 The proposed Para Hills Community Hub has been designed to reflect these characteristics.

## 2.7 Regional Objectives

- 2.7.1 No regional objectives have been identified.

## 2.8 South Australian State Objectives

- 2.8.1 The State Government's broad vision for sustainable land use and the built development of the state is outlined in the Planning Strategy. The relevant volume of the Planning Strategy is the 30-Year Plan for Greater Adelaide (February 2010).
- 2.8.2 The 30 Year Plan has three key objectives, these are:



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- Maintain and improve liveability;
  - Increase competitiveness; and
  - Drive sustainability and resilience to climate change.
- 2.8.3 The Para Hills Community Hub is likely to advance the objective of 'Liveability' as it provides the Para Hills community with a vibrant place to meet, connect and to learn.
- 2.8.4 An updated draft to the 30 Year Plan was released for consideration in August 2016.
- 2.8.5 The updated 30 Year Plan builds on the existing Plan's principles and strengthens the Plan's focus on creating healthy neighbourhoods where walking and public life are encouraged.
- 2.8.6 The draft plan simplifies the 89 recommendations in the 2010 Plan to six high level targets.
- 2.8.7 Target 4 focuses on 'Walkable Neighbourhoods' which encourages the creation of thriving hubs of commercial and recreational activity. Public places such as the proposed Para Hills Community Hub, where residents can meet and enjoy their time, is essential to the progression of Target 4 in the updated 30 Year Plan.
- 2.8.8 The State Strategic Plan is also relevant. The State Strategic Plan is built on six pillars and identifies a number of targets. Table Four identifies the relationship between the Project and the Our Community pillar and the goals and targets which are supported or advanced through the Project.

**Table Four: The Project Alignment with the State Strategic Plan**

Relevant State Pillar	State Goals and Targets Advanced
<b>Our Community</b>	<p>Goal: We are committed to our towns and cities being well designed, generating great experiences and a sense of belonging.</p> <p>Target 1: Urban spaces</p> <p>Increase the use of public spaces by the community</p> <p>Goal: People in our community support and care for each other, especially in times of need.</p> <p>Target 23 Social Participation</p> <p>Increase the proportion of South Australians participating in social, community and economic activities by 2020</p>



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**2.9 National Objectives**

- 2.9.1 While we have not identified any Commonwealth Government plans that relate specifically to the Para Hills Community Hub, we note that the Department of Social Services mission of 'improving the lifetime wellbeing of people and families in Australia' will be advanced through a number of the programs to be offered at the proposed Para Hills Community Hub.



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### 3. OBJECTIVES OF THE DEVELOPMENT PLAN

*Local Government Act, Section 48 (2) the following are prudential issues for the purposes of subsection (1):*

*(b) the objectives of the Development Plan in the area where the project is to occur;*

#### 3.1 Development Approval

3.1.1 Development in Salisbury is governed by the Development Plan - Salisbury Council, pursuant to Section 33 of the Development Act 1993 and the associated Development Regulations 2008.

3.1.2 The Development Plan outlines what sort of developments and land use are and are not envisaged for particular zones and various objectives, principles and policies further controlling and affecting the design and other aspects of proposed developments. As such, the Development Plan covers matters including zoning issues, building appearance and neighbourhood character, land division, building siting and setbacks and environmental guidelines.

3.1.3 The Development Plan is structured into Sections, as follows.

3.1.3.1 General, containing general policy that applies across the council area and relates to a range of social, environmental, and economic development issues. These issues establish the development standards that apply to all forms of development and provide a yardstick against which the suitability of development proposals is measured.

3.1.3.2 Zones, these provisions give greater certainty and direction about where certain forms of development should be located and identifies generally envisaged forms of development. The objectives and design requirements for development in the particular area are also expressed.

3.1.3.3 Tables, that list the conditions which are applicable to complying development, numeric values for setbacks from road boundaries and car parking rates for certain types of development. Conditions for complying development are grouped into their respective tables.

3.1.3.4 Mapping, showing the broad distribution of land uses and movement patterns throughout the council area.

3.1.4 The current version of the Development Plan is dated as consolidated on 15 December 2016.

3.1.5 The Para Hills Community Hub Project involves works which are defined as "development" under the Development Act 1993.

3.1.6 We understand that a Development Application was lodged with the Development Assessment Commission in December 2016.

3.1.7 Development approval has yet to be obtained by Council, and is a prerequisite for the Project to proceed.

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### 3.2 Development Zone

- 3.2.1 The Para Hills Community Hub Project is located within a Neighbourhood Centre Zone.
- 3.2.2 Under Schedule 9 of the Development Regulations 2008, all forms of development within the Zone are 'Category 1' for the purposes of public notification under Part 1 (6)(1)(h) of the Schedule, and do not require public notification.
- 3.2.3 However as the site of the development is 'adjacent' to the Residential Zone, the development will default to 'Category 2' public notification under Part 2 (18) of the Schedule. This will require limited public notification, but no rights of third party appeal attach to Category 2 development.
- 3.2.4 Objectives 1, 2, 3 and 5 related to the Neighbourhood Centre Zone, as shown below, are considered to be of relevance to the Project.
- 1 A centre providing a range of shopping, community, business, and recreational facilities for the surrounding neighbourhood.
  - 2 A centre that provides the main focus of business and community life outside a district centre, and provides for the more frequent and regularly recurring needs of a community.
  - 3 A centre accommodating residential development in conjunction with non-residential development.
  - 5 Development that contributes to the desired character of the zone.
- 3.2.5 The proposed land use and development is consistent with the Objectives of the City of Salisbury Development Plan for the Neighbourhood Centre Zone.

### 3.3 Approving Authority

- 3.3.1 Pursuant to the Development Act 1993, a Council can make decisions on certain kinds of applications where the Council is the applicant as outlined in Schedule 10 (2) of the Development Regulations 2008.
- 3.3.2 However, in circumstances where development is to be undertaken by a Council, and there is potential for a perception of bias or conflict, there is provision under delegation under the Development Act 1993, to refer the application to the Minister for Planning with a request for a determination that the Development Assessment Commission is the relevant authority, pursuant to Section 34(1)(b)(iii) of the Act, which reads:

*"Subject to this Act, the relevant authority, in relation to a proposed development, is ascertained as follows:*

*(iii) the Minister, acting at the request of a council or regional development assessment panel, declares, by notice in writing served personally or by post on the proponent, that the Minister desires the Development Assessment Commission to act as the relevant authority in relation to the proposed development in substitution*



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*for the council or regional development assessment panel (as the case may be) then the Development Assessment Commission is, subject to subsection (2), the relevant authority."*

- 3.3.3 The Minister can either accede to the request and determine that the Development Assessment Commission is the relevant authority, or could decline the request and refer the application back to Council for determination.
- 3.3.4 Salisbury has developed an administration policy titled 'Guidelines for Assessment of Council Development'. The purpose of the policy is to provide a probity framework for staff involved in the assessment of Council development under the Development Act 1993, and in the development of Council property, to manage any perceived and actual risks of conflict of interest in Council's various roles.
- 3.3.5 In order to avoid the perception of bias or conflict Salisbury has advised that the planning approval for the Project will be referred to the Minister for Planning for consideration in accordance with Council's internal policy.
- 3.3.6 In the event that the application is referred back to Council for determination then the application would be referred to the Development Assessment Panel for determination. In these circumstances Salisbury should apply the Guidelines for Assessment of Council Development which were adopted on 14 January 2014.
- 3.3.7 These Guidelines cater for circumstances when Council's property development and property management activities have the potential to create real or perceived conflicting roles with its statutory development assessment functions.
- 3.3.8 Although the Project does not constitute commercial development in order to ensure transparency and independence in the assessment and determination of the application Salisbury should give consideration to the engagement of an independent planning consultant to prepare the assessment report for the Development Assessment Panel.

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#### 4. ECONOMIC DEVELOPMENT

*Local Government Act, Section 48 (2) The following are prudential issues for the purposes of subsection (1):*

- (c) *the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;*

##### 4.1 Contribution to Economic Development

- 4.1.1 Economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base.
- 4.1.2 The contribution to economic development of the local area from the Para Hills Community Hub Project will primarily come from the following sources:
- 4.1.2.1 Construction activity; and
- 4.1.2.2 The increase in capacity for the region through the provision of new and multipurpose community space.
- 4.1.3 There are economic and employment multiplier benefits to the broader economy from the economic activity that will be generated during the construction phase of the Project.
- 4.1.3.1 The economic impact assessment undertaken to identify the potential jobs and incomes that may be associated with the Project is based on a measure of the value added and employment associated with the investment. This is consistent with the predominant measure of national economic activity, Gross Domestic Product.
- 4.1.3.2 The expenditures associated with this Project will have direct economic effects, indirect effects of related purchases in the broader economy and induced effects of spending on goods and services by the employees of the companies providing goods and services to the Project.
- 4.1.4 To quantify the benefits from these multiplier effects Salisbury commissioned modelling using Remplan software based on Input-Output methodology, a common tool for measuring secondary and tertiary economic effects. The data set used for the analysis specifically relates to the City of Onkaparinga which were deemed as having similar economic characteristics to Salisbury.
- 4.1.5 Due to an amendment to the expected construction cost following commissioning of the economic modelling, the economic impacts have been amended in proportion to factor in a reduction in expected Project construction costs from \$5.069 million to \$4.400 million. For modelling purposes, the estimated \$4.400 of expenditure associated with the construction works is assumed to incorporate \$2.067 million of Non Residential Building Construction, \$1.106 million of Heavy and Civil Engineering Construction and \$1.227 million of Construction Services.



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## 4.2 Economic Impact of Construction Activity

- 4.2.1 Total output from the construction for the Para Hills Community Hub Project, including all direct, industrial and consumption effects is estimated to increase by up to \$8.672 million. This represents a Type 2 Output multiplier of 1.971 and is comprised of the following.
- 4.2.1.1 The estimated total value of the civil works of \$4.400 million.
  - 4.2.1.2 A rise of \$3.362 million in the demand for intermediate goods and services from a direct increase in output from the construction investment, including the flow on effects as demand for local goods and services increases.
  - 4.2.1.3 The consumption effects from the creation of jobs in the economy arising from the increases in direct and indirect output which are estimated to be \$0.911million.
- 4.2.2 Based on the cost of the construction works for the Project the construction output should result in an increase of up to 23 jobs from a Type 2 employment multiplier of 2.889, as detailed below.
- 4.2.2.1 The direct effect is estimated to create up to 8 jobs.
  - 4.2.2.2 The indirect or flow on effect is estimated to result in the gain of a further 10 jobs.
  - 4.2.2.3 The consumption effect is estimated to boost employment by 5 jobs.
- 4.2.3 The estimated impact of the Project on wages and salaries is by up to \$1.566 million, representing a Type 2 multiplier of 2.347, the components are detailed below.
- 4.2.3.1 The increase from the direct effect is estimated at \$0.667 million.
  - 4.2.3.2 The indirect or flow on effect is estimated at \$0.699 million, which represents a Type 1 Wages and Salaries multiplier of 2.047.
  - 4.2.3.3 The consumption effects under this scenario are expected to further boost employment in sectors such as retail therefore further increasing wages and salaries by an estimated \$0.200 million.
- 4.2.4 The impact of the Project on value added is estimated to increase by up to \$3.035 million, this represents a Type 2 Value-added multiplier of 2.329 and is comprised of the following.
- 4.2.4.1 A direct impact of \$1.303 million.
  - 4.2.4.2 An indirect or flow-on effect in terms of local purchases of goods and services are anticipated of \$1.216 million, this represents a Type 1 Value-added multiplier of 1.933.

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- 4.2.4.3 A consumption effect of \$0.516 million, as a proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy.

#### 4.3 Overall Impact of Para Hills Community Hub Project

- 4.3.1 The total estimated combined economic impact of the Para Hills Community Hub Project is summarised in Table Five.

**Table Five: Para Hills Community Hub Project Economic and Employment Benefits**

Impact	Direct	Indirect	Consumption	Total
Output (\$M)	4.400	3.362	0.911	8.672
Employment (Jobs)	8	10	5	23
Wages and salaries (\$M)	0.667	0.699	0.200	1.566
Value-added (\$M)	1.303	1.216	0.516	3.035

#### 4.4 Impact on Business in the Proximity

- 4.4.1 The increase in patronage at the Para Hills Community Hub is likely to provide additional custom and trade for a wide range of businesses in the vicinity of the Project including the Para Hills Shopping Centre and is therefore considered likely to have a positive impact on business in the proximity.

#### 4.5 Fair Competition

- 4.5.1 The Para Hills Community Hub involves Salisbury consolidating existing community assets in the form of a Community Hub located at the Para Hills site adjacent to the existing library and shopping centre.
- 4.5.2 The operations of a community centre impact on competition in the local market place to the extent that it provides services which are also provided by the private sector.
- 4.5.3 Consideration must be given as to whether the activities of Salisbury constitute a "significant business activity" in accordance with the Clause 7 Statement of the Competition Principles Agreement and the Government Business Enterprises (Competition) Act 1996 which provides the framework for implementing National Competition Policy by local government entities in South Australia.
- 4.5.4 If the proposed activities at the Para Hills Community Hub were considered to constitute a significant business activity, deemed to be significant within the definitions of Clause 7, then Salisbury would need to give consideration to whether competitive neutrality principles will need to be applied to their activities. Competitive neutrality is about ensuring that the significant business activities of publicly owned
- 4.5.5 Given the nature of activities proposed for the Para Hills Community Hub we do not consider that they constitute a 'significant business activity' and do not consider that there are any material competition issues arising from the proposed Project.



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## 5. COMMUNITY CONSULTATION

*Local Government Act, Section 48 (2) The following are prudential issues for the purposes of subsection (1):*

- (d) *the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;*

### 5.1 Level of Consultation

5.1.1 Salisbury is strongly committed to open, accountable and responsive decision making, which is informed by effective communication and consultation between the Council and the community. The Public Consultation Policy, prepared pursuant to Section 50 of the Local Government Act 1999, adopted 23 November 2015 reflects this commitment.

5.1.2 The Policy sets out the following principles as central to the Public Consultation process.

5.1.2.1 Participation: Council views all members of its community as being citizens and recognises that citizenship grows and develops with the participation of citizens in democratic processes.

5.1.2.2 Respect: Council values and respects the diversity of the community of the City of Salisbury and believes that all citizens have the right to be consulted and to participate in Councils consultative and decision-making processes.

5.1.2.3 Partnership: Council will work in partnership with the community to shape the future of the City of Salisbury because it believes that the City's future is best achieved through an active and informed citizenry.

5.1.2.4 Wellbeing: Council believes that community wellbeing, vibrancy and sustainability is enhanced by citizens participating in Council's decision-making process.

5.1.2.5 Accountability: Council is accountable to its community through Community participation and engagement for the management of its resources, assets and expenditure and for the decisions it makes.

5.1.2.6 Accessibility: Council recognises that there are a number of groups within the community who have particular requirements to enable them to participate effectively in decision making processes. Council will ensure that any barriers to effective community participation and engagement are addressed.





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- 5.1.3 The Policy also establishes that beyond its legislative obligations Council will seek to uphold the intent of the Policy whenever significant consultation is warranted. Decisions about the appropriate level of consultation are to be based on the following.
- 5.1.3.1 Council's strategic priorities and policies;
  - 5.1.3.2 Public and community interest;
  - 5.1.3.3 Economic impact;
  - 5.1.3.4 Environmental impact;
  - 5.1.3.5 Cultural impact;
  - 5.1.3.6 Social impact; and
  - 5.1.3.7 Available resources.
- 5.1.4 In applying this policy, Salisbury will utilise its Community Engagement Framework to enable a consistent and effective approach to consultation by staff.
- 5.1.5 Consultation in respect of the Para Hills Community Hub has occurred at a number of key project milestones since the concept of an upgraded community facility was first floated in 2008.
- 5.1.5.1 The first major consultation piece occurred during a review of the service delivery model for the Paddocks Community Centre in August 2012. Kath Moore and Associates, a social planning and community engagement consultancy, was engaged to assist in this process.
  - 5.1.5.2 Over one month 193 people were engaged face to face with written feedback also received. This research indicated that usage at the existing Community Centre at The Paddocks was limited by the space, which was both not spacious enough and not well configured.
  - 5.1.5.3 The process identified that accessibility, adequate transport, footpaths and parking were important to users of Paddocks.
  - 5.1.5.4 Following this consultation work, a decision was made by Council to investigate and ultimately to develop plans for a new facility adjacent to the existing Library and Positive Aging Centre in Para Hills and to decommission the Paddocks Community Centre.
  - 5.1.5.5 A further consultation process was undertaken on this plan and the concept design for the new facility.
  - 5.1.5.6 External community consultation was conducted over a three month period from May to July 2016.
  - 5.1.5.7 The Paddocks Committee (recognised as an important key stakeholder) has been consulted regarding the design, room configuration, kitchen

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areas, and external landscaping and car parking of the proposed new Para Hills Community Hub.

- 5.1.6 The community consultation process for the Project has been documented in a detailed report prepared by the Salisbury administration titled Para Hills Community Hub Community Consultation Report.
- 5.1.7 The recent Community Consultation process on the concept designs included:
  - 5.1.7.1 at least 200 face to face contacts;
  - 5.1.7.2 specific consultation with the Paddocks Management Committee (3 face to face consultations with the group);
  - 5.1.7.3 specific consultation with existing user groups (3 face to face consultations with each group);
  - 5.1.7.4 open day at the existing Paddocks Centre (located at the corner of Kesters Road and Bridge Road) to seek feedback regarding the design concepts;
  - 5.1.7.5 public advertising to seek feedback regarding the design;
  - 5.1.7.6 written feedback from key stakeholders;
  - 5.1.7.7 feedback to stakeholders regarding the preferred Option, including staff; and
  - 5.1.7.8 production of a short film documenting the detailed design consultation process and outcomes.
  - 5.1.7.9 An additional consultation was added to the schedule taking advantage of the Paddocks Market Day. This allowed existing users of the Paddocks facility to have further input.
- 5.1.8 A detailed Para Hills Community Hub Community Consultation Plan (Consultation Plan) has also been prepared to detail the ongoing consultation activities that will be undertaken during the final planning and build stages of the Project.
- 5.1.9 In the Consultation Plan, 17 Stakeholder Groups and 74 individual user group / clubs / businesses have been identified who will be impacted by the proposed Project.
- 5.1.10 In order to keep these stakeholders informed, Salisbury has identified a suite of communication tools and activities proposed to facilitate the engagement process as the Project progresses. These are shown below.
  - 5.1.10.1 Council website;
  - 5.1.10.2 Public notices;
  - 5.1.10.3 Fact and feedback sheets;

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- 5.1.10.4 Letters and emails;
- 5.1.10.5 Briefing sessions;
- 5.1.10.6 Individual and small group meetings;
- 5.1.10.7 Community events;
- 5.1.10.8 Council advisory groups and Paddocks Management Committee;
- 5.1.10.9 Feedback; and
- 5.1.10.10 A short film.
- 5.1.11 The Public Consultation Policy also sets out the Public Consultation steps for this Prudential Report to be as follows.  
  
*"Any report obtained and considered must be made available for public inspection at the principal office of the Council once the Council has made a decision on the relevant project (and may be available at an earlier time unless the Council orders that the report be kept confidential until that time.)"*
- 5.1.12 Accordingly, Salisbury should ensure that the Prudential Report is made available for public inspection at the principal office of the Council once the Council has made a decision on the Project.
- 5.1.13 Public Consultation has been extensive and has been undertaken in accordance with the Public Consultation Policy and has followed the principles which are identified by Council as central to the Public Consultation process.
- 5.1.14 Salisbury should ensure that any matters raised by the community during the community engagement phase are considered in the project delivery.

## 5.2 Community Influence and Contribution

- 5.2.1 There were two major yet independent consultation processes undertaken as part of this Project.
- 5.2.2 The first major consultation process commenced in 2012 (2012 Consultation Process) and resulted in Salisbury gaining a better understanding of the elements relevant to the development of a multipurpose community facility in Para Hills.
- 5.2.3 The outcome of the 2012 Consultation Process was the development of six key design elements relevant to the development of a multipurpose community facility in Para Hills. These were as follows.
  - 5.2.3.1 The importance of the outside environment and outdoor space  
  
Open space was important to a majority of those consulted. The Paddocks was considered a treasured open space feature of Para Hills and a general view was expressed that maintaining open space was important.

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5.2.3.2 Transport, access, car parking and associated infrastructure

The ability of those with mobility issues to access community facilities was seen as important. Access with quality car parking, footpaths and pedestrian access.

5.2.3.3 Location

Some believed the existing Paddocks Centre was too 'hidden away'. The location adjacent to the Library and Positive Aging Centre has main road frontage and is conveniently located near shops.

5.2.3.4 Activities and services

Importance of helping new migrants to the area to integrate with the existing community.

5.2.3.5 Community and cultural inclusion

Being able to accept different ways of life and standards of living with community spaces being seen as a way to break down barriers.

5.2.3.6 Information needs including signage.

People identified that there was an ongoing issue with people not being aware of the community facilities available in Para Hills.

5.2.4 Following this process, the administration recommended and the Council accepted the decision to favour a development of the existing Para Hills Community Centre at the site adjacent to the Para Hills Library and Positive Aging Centre over a redevelopment of the Paddocks Community Centre.

5.2.5 The second major consultation process occurred in 2016 (2016 Consultation Process) which summarised the key design features required in the development. This resulted in the concept designs for the Para Hills Community Hub presented to Council in August 2016.

5.2.5.1 Having determined the preferred location, the 2016 Consultation Process was focussed on key design suggestions to influence the development of the concept design for the Para Hills Community Hub.

5.2.5.2 According to the Community Consultation Report there has been overwhelming positive support for the creation of a modern community hub at the proposed location.

5.2.5.3 It also acknowledges that there is a small group of stakeholders who maintain a close connection with the Paddocks Community Centre and have expressed a desire to maintain their identity at the new Centre.

5.2.5.4 Community feedback collected on concept designs has been grouped into nine key design directions. They are shown in Figure One.

**Figure One: Para Hills Community Hub concept design directions**



- 5.2.5.5 Community comments relating to each design direction have been referenced in the Community Consultation Report and a Concept Design Response has been formed based on the community comments.
- 5.2.5.6 All points raised during the concept design consultation were provided to Council's Design Team and considered in the development of the Para Hills Community Hub Concept Design.
- 5.2.5.7 The design suggestions have positively contributed to and influenced the development of the Para Hills Community Hub concept design.
- 5.2.6 At both stages of the consultation processes the community has been provided with significant and varied opportunities to influence the location and design of the Para Hills Community Hub.





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## 6. FINANCIAL ASSESSMENT

*Local Government Act, Section 48 (2) The following are prudential issues for the purposes of subsection (1):*

- (e) *if the project is intended to produce revenue, revenue projections and potential financial risks;*
- (f) *the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;*
- (g) *the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;*

### 6.1 Revenue Production, Revenue Projections and Potential Financial Risks

- 6.1.1 The Paddocks Centre is operated by the Paddocks Centre Incorporated, an association incorporated for this specific purpose.
- 6.1.2 We understand that the Paddocks Centre Incorporated will operate the new Para Hills Community Hub.
- 6.1.3 The Paddocks Centre Incorporated operates as a standalone entity. It has total current assets as at 30 June 2016 of \$69,134. This amount equates to more than the average annual operating expense budget for the Centre over the past two years (\$62k).
- 6.1.4 With the Paddocks Centre Incorporated operating the Para Hills Community Hub the Project is not expected to produce revenue directly for Salisbury.
- 6.1.5 Given the identified governance structure, we have only identified one material financial risk associated with the Project. This being the risk of cost overruns associated with construction.
- 6.1.6 Salisbury has prepared internal cost estimates for the favoured concept design and has also commissioned independent costing consultants (RLB) to provide a project cost estimation.
- 6.1.7 Table Six summarises the expected construction costs relating to the delivery of the Para Hills Community Hub.

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Table Six: Project cost estimates

Element	Internal cost estimate (\$)	RLB Cost Estimate (\$)	Council amendment (\$)
Building costs	2,099,015	Details not reviewed	Council have resolved that the savings should come from reductions in the budget for landscaping, decking and screening, internal library works and the contingencies (savings costed at approximately \$705,000).
Existing building works	364,483		
Landscaping / car parking	1,057,044		
Utilities	150,000		
Paddocks demolition	150,000		
Subtotal	3,820,637		
Design contingency	825,000		
Construction contingency	450,000		
<b>Total</b>	<b>5,095,637</b>	<b>5,440,046</b>	<b>4,400,000</b>

6.1.8 The internal cost estimate (which includes a construction contingency of \$0.45 million) for the Project is 6.3% less than the independent assessment prepared by the cost consultant. Salisbury has accepted this internal assessment on the basis of recent outcomes for the Underdown Park project which resulted in a competitive pricing outcome for Salisbury.

6.1.9 Council, as part of the 22 August 2016 resolution, sought a reduction in the Project budget for the Para Hills Community Hub to \$4.40 million. This is 13.6% less than the internal cost estimate and 19.1% less than the estimate prepared by RLB. To achieve this reduction in cost, Council sought to reduce the associated budget for landscaping, decking, screening, internal library works and contingencies.

6.1.10 The ability to deliver an outcome that meets community expectations within the financial constraints imposed by Council is a material risk to the Project.

## 6.2 Recurrent and Whole of Life Costs, Financial Arrangements

6.2.1 On the assumption that the Para Hills Community Hub will operate as a break even entity under the control of The Paddocks Centre Incorporated, recurrent and whole of life costs for the Para Hills Community Hub are limited to the building construction, ongoing building maintenance, depreciation and notional financial costs. The following assumptions have been made to assess whole of life costs for the Project:

6.2.1.1 The capital budget set by Council for the construction of the Para Hills Community Hub is \$4.40 million.

6.2.1.2 Whole of life costing has been prepared based on a period of 50 years, the estimated productive life of the Para Hills Community Hub.

6.2.1.3 Costs of building maintenance are estimated at 1.5% of capital value.





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6.2.1.4 Depreciation is calculated in accordance with Australian Accounting Standards, the base building is depreciated at the rate of 2% per annum.

6.2.1.5 For the purpose of determining whole of life costs, the construction cost is assumed to be funded by a loan at a finance rate of 3% per annum (current LGFA rate) principle and interest over a 20 year term.

6.2.2 Based on the assumptions above, the whole of life costs are shown in Table Seven.

**Table Seven – Para Hills Community Hub Whole of Life Costs**

Cost	Amount
Depreciation	\$4,400,000
Maintenance	\$3,300,000
Notional finance cost	\$1,456,552
Operating costs	\$0
<b>Total</b>	<b>\$9,156,552</b>

6.2.3 No allowance has been made in the whole of life cost to re-fit the Para Hills Community Hub once the fit-out has been fully depreciated.

6.2.4 No State or Federal Government funding is being contributed to the Project.

### 6.3 Financial Viability

6.3.1 Financial viability can be defined as the ability to generate sufficient income to meet operating expenses, financial obligations and to provide the potential for future growth.

6.3.2 While the Project is not forecast to produce a revenue stream directly to Salisbury, a \$4.60 million allocation of Project Costs has been included in the forward capital works program in the Salisbury Annual Plan and Long Term Financial Plan. This is an amount greater than the revised project budget of \$4.40 million based on the 22 August 2016 Council resolution.

6.3.3 The closing cash balance over the 10 year LTFP period starts at \$20.6 million, reduces to a net debt position of \$1.5 million at the end of FY2018 and then increases to a positive position of \$10.0 million at the end of the ten year modelled period.

6.3.4 The estimated capital cost of the Project is expected to be approximately 5% of forecast capital and renewal expenditure incurred by Salisbury during FY2017 and FY2018.

6.3.5 The Net Financial Liabilities Ratio and the Asset Sustainability Ratio as disclosed in the LTFP (with a provision for expenditure on the Para Hills Community Hub included) are forecast to remain within the defined operating range.

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- 6.3.6 Given the relatively low level of capital cost as a percentage of the total capital works budget, the Para Hills Community Hub is not expected to materially impair Salisbury's financial stability or indicators.



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## 7. PROJECT RISK AND MITIGATION STRATEGIES

*Local Government Act, Section 48 (2) The following are prudential issues for the purposes of subsection (1):*

- (h) *any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);*

### 7.1 Risk Management

- 7.1.1 This report assesses the risk management actions taken or being considered by Salisbury for the Para Hills Community Hub Project.
- 7.1.2 Salisbury has adopted a Risk Management Charter, within this it has developed and tailored a methodology consistent with the International Standard for Risk Management, AS/NZS/ISO31000: 2009 for the identification and management of risk. This methodology is integrated into Salisbury's projects, business and corporate planning and review processes.
- 7.1.3 The Charter establishes that any risk which falls within the "Extreme" quadrant of the Risk Matrix exceeds the City's risk tolerance and specific action must be taken immediately to mitigate this level of risk or consideration should be given to abandoning the program, process, or activity.
- 7.1.4 A Project risk management plan or risk assessment has not yet been prepared by Salisbury.
- 7.1.5 We have undertaken a high level risk assessment for the Project and formed an assessment of the overall level of inherent and residual risk based on Salisbury's existing Risk Management Charter and Risk Management Guide. The high level risk assessment is shown in Attachment Three.
- 7.1.6 Table Eight shows the number of identified risks per risk category and their inherent risk rating.

**Table Eight: Inherent Risk Assessment Category Summary**

Risk Level	Extreme	High	Medium	Low	Total
Communication Management		2			2
Construction Management		3	4		7
Design Management		4	2		6
Operations Management			4		4
Other		3			3
Project Management		6		1	7
<b>Total</b>		<b>18</b>	<b>10</b>	<b>1</b>	<b>29</b>

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- 7.1.7 Table Nine shows the number of identified risks per risk category and their residual risk rating.

**Table Nine: Residual Risk Assessment Category Summary**

Risk Level	Extreme	High	Medium	Low	Total
Communication Management			2		2
Construction Management		1	3	3	7
Design Management		1	3	2	6
Operations Management			3	1	4
Other		2	1		3
Project Management			6	1	7
<b>Total</b>		<b>4</b>	<b>18</b>	<b>7</b>	<b>29</b>

- 7.1.8 29 risks have been identified, 18 of which have an inherent risk rating of high. Post recommended risk mitigation strategies, the number of risks with a high risk rating is four. No extreme risks were identified.
- 7.1.9 Based on our risk assessment, the overall inherent risk of the Project is High and the residual risk, post recommended mitigation strategies, is Moderate. This level of residual risk is considered to be acceptable based on Salisbury's Risk Management Charter.
- 7.1.10 Key decisions around procurement and contracting relating to the construction phase of the Project will be taken in the near future. This phase includes a number of the key risks that can be mitigated by engaging with suitably qualified and experienced contractors to the Project.
- 7.1.11 To reduce the level of residual risk on the Project, Salisbury should establish a cross functional team of employees, including the Business Analyst – Internal Audit and Risk, to critically review and expand upon the Project risk assessment.
- 7.1.12 This should include reviewing and expanding upon the risk register for any omissions, in light of their more detailed knowledge of the Project reviewing the assessment of likelihood and severity of the identified risks and reviewing the identified mitigation strategies.
- 7.1.13 The updated risk assessment should be reviewed at regular intervals during the Project to ensure risk is regularly considered and monitored and that appropriate mitigations strategies are put in place as the Project is delivered.

## 7.2 Risk Mitigation

- 7.2.1 Salisbury should ensure that the mitigation strategies identified for the risks associated with the Para Hills Community Hub are implemented and that these are progressively updated as the Project is implemented.

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- 7.2.2 To support the risk management process the continued maintenance of a risk register should be a priority.
- 7.2.3 The Project Manager should review and update this register at least monthly and ensure a status report is provided to the Salisbury Executive Group each month.
- 7.2.4 The Quarterly reporting to Works and Services Sub-Committee together with quarterly budget reviews appear to be adequate to ensure the Chief Executive Officer, or his delegate, and Council are apprised of areas of risk.

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## 8. PROJECT DELIVERY

*Local Government Act, Section 48 (2) The following are prudential issues for the purposes of subsection (1):*

*(i) the most appropriate mechanisms or arrangements for carrying out the project.*

### 8.1 Delivery Mechanism

8.1.1 The delivery of the Para Hills Community Hub has two distinct phases:

8.1.1.1 Construction works; and

8.1.1.2 On-going management of the Hub.

### 8.2 Construction works

8.2.1 There are several options generally available for carrying out the construction phase of the Project, each of these has different advantages and disadvantages depending on the circumstances of a particular project. The methods relevant to the Project include:

- Construct only;
- Design and Construct; and
- Managing Contractor or Early Contractor Involvement.

8.2.2 Given the design works undertaken to date and the value of the works involved, Salisbury will now progress the Construct method, engaging suitably qualified and experienced builders to undertake the Project works.

8.2.3 In order to determine the most appropriate methodology for engagement with a builder, the Salisbury Procurement Policy must be considered.

8.2.4 Consideration should also be given to whether Salisbury has the necessary skills and internal experience with regard project managing the build phase of the Project, or whether these need to be serviced externally.

8.2.5 A Project Procurement Plan or Acquisition Strategy will need to be created by Salisbury that considers the service delivery methodology and timelines for finalising design, project management and construction. This document is scheduled to be completed by March 2017, prior to the commencement of the acquisition process to identify a suitably qualified construction company to undertake construction works.

### 8.3 On-going management of the Hub

8.3.1 Following construction, management of the Para Hills Community Hub will be a joint responsibility between of The Paddocks Committee and Salisbury Council.

8.3.2 A detailed Management Plan should be developed to ensure that the responsibilities on each party involved in management of the Para Hills Community Hub are clear.





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#### 8.4 Procurement Implications

- 8.4.1 The Salisbury Procurement Policy, last reapproved on 27 January 2015, applies to all Council staff and personnel engaged by Council to undertake procurement activities on its behalf, and it relates to all procurement activities associated with the acquisition of Goods, Works or Services of any value by the City of Salisbury.
- 8.4.2 The Policy prescribes that the procurement method for obtaining goods, works and services will be determined according to the estimated cost across the total life of the project; the nature of the procurement and the risk profile of the project. Subject to the estimate of total costs, the procurement method may be by oral quotes, written quotes or by a range of tender process options aligning to the formal procurement thresholds.
- 8.4.3 The Procurement Policy identifies seven key principles relating to procurement:
  - 8.4.3.1 Value for money (as opposed to lowest price);
  - 8.4.3.2 Open and effective competition;
  - 8.4.3.3 Ethical behaviour and fair dealing;
  - 8.4.3.4 Accountability and transparency;
  - 8.4.3.5 Environmental Preference;
  - 8.4.3.6 Sustainable procurement; and
  - 8.4.3.7 Work health and safety.
- 8.4.4 Given the nature and the scale of the project and the requirements of the existing Salisbury Procurement Policy, an open or selective tender process is likely to be the most appropriate method to attract a suitably qualified and experienced construction company to undertake the construction phase of the Project.
- 8.4.5 A formal Acquisition strategy will be adopted by the Salisbury Executive for the engagement of contractors required to complete the Project. This is scheduled for completion in March 2017. The procurement methods outlined in the strategy will need to be consistent with the Salisbury Procurement Policy.



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## 9. CONCLUSION

- 9.1 This report has been prepared to meet the requirements of Section 48 of the Local Government Act and the Salisbury Prudential Management Policy in order to provide Council with a comprehensive understanding of the prudential issues relating to the proposed construction of the Para Hills Community Hub.
- 9.2 The Para Hills Community Hub describes the construction of an extension to the existing Para Hills Library and Positive Ageing Centre located at the corner of Kesters Road and Wilkinson Road at the Para Hills Shopping Centre, at accost of \$4.40 million. This facility will consolidate the services currently provided at the existing location with the services provided at the Paddocks Centre.
- 9.3 We note that the budgeted cost of the Project falls short of the threshold in the Act that requires the consideration of a Section 48 report, however Council resolved to have a prudential report prepared as a matter of good governance.
- 9.4 The Para Hills Community Hub Project is considered to be strongly aligned with the City of Salisbury strategic direction and the desired outcomes as outlined within the Salisbury City Plan 2030. It will assist to advance three of the four key directions identified in the Plan. The Project would also assist to advance a number of the state priorities and targets, particularly in relation to the State Strategic Plan's "Our Community" objectives.
- 9.5 Adequate financial provisions have been made in the Annual Plan 2016/17 and the Long Term Financial Plan for the Project. The Buildings Asset Management Plan will need to be amended to include the decommissioning of the Paddocks Centre and the management of the new Para Hills Community Hub.
- 9.6 The Para Hills Community Hub Project involves works which are defined as "development" under the Development Act 1993. A Development Application for the Project was submitted to the Minister for Planning for consideration in December 2016. If the matter is referred back to Salisbury for assessment it should ensure the Guidelines for Assessment of Council Development are followed.
- 9.7 The proposed land use and development is consistent with the Objectives of the City of Salisbury Development Plan for the Neighbourhood Centre Zone.
- 9.8 Should Council proceed with the Project the estimated cost is \$4.40 million, this is expected to increase economic activity from the completion of the Project and is estimated to have a positive economic impact in the region, generating an increase in economic output of over \$8.672 million from the \$4.40 million investment. The Project is estimated to have an impact of up to 23 jobs through direct, industrial and consumption effects.
- 9.9 The Project is likely to have a positive impact on businesses in the area.
- 9.10 Public Consultation on the Project dates back to 2008 and has been extensive. The Public Consultation performed has been undertaken in accordance with the Public Consultation Policy and has followed the principles which are identified by Council as central to the Public Consultation process. The multi-staged consultation undertaken for Para Hills Community Hub suggests that the community has had opportunity to influence this Project at a number of key decision points. Further, the outcomes from the consultation process are evidence



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that the community has been afforded the opportunity to contribute to and influence the outcomes of the Project.

- 9.11 The major financial risk associated with the Project relates to the potential for cost overruns in the construction process. Salisbury can mitigate this risk through the procurement process.
- 9.12 The whole of life Project costs are based on the additional maintenance, depreciation and notional finance costs relating to construction of the Para Hills Community Hub. These have been estimated at approximately \$9.156 million over the assumed 50 year useful life of the Hub.
- 9.13 Salisbury has adopted a Risk Management Charter, within this it has developed and tailored a methodology consistent with the International Standard for Risk Management, AS/NZS/ISO31000: 2009 for the identification and management of risk. This methodology is integrated into Salisbury's projects, business and corporate planning and review processes.
- 9.14 A Project risk management plan has not yet been prepared by Salisbury.
- 9.15 We have undertaken a high level risk assessment based on Salisbury's existing Risk Management Charter and Risk Management Guide.
- 9.16 29 risks have been identified, 18 of which have an inherent risk rating of High. Post recommended risk mitigation strategies, there are four risks with a residual risk rating of High. The overall inherent risk of the Project is assessed as High and the residual risk, post recommended mitigation strategies, is Moderate. This level of residual risk is considered to be acceptable based on Salisbury's Risk Management Charter.
- 9.17 Salisbury should actively review and update the Project Risk Register and undertake a detailed project risk assessment as the Project progresses, particularly in the final design and through the construction phase.
- 9.18 Given the nature and the scale of the project and the requirements of the existing Salisbury Procurement Policy, an open tender process is likely to be the most appropriate method to attract a suitably qualified and experienced construction company to undertake the construction phase of the Project.
- 9.19 The procurement methods outlined in the Procurement Plan will need to be consistent with the Salisbury Procurement Policy.

## ATTACHMENT ONE: LOCAL GOVERNMENT ACT, 1999 – SECTION 48

### Section 48 – Prudential requirements for certain activities

- (1) A council must obtain and consider a report that addresses the prudential issues set out in subsection (2) before the council—
  - (a) engages in a commercial project (including through a subsidiary or participation in a joint venture, trust, partnership or other similar body) where the expected recurrent or capital expenditure of the project exceeds an amount set by the council for the purposes of this section; or
  - (b) engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body)—
    - (i) where the expected expenditure of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or
    - (ii) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4,000,000.
- (2) The following are prudential issues for the purposes of subsection (1):
  - (a) the relationship between the project and relevant strategic management plans;
  - (b) the objectives of the Development Plan in the area where the project is to occur;
  - (c) the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;
  - (d) the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;
  - (e) if the project is intended to produce revenue, revenue projections and potential financial risks;
  - (f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;
  - (g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;

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- (h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);
  - (i) the most appropriate mechanisms or arrangements for carrying out the project.
- (3) A report is not required under subsection (1) in relation to—
  - (a) road construction or maintenance; or
  - (b) drainage works.
- (4) A report under subsection (1) must be prepared by a person whom the council reasonably believes to be qualified to address the prudential issues set out in subsection (2).
- (4a) A report under subsection (1) must not be prepared by a person who has an interest in the relevant project (but may be prepared by a person who is an employee of the council).
- (4b) A council must give reasonable consideration to a report under subsection (1) (and must not delegate the requirement to do so under this subsection).
- (5) A report under subsection (1) must be available for public inspection at the principal office of the council once the council has made a decision on the relevant project (and may be available at an earlier time unless the council orders that the report be kept confidential until that time).
- (6) However, a council may take steps to prevent the disclosure of specific information in order to protect its commercial value or to avoid disclosing the financial affairs of a person (other than the council).
- (6a) For the purposes of subsection (4a), a person has an interest in a project if the person, or a person with whom the person is closely associated, would receive or have a reasonable expectation of receiving a direct or indirect pecuniary benefit or a non-pecuniary benefit or suffer or have a reasonable expectation of suffering a direct or indirect detriment or a non-pecuniary detriment if the project were to proceed.
- (6b) A person is closely associated with another person (the relevant person)—
  - (a) if that person is a body corporate of which the relevant person is a director or a member of the governing body; or
  - (b) if that person is a proprietary company in which the relevant person is a shareholder; or
  - (c) if that person is a beneficiary under a trust or an object of a discretionary trust of which the relevant person is a trustee; or
  - (d) if that person is a partner of the relevant person; or



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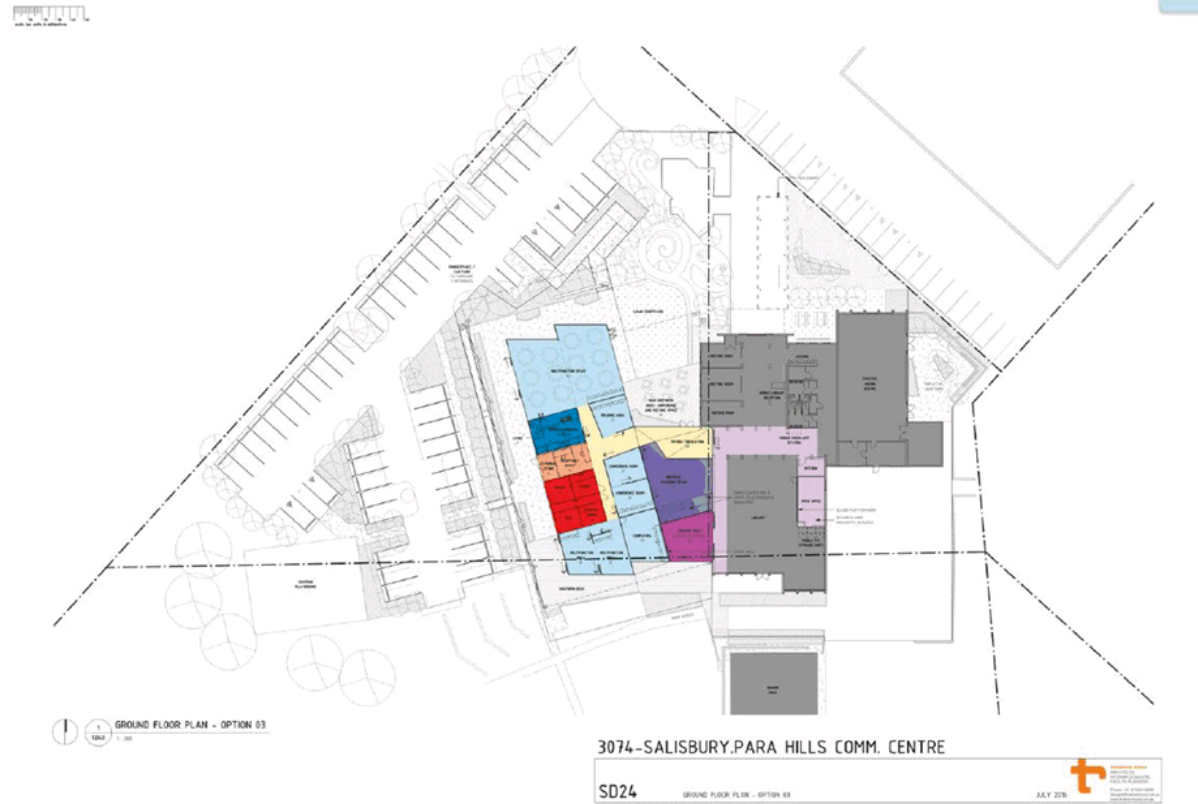


- (e) if that person is the employer or an employee of the relevant person; or
  - (f) if that person is a person from whom the relevant person has received or might reasonably be expected to receive a fee, commission or other reward for providing professional or other services; or
  - (g) if that person is a relative of the relevant person.
- (6c) However, a person, or a person closely associated with another person, will not be regarded as having an interest in a matter—
- (a) by virtue only of the fact that the person—
    - (i) is a ratepayer, elector or resident in the area of the council; or
    - (ii) is a member of a non-profit association, other than where the person is a member of the governing body of the association or organisation; or
  - (b) in a prescribed circumstance.
- (6d) In this section, \$4 000 000 (indexed) means that that amount is to be adjusted for the purposes of this section on 1 January of each year, starting on 1 January 2011, by multiplying the amount by a proportion obtained by dividing the CPI for the September quarter of the immediately preceding year by the CPI for the September quarter, 2009.
- (6e) In this section—
- employee** of a council includes a person working for the council on a temporary basis;
- non-profit association** means a body (whether corporate or unincorporate)—
- (a) that does not have as its principal object or 1 of its principal objects the carrying on of a trade or the making of a profit; and
  - (b) that is so constituted that its profits (if any) must be applied towards the purposes for which it is established and may not be distributed to its members.
- (7) The provisions of this section extend to subsidiaries as if a subsidiary were a council subject to any modifications, exclusions or additions prescribed by the regulations.

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ATTACHMENT TWO: OPTION THREE CONCEPT PLAN





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## ATTACHMENT THREE: RISK ASSESSMENT

No	Date Identified	Risk Categories	Risk	Risk Description	No Control			Existing and Proposed Controls	After		
					Consequences	Likelihood	Risk Rating		Consequences	Likelihood	Risk Rating
	7/09/2016	Design management	Facility is not suitable to meet future demand	Demand for the Community Hub is different to expectation so that the capacity and size of facility built is questioned by the community.	3	C	H	Significant stakeholder engagement performed and Council has an in-depth understanding of the Programs currently run at Paddocks and existing Para Hills Community Centre.	3	B	M
	7/09/2016	Design Management	Users can't operate at new capacities	Facility is underutilised at non-peak times, and events are poorly managed	2	B	M	User groups have been extensively consulted on as part of the Project planning.	2	A	L
	7/09/2016	Design management	Design is not consistent with the Community Hub Policy	Salisbury has developed a Community Hub Policy. There is a risk that the design and execution of this project is not consistent with the framework developed.	2	A	L	Low risk - no mitigation necessary.	2	A	L
	7/09/2016	Design management	The design option chosen doesn't deliver the required levels of service or value for money	Given the Council resolution to reduce the budgeted construction cost in the order of 15% there is a heightened risk that the design option chosen don't deliver on community expectations	3	C	H	Further engagement with design team to ensure community requirements can be met within revised budget. Suggested changes by Council are largely cosmetic so may not impact function.	3	C	H
	7/09/2016	Design Management	Underestimated Costs	Failure to identify all activities and considerations as well as their associated costs would increase the amount of funds required to deliver the projects outcomes	2	C	H	Salisbury should perform a detailed assessment of whole of life costs to operate the new Hub including changes to staffing, utilities and any other costs to run the new Hub.	2	B	M
	7/09/2016	Design Management	Variations from Design	Design may not be as detailed as required	2	C	H	Salisbury have outsourced design to a third party and have a provision in place for significant design professional fees.	2	A	L
	7/09/2016	Communication management	Stakeholder expectations are not managed	Community expectations on project delivery components and timelines are not met.	3	C	H	Community Consultation Plan.  Ensuring the project is clearly understood and communicated with a single agenda not clouded by other projects/levels of government agendas that take away from Council's investment and commitment in the project for our community	3	B	M
	7/09/2016	Communication management	Stakeholders fail to understand the Project.	A lack of common understanding on what a community hub looks like in the Salisbury context leading to rumours and mis information in the public arena.	2	C	H	Community Consultation Plan.	2	B	M
	7/09/2016	Construction management	Local job and training opportunities are not fully captured and broader economic development opportunities are missed.	No clear agenda is set for local job creation and this is not a procurement methodology adopted early in the project within a structure methodology that can balance the need to achieve broader economic objectives while still returning value for money to Council. This could also lead to negative perception / political fallout from the project.	1	C	M	Salisbury to develop a procurement strategy for the Project.	1	B	L
	7/09/2016	Construction Management	Vendor capability	Vendors may not have demonstrated experience in construction of this type	3	B	M	Salisbury to develop a procurement strategy for the Project. Tender process to ensure suitably qualified builders are sourced.	3	A	M
	7/09/2016	Construction Management	Issues during construction	The Construction phase can bring about some significant risks including but not limited to; traffic management, working at heights, stored energy, vandalism, geotech analysis, etc.	2	C	H	Appropriate contract management processes to be put in place to ensure contractors have up to date OHS certification and experience to safely deliver the Project.	2	B	M
	7/09/2016	Construction management	Construction risk	Risk of Work Place Injuries are real on any work site, but can be fatal within a construction environment.	4	B	H	The engagement of a contractor who has a high demonstrated standard in injury prevention and protocols in place should be part of the tender evaluation criteria	4	A	H
	7/09/2016	Construction management	Property Constraints identified may impact on feasibility of preferred option.	Property constraints are not identified early in the site investigations and the impact of this constraint could change preferred site and solution and impact project timelines.	2	B	M	Detailed property investigations to be completed to investigate easements, titles, car parking memorials, caveats, leases that could impact on availability of land for redevelopment.	2	A	L
	7/09/2016	Construction management	Buried Services	Location of Buried services and easements restricting design	2	B	M	Surveyor report?	2	a	L
	7/09/2016	Construction management	Contractor fails to deliver on scope of work	Standard risk in all construction delivery projects.	3	C	H	Engagement of an experienced project manager (either internal or external) who can identify early signs of risk/failure and interject can further mitigate the risk for the project at delivery, but factors outside of control will never able to be fully prevented.	3	B	M

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No	Date Identified	Risk Categories	Risk	Risk Description	No Control			Existing and Proposed Controls	After		
					Consequences	Likelihood	Risk Rating		Consequences	Likelihood	Risk Rating
	7/09/2016	Project Management	Contract Steps and processes	The steps and processes associated with the contractual engagement can be lengthy and failure to comply can bring about some negative implications for cost, quality and timeline	2	C	H	Engagement of an experienced project manager (either internal or external)	2	B	M
	7/09/2016	Project Management	Project Management Failure results in time / cost / scope overruns	Time overruns or scope creep as a result of a failure in project management procedures and oversight	3	C	H	Engagement of an experienced project manager (either internal or external)	3	B	M
	7/09/2016	Project Management	Skills and expertise of in-house Council Staff to deliver a large building project.	Internal Council Staff don't have the commercial background and depth of experience in delivering this complexity of building in a project management approach that can ensure that we capture all opportunities.	3	C	H	Draw on previous experience managing construction of other council owned building / hubs.	3	B	M
	7/09/2016	Project Management	Council doesn't have the resources to properly manage the project	Council doesn't allocate the necessary resources to the Project to ensure that we get the best outcome and mitigate the identified risks. While other projects needs to continue to be delivered, consideration to providing a separate team able to put full attention to the project at key points may be critical to its success.	3	C	H	Establish an internal working group to oversee the Project.	3	B	M
	7/09/2016	Project Management	Adhoc Task Identification	Multiple tasks are required to deliver the project. Several of these tasks are dependant on other tasks, and some require substantial timelines to complete which cannot be compressed.  Failure to identify all tasks with substantial lead time (i.e. revocation, easement extinguishment, etc.) may delay construction stages and subsequently delivery of the projects outcomes, resulting in various disruptions especially to sports clubs themselves	3	C	H	Project management framework?	3	B	M
	7/09/2016	Project Management	Absence of an agreed project management methodology	Risk of confusion in document control, project timelines and lack of communication and information between the members of the project team as a result of no central system being in place to coordinate internal/external consultants resulting in poor project management outcomes that could reflect in cost overruns	2	C	H	Project management framework? Document management policies?	2	B	M
	7/09/2016	Project Management	Security	Ensuring the Community Centre is secure from vandalism and theft during construction (including after hours)	1	B	L	Contract management, clear lines of responsibility with the builder.	1	A	L
	7/09/2016	Operations Management	Stakeholder, Landowner and potential partnership negotiations	Project will likely represent a significant financial commitment from Council into new buildings and facility development. Critical to ensure legislative requirements are met and value for money is achieved.	2	B	M	A Section 48 report has been commissioned to understand prudential and regulatory risks.	2	A	L
	7/09/2016	Operations Management	Disruption to Club Activities due to reallocation	Clubs currently using facilities are displaced as a result of works	1	D	M	Stakeholder engagement plan has been established.	1	C	M
	7/09/2016	Operations Management	Project Structure regarding User Groups	If user groups don't feel any control over process, they may disengage and reject the project, oppose the project or require additional resources to maintain the expected timelines around reaching concord	3	B	M	Stakeholder engagement plan has been established.	3	A	M
	7/09/2016	Operations Management	Integration of existing community services is poorly handled	There will be a process to transition existing programs from the Paddocks Centre to the new Community Hub. This process needs to be performed with appropriate levels of engagement and consideration of the needs of all stakeholders.	1	D	M	Develop a change or transition strategy to consider risks.	1	D	M

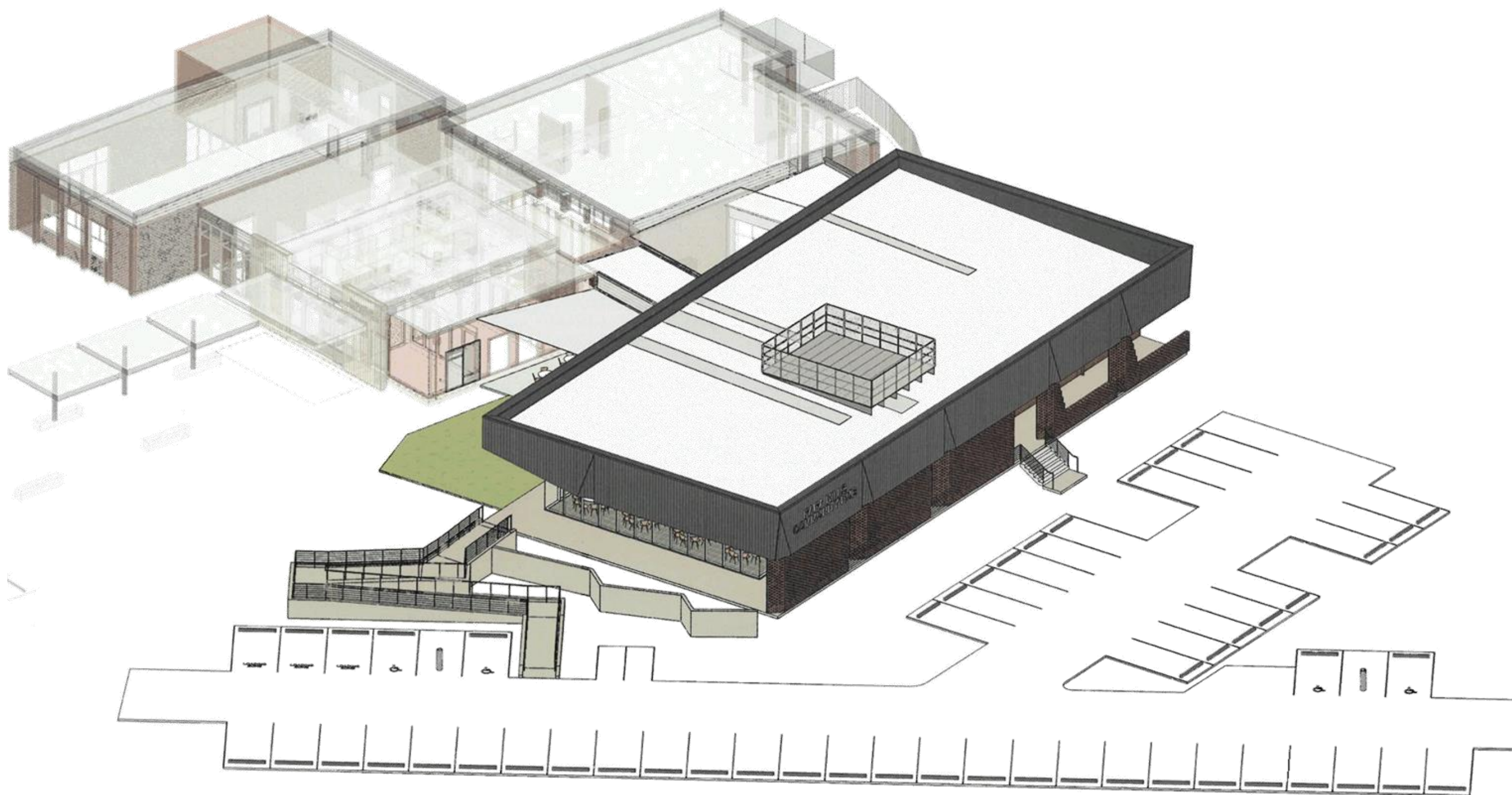
City of Salisbury  
Section 48 Report - Para Hills Community Hub Project



No	Date Identified	Risk Categories	Risk	Risk Description	No Control			Existing and Proposed Controls	After		
					Consequences	Likelihood	Risk Rating		Consequences	Likelihood	Risk Rating
	7/09/2016	Other	"Act of God"	Meant to cover all items from extreme weather and external inputs that are completely out of the control of the project and could not be envisaged.	4	A	H	Insurances within contracts to manage risks that cannot be mitigated	4	A	H
	7/09/2016	Other	Risks are not appropriately managed	Salisbury has engaged a third party to prepare the first draft of the Project Risk Management Plan. Without Project Team buy in, there is a risk that ownership of the Risk Management Plan does not transfer to the Project team and the document is not used or regularly updated.	3	C	H	Project team should critically review the Risk Management Framework, make updates and maintain the document throughout the Project.	3	B	M
	7/09/2016	Other	Lack of EM Support	New Elected Members do not support the Project or Elected Member support for the project wanes resulting in cancellation or non approval of individual stages or as a whole or just individual components	4	B	H	Vote to approve the concept plans not unanimous. Continue to engage with Elected Member to ensure support critical to the Project success.	4	A	H





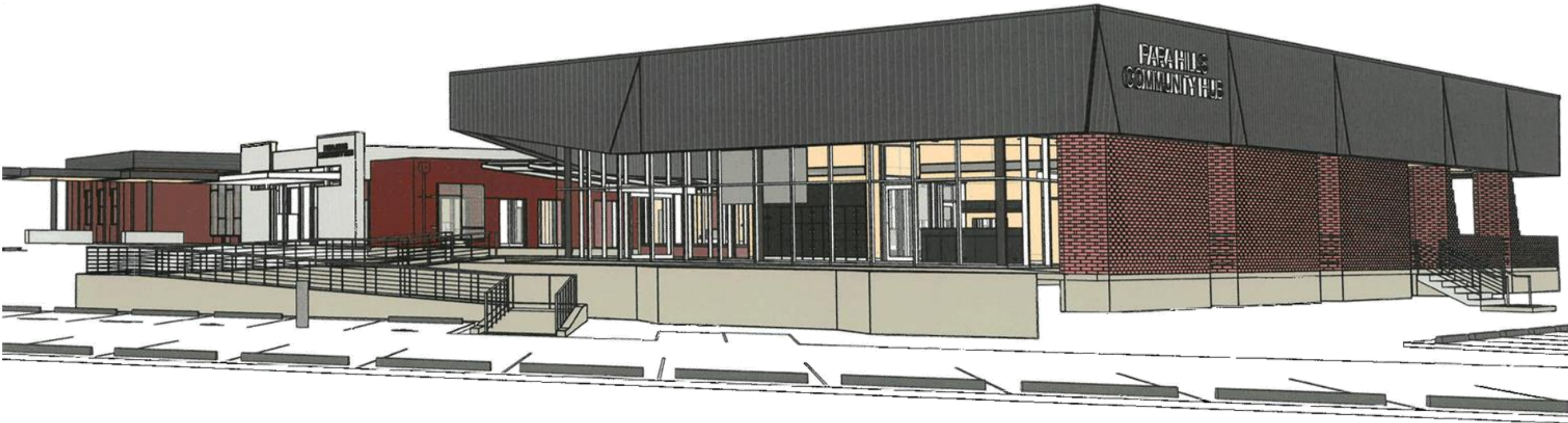








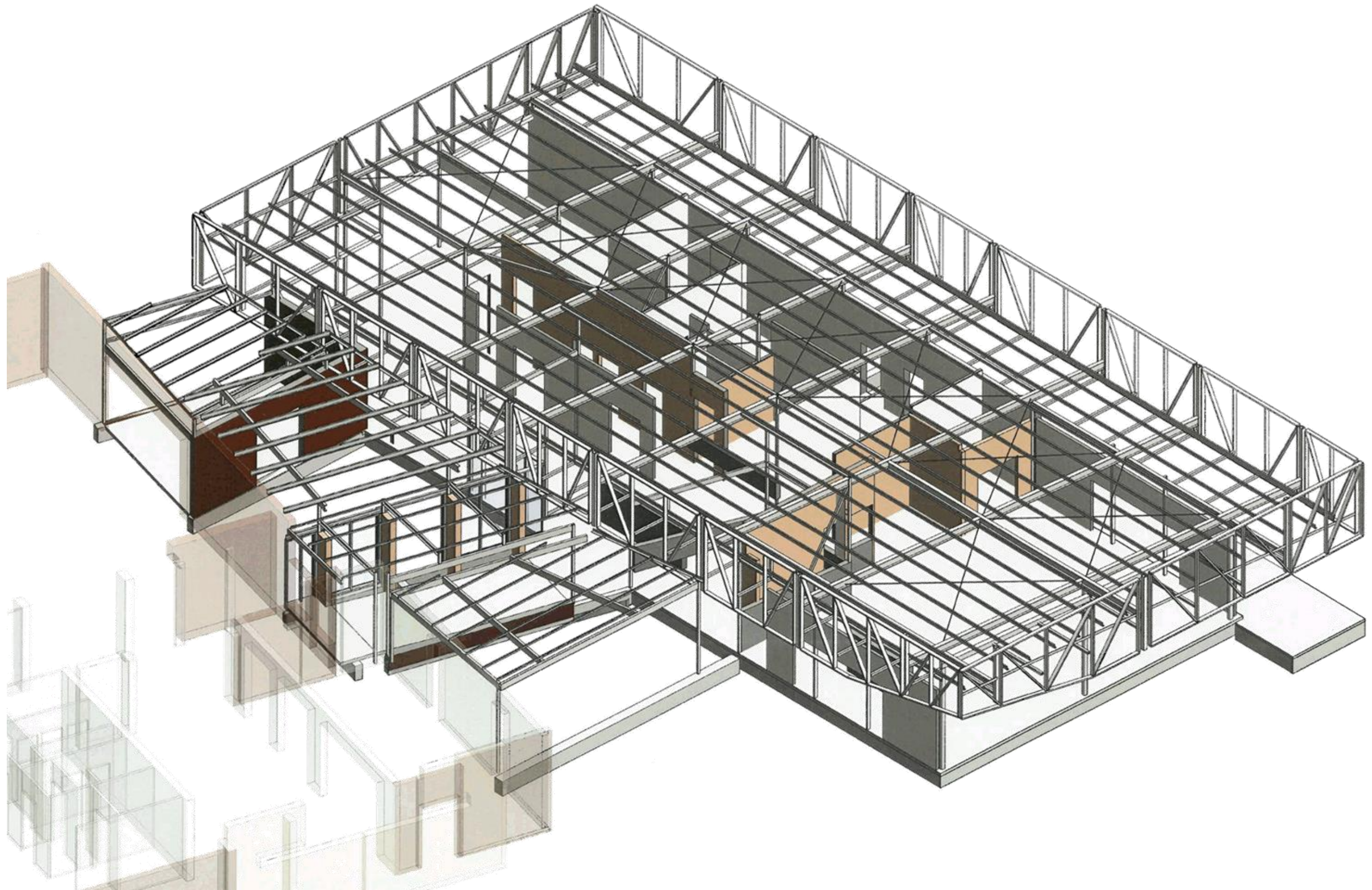




Item 2.1.1 - Attachment 3 - Para Hills Community Hub - Image of current 3D design model















## Salisbury Para Hills Community Centre

### 80% Documentation Estimate

#### Location Summary

FECA: Fully Enclosed Covered Area  
Rates Current At February 2017

Location	FECA m <sup>2</sup>	Cost/m <sup>2</sup>	Total Cost
<b>A BUILDING WORKS</b>	<b>1,045</b>	<b>2,419</b>	<b>2,527,720.95</b>
<b>B EXTERNAL WORKS</b>			<b>841,446.30</b>
<b>C SITE INFRASTRUCTURE</b>			<b>175,000.00</b>
<b>D THE PADDOCKS COMMUNITY HOUSE CLUBROOMS</b>			<b>125,000.00</b>
<b>ESTIMATED NET COST</b>	<b>1,045</b>	<b>\$3,511</b>	<b>\$3,669,167.25</b>
<b>MARGINS &amp; ADJUSTMENTS</b>			
Contractors Preliminaries and Supervision			\$350,000.00
Builders Margin and Overheads			\$125,000.00
Design Development Contingency			\$20,000.00
Construction Contingency			\$150,000.00
Professional Fees			\$360,000.00
Escalation beyond end 2016			Excl.
Goods and Services Taxation			Excl.
<b>ESTIMATED TOTAL COST</b>	<b>1,045</b>	<b>\$4,473</b>	<b>\$4,674,167.25</b>



<b>ITEM</b>	2.6.1
	<b>WORKS AND SERVICES COMMITTEE</b>
<b>DATE</b>	20 March 2017
<b>HEADING</b>	Capital Progress Report - February 2017
<b>AUTHOR</b>	Christy Martin, Senior Coordinator Project Administration, City Infrastructure
<b>CITY PLAN LINKS</b>	3.2 Have interesting places where people want to be.
<b>SUMMARY</b>	The following monthly status report and requests for amendments is presented to effectively manage the City Infrastructure Capital Works Program.

### RECOMMENDATION

1. Include St Kilda Irrigation Pump Renewal within the 2016/17 PR17040 Irrigation Renewal Program.
2. Within PR22854 Play Space Lighting Program, defer the installation of new play space lighting at the Paddocks Reserve for future consideration, and transfer remaining program funds to PR21456 Reserve Upgrade Program to enable the inclusion of reserve lighting as part of the reserve upgrade to Amsterdam Crescent Reserve, Salisbury Downs.
3. Include St Kilda seawall renewal between the St Kilda Channel breakwater and the Pirate Ship in PR22820 St Kilda Channel Breakwaters Renewal Program.
4. Include heavy patching of parts of Nelson Road, Burton Road and Martins Road within the 2016/17 Road Reseal Program.
5. Include Kings Road, Parafield Gardens, within the Council Funded Footpath and Kerb Ramp Construction / Upgrade Program.

### ATTACHMENTS

There are no attachments to this report.

## 1. BACKGROUND

- 1.1 City Infrastructure is responsible for the capital works associated plant and fleet, building, traffic and civil engineering services, landscape and environmental works. Specifically these works involve the project management of design, specification development, construction and recurrent maintenance. Service provision is undertaken by both internal service providers and external consultants/contractors. City Infrastructure provides periodical progress reports for these projects.



## 2. CONSULTATION / COMMUNICATION

- 2.1 As part of the management of the City Infrastructure Capital Works Program, communication of the program occurs on a monthly basis via the Works and Services Committee. In addition, a current program of works is available via the City of Salisbury internet site and highlights included within the periodic publications of Salisbury Aware.

## 3. REPORT

### 3.1 PROGRAM AMENDMENTS

As part of the coordination of the Capital Works Program, it is continuously monitored to ensure it best meets the needs of the community whilst maintaining infrastructure condition. As a result the following changes are requested:

#### Amendment to Program

##### **PR17040 Irrigation Renewal Program**

Due to degradation and aging, the irrigation pump at St Kilda requires urgent replacement and upgrade to a pressurised system. It is proposed to fund this work via the Irrigation Renewal Program where current funds are available. This new system will assist to support the increase in irrigation at the site.

Recommendation: Include St Kilda Irrigation Pump Renewal within the 2016/17 PR17040 Irrigation Renewal Program.

Impact: No impact

##### **PR22854 Play Space Lighting Program**

With Master Planning underway for The Paddocks Reserve, the installation of new play space lighting is proposed for deferral. Approval is sought to transfer this remaining program budget to the Reserve Upgrade Program. This would enable reserve lighting to be installed at Amsterdam Crescent Reserve, Salisbury Downs, to complement the upgrade of the reserve.

Recommendation: Within PR22854 Play Space Lighting Program, defer the installation of new play space lighting at the Paddocks Reserve for future consideration, and transfer remaining program funds to PR21456 Reserve Upgrade Program to enable the inclusion of reserve lighting as part of the reserve upgrade to Amsterdam Crescent Reserve, Salisbury Downs.

Impact: No impact



**Amendment to Program****PR22820 St Kilda Channel Breakwaters Renewal Program**

St Kilda Channel Breakwater Renewal has been substantially completed on the north side of the channel and work on the south side being major work is to be the subject of a future budget bid proposed for 2019/20. Due to erosion and collapse of the rock seawall, renewal is required in the section between the breakwaters north to the Pirate Ship. This is recommended to be funded via the Channel Breakwaters Renewal Program.

Recommendation: Include St Kilda seawall renewal between the St Kilda Channel breakwater and the Pirate Ship in PR22820 St Kilda Channel Breakwaters Renewal Program.

Impact: No impact

**PR12000 Road Reseal Program**

Due to sections of accelerated failure, deformation and cracking, approval is sought to include heavy patching of parts of Nelson Road, Burton Road and Martins Road within the 2016/17 Road Reseal Program where sufficient funds are available.

Recommendation: Include heavy patching of parts of Nelson Road, Burton Road, Martins Road within the 2016/17 Road Reseal Program.

Impact: No impact

**PR14498 Council Funded New Footpath Program****PR21412 Kerb Ramp Construction / Upgrade Program**

Via the Footpath Request Evaluation Team (FRET), the following request for new footpath and associated kerb ramps was received;

- Kings Road, Parafield Gardens, Recreation Centre link

This request was reviewed in accordance with the key principles of the Footpath Policy and is recommended for construction. It is proposed to fund this footpath connection via the Council Funded Footpath Program and Kerb Ramp Construction/Upgrade Program.

Recommendation: Include Kings Road, Parafield Gardens, within the Council Funded Footpath and Kerb Ramp Construction / Upgrade Program.

Impact: No impact

### 3.2 FEBRUARY 2017 HIGHLIGHTS

#### In Construction

RM Williams Drive / Wright Road New Roundabout (Eastern)



RM Williams Drive / Wright Road New Roundabout (Western)



Underdown Park Play Space

### Recent Completions



Shearwater Play Space New Fence



Underdown Park Car Park, Reserve & Sportsfield Lighting





### Recent Completions



Bridge Street / Commercial Road  
Traffic Improvement



Kesters Road Bus Bays Traffic Improvement



Bagster Rd Community Centre Creche Fence



Harry Bowey Car Park &  
Tennis Court Renewal



**4. CONCLUSION / PROPOSAL**

- 4.1 This summary report regarding City Infrastructure Capital Works Program be received.

**CO-ORDINATION**

Officer: Executive Group  
Date: 14/03/2017