



## **AGENDA**

### **FOR INNOVATION AND BUSINESS DEVELOPMENT COMMITTEE MEETING TO BE HELD ON**

**22 AUGUST 2023 AT 6.30 PM**

**IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,  
34 CHURCH STREET, SALISBURY**

#### **MEMBERS**

Cr S Reardon (Chairman)  
Mayor G Aldridge (ex officio)  
Cr L Brug  
Deputy Mayor, Cr C Buchanan  
Cr K Grenfell (Deputy Chairman)  
Cr M Mazzeo  
Cr S McKell

#### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
General Manager Community Development, Mrs A Pokoney Cramey  
General Manager City Infrastructure, Mr J Devine  
General Manager City Development, Ms M English  
Manager Governance, Mr R Deco

#### **APOLOGIES**

#### **LEAVE OF ABSENCE**

#### **PRESENTATION OF MINUTES**

Presentation of the Minutes of the Innovation and Business Development Committee Meeting held on 18 July 2023.

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**REPORTS**

*Administration*

6.0.1 Future Reports for the Innovation and Business Development Committee ..... 9

*For Decision*

6.1.1 Building Upgrade Agreement Policy Review ..... 11

*For Information*

6.2.1 Project Connect (ERP Implementation) Update ..... 23

**QUESTIONS ON NOTICE**

**MOTIONS ON NOTICE**

**OTHER BUSINESS**

*(Questions Without Notice, Motions Without Notice, CEO Update)*

**CLOSE**



**MINUTES OF INNOVATION AND BUSINESS DEVELOPMENT COMMITTEE  
MEETING HELD IN LITTLE PARA CONFERENCE ROOMS, SALISBURY  
COMMUNITY HUB, 34 CHURCH STREET, SALISBURY ON**

**18 JULY 2023**

**MEMBERS PRESENT**

Cr S Reardon (Chairman)  
Mayor G Aldridge (ex officio)  
Deputy Mayor, Cr C Buchanan  
Cr K Grenfell (Deputy Chairman)  
Cr M Mazzeo  
Cr S McKell

**OBSERVERS**

Cr D Hood, Cr A Graham, Cr P Jensen

**STAFF**

Chief Executive Officer, Mr J Harry  
A/General Manager Business Excellence, Mr B Naumann  
General Manager Community Development, Mrs A Pokoney Cramey  
A/General Manager City Infrastructure, Mr J Collins  
General Manager City Development, Ms M English  
Manager Governance, Mr R Deco  
Personal Assistant to General Manager Community Development, Ms S Howley  
Sharee Klein, Manager Strategic Development Projects  
Joanne Owen, Project Manager – Strategic Development Projects

The meeting commenced at 6:31pm.

The Chairman welcomed the Elected Members, public and staff to the meeting.

**APOLOGIES**

An apology has been received from Cr L Brug.

**LEAVE OF ABSENCE**

Nil

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## PRESENTATION OF MINUTES

Moved Mayor G Aldridge  
Seconded Cr K Grenfell

The Minutes of the Innovation and Business Development Committee Meeting held on 20 June 2023, be taken as read and confirmed.

**CARRIED**

## REPORTS

### *Administration*

#### **6.0.1 Future Reports for the Innovation and Business Development Committee**

Moved Cr K Grenfell  
Seconded Cr S McKell

That Council:

1. Notes the report.

**CARRIED**

#### **6.0.2 Recommendations of the Salisbury Living Sub Committee meeting held on Monday 10 July 2023**

Moved Mayor G Aldridge  
Seconded Cr K Grenfell

The information contained in the Salisbury Living Sub Committee of the meeting held on 10 July 2023 be received and noted with respect to the following recommendations contained therein to be adopted by Council:

**CARRIED**

#### **SLSCC1 Future Reports for the Salisbury Living Sub Committee**

##### **Recommendation**

That Council:

1. Notes the report.

## QUESTIONS ON NOTICE

*There were no Questions on Notice.*

## MOTIONS ON NOTICE

*There were no Motions on Notice.*

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## OTHER BUSINESS

*(Questions Without Notice, Motions Without Notice, CEO Update)*

*There were no Other Business Items.*

## ORDERS TO EXCLUDE THE PUBLIC

### 6.4.1 Recommendations of the Confidential Salisbury Living Sub Committee meeting held on Monday 10 July 2023

Moved Cr K Grenfell

Seconded Cr M Mazzeo

Pursuant to section 83(5) of the *Local Government Act 1999* the Committee orders, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on grounds that:

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*

*- Non-disclosure of this report at this time will protect Council's commercial position as public disclosure may provide third parties with a commercial advantage.*

*On that basis the public's interest is best served by not disclosing the **Recommendations of the Confidential Salisbury Living Sub Committee meeting held on Monday 10 July 2023** 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, Chief Executive Officer, A/General Manager Business Excellence, General Manager Community Development, General Manager City Development, A/General Manager City Infrastructure, Manager Governance, Personal Assistant to General Manager Community Development be excluded from attendance at the meeting for this Agenda Item.*

**IBD-C1 Salisbury Oval Development Site Update**

Moved Cr K Grenfell  
Seconded Cr M Mazzeo

*Pursuant to section 83(5) of the Local Government Act 1999 the Committee Orders, this matter may be considered in confidence under Part 3 of the Local Government Act 1999 on grounds that:*

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) of the Local Government Act 1999, the Committee orders that the public be excluded from attendance at the part of this meeting relating to Agenda Item IBD-C1 Salisbury Oval Development Site Update, except staff of the City of Salisbury on duty in attendance, Chief Executive Officer, A/General Manager Business Excellence, General Manager Community Development, General Manager City Development, A/General Manager City Infrastructure, Manager Governance, Personal Assistant to General Manager Community Development, Manager Strategic Development Projects, Project Manager – Strategic Development Projects . To enable the Committee to consider Item IBD-C1 Salisbury Oval Development Site Update in confidence on the basis that the Committee considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the following information or matter relating to Item IBD-C1 Salisbury Oval Development Site Update:  
  
- 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. *The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its negotiating position with the successful tender and obtaining best value for money for its community would be compromised by disclosure of the information.*
3. *Accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.*

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**IBD-MWON1 Motion Without Notice – Tree Climb**

Moved Cr M Mazzeo

Seconded Cr C Buchanan

*Pursuant to section 83(5) of the Local Government Act 1999 the Committee orders, this matter may be considered in confidence under Part 3 of the Local Government Act 1999 on grounds that:*

1. *Pursuant to Section 90(2) and (3)(d) of the Local Government Act 1999, the Committee orders that the public be excluded from attendance at the part of this meeting relating to item OBI Motion on Notice – Tree Climb, except staff of the City of Salisbury on duty in attendance, Chief Executive Officer, A/General Manager Business Excellence, General Manager Community Development, General Manager City Development, A/General Manager City Infrastructure. Manager Governance, Personal Assistant to General Manager Community Development in order to receive, discuss or consider in confidence the matter relating to Item OBI:
  - it relates to 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; and
  - information the disclosure of which would, on balance, be contrary to the public interest.*
2. *The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its negotiating position with the successful tender and obtaining best value for money for its community would be compromised by disclosure of the information.*
3. *Accordingly, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.*

**CARRIED**

The meeting moved into confidence at 6:35pm.

The meeting moved out of confidence at 7:03pm.

The meeting closed at 7:03pm.

CHAIRMAN.....

DATE.....





<b>ITEM</b>	6.0.1
	<b>INNOVATION AND BUSINESS DEVELOPMENT COMMITTEE</b>
<b>DATE</b>	22 August 2023
<b>HEADING</b>	Future Reports for the Innovation and Business Development Committee
<b>AUTHOR</b>	Hayley Berrisford, PA to General Manager Business Excellence, Business Excellence
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community
<b>SUMMARY</b>	This item details reports to be presented to the Innovation and Business Development Committee as a result of a previous Council resolution.

**RECOMMENDATION**

That Council:

1. Notes the report.

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

- 1.1 A list of resolutions requiring a future report to Council is presented to each committee for noting.
- 1.2 If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

**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 table below outlines the reports to be presented to the Innovation and Business Development Committee as a result of a Council resolution.

<b>Meeting Item</b>	<b>- Heading and Resolution</b>	<b>Officer</b>
24 July 2023 IBD- MWON1	<b>Motion Without Notice – Tree Climb</b> 3. Depending on the outcome of the car parking and traffic impact study Council will give consideration to additional car parking and traffic management solutions including alternative access points via Carisbrooke Park and Harry Bowie Reserve (priority key linkage), and an appropriate implementation strategy for Council’s consideration, with an additional access point proposal and estimated costings to be presented to Council by mid-2024	John Devine
<b>Due:</b>	June 2024	

### 4. CONCLUSION / PROPOSAL

- 4.1 Future reports for the Innovation and Business Development Committee have been reviewed and are presented to Council for noting.

<b>ITEM</b>	6.1.1
	<b>INNOVATION AND BUSINESS DEVELOPMENT COMMITTEE</b>
<b>DATE</b>	22 August 2023
<b>HEADING</b>	Building Upgrade Agreement Policy Review
<b>AUTHOR</b>	Lara Daddow, Coordinator Strategic Sustainability, City Development
<b>CITY PLAN LINKS</b>	2.2 We make the most of our resources including water, waste and energy 3.1 Salisbury's businesses are successful and part of our community 3.2 Salisbury is a place of choice for businesses to start, invest and grow
<b>SUMMARY</b>	This report presents the Building Upgrade Agreements Policy for consideration and adoption. This Policy was adopted by Council in August 2017 and then reviewed and adopted without change in April 2021. The Policy has now been reviewed based on the findings from the review of implementation of Building Upgrade Finance completed by the State Government in 2021/22.

## **RECOMMENDATION**

### That Council:

1. Adopts the updated Building Upgrade Agreements Policy as set out in Attachment 1 of this report (Item 6.1.1 – Building Upgrade Agreements Policy Review – Innovation and Business Development Committee, 22 August 2023).
2. Approves the removal of the Building Upgrade Finance Fees from the Fees and Charges for 2023/24 upon execution of a service agreement with a third-party facilitation service to support administration of the Building Upgrade Finance program.

## **ATTACHMENTS**

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

1. Building Upgrade Agreements Policy - Updated Version [↓](#)
2. Better Building Finance Fee Structure [↓](#)
3. Summary of changes to the Policy Statement section of the Building Upgrade Agreements Policy [↓](#)

### **1. BACKGROUND**

- 1.1 The Building Upgrade Agreements Policy was adopted by Council in August 2017 and then reviewed and adopted without change in April 2021.
- 1.2 The Policy has been reviewed based on the findings from the review of implementation of Building Upgrade Finance completed by the State Government in 2021-22.

- 1.3 The *Local Government Act 1999* was amended in 2017 to enable councils to enter into Building Upgrade Agreements (BUA) to assist property owners with environmental upgrades to non-residential buildings as well as restoration and upgrades to non-residential heritage buildings.
- 1.4 A Building Upgrade Agreement is a voluntary agreement between a building owner, a finance provider and Council where:
- a Building Owner agrees to carry out upgrade works to a building as prescribed by the *Local Government (Building Upgrade Agreements) Regulations 2017*. These works cover both environmental upgrades and heritage works; and
  - a Finance Provider agrees to advance funds to the Building Owner to finance those upgrade works; and
  - Council levies a charge on relevant land (a building upgrade charge) for the purpose of recouping the money advanced by the finance provider for the upgrade works (and any interest or other charges payable to the finance provider under the agreement); and pays the finance provider any money paid to Council by way of the building upgrade charge.
- 1.5 To date there is one Building Upgrade Agreement in place in the City of Salisbury. Recently there have been two possible projects which are being considered for using Building Upgrade Finance.

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

- 2.1 Support new and existing businesses and industries to grow and create jobs.

## **3. CONSULTATION / COMMUNICATION**

### **3.1 Internal**

- 3.1.1 Revisions to the Building Upgrade Agreements Policy were discussed with relevant internal teams including Financial Services, Corporate Governance, Property, Development Services and City Shaping.

### **3.2 External**

- 3.2.1 Discussions were held with Better Building Finance, who are the sole service provider in Australia to support councils to administer Building Upgrade Finance programs to understand the current market and demand for Building Upgrade Finance.

## **4. REPORT**

- 4.1 The State Government completed a review of the implementation of Building Upgrade Finance in 2021/22. The review noted that despite a significant number of project leads and enquiries since 2017, the uptake of Building Upgrade Finance has been limited. The following factors were highlighted as influencing the low uptake:
- Low level of broad market awareness of the product.
  - Council and building owner concerns about administrative complexity and costs.
  - Availability of alternative low interest rate loan products and support options for building upgrades.

- Impacts of the COVID-19 response.
- 4.2 Based on lessons learnt from other jurisdictions such as Victoria, the review suggested councils in South Australia consider engaging third-party facilitation services to undertake some of the administrative functions associated with Building Upgrade Finance participation.
  - 4.3 There is currently one provider of facilitation or administration services for Building Upgrade Finance in Australia. Better Building Finance was established in 2016 by the Sustainable Australia Fund to support local councils with their Building Upgrade Finance programs. They now support 73 local councils throughout Victoria, SA and NSW.
  - 4.4 The Better Building Finance service is provided at no cost to councils. Fees are collected from the building owners as part of the loan from the finance provider, including a small fee that is retained by councils.
  - 4.5 Better Building Finance assists with promotion of Building Upgrade Finance, reduces the administration for councils and reduces complexity of the application process for building owners.
  - 4.6 In signing up to the Better Building Finance service the fee structure for Building Upgrade Agreements would need to be amended to be consistent with other councils that use the Better Building Finance service. Hence the current City of Salisbury Building Upgrade Agreement fees in the Fees and Charges for 2023/24 would no longer apply.
  - 4.7 The Better Building Finance fee structure is scaled based on the size of the loan (rather than a set fee regardless of loan value) so it is affordable for projects less than \$200,000 (which are 80% of Building Upgrade Finance projects in Australia). The fee structure is provided in Attachment 2.
  - 4.8 The Building Upgrade Agreements Policy has been converted into the new Policy template format, amended to improve clarity and simplify the criteria for when Council will consider entering into a Building Upgrade Agreement. The criteria listed under the Policy Statement section have been grouped into legislative criteria and Council specific criteria. The legislative criteria apply to all Building Upgrade Agreements, regardless of the Policy. The Council specific criteria that have been retained in the Policy are considered essential and include that:
    - 4.8.1 The proposed works align with the intent of the Council's strategic management plans.
    - 4.8.2 There are no outstanding Orders that have been issued in relation to the Building determined based on completion of a Council Section 7 search (in accordance with the *Land and Business (Sale and Conveyancing) Act 1994*).
    - 4.8.3 The Building Owner has no overdue rates debts with the City of Salisbury.
    - 4.8.4 The Building Owner is not in dispute with the City of Salisbury regarding any matter.
  - 4.9 The Council specific criteria that have been removed from the Policy Statement section are considered non-essential or more appropriately addressed in an

operational procedure. A more detailed explanation of the amendments is provided in Attachment 3.

**5. CONCLUSION / PROPOSAL**

- 5.1 Once the current City of Salisbury Building Upgrade Agreement fees are redacted and the updated Policy is adopted, further consideration will be given to engaging the services of Better Building Finance to support the Building Upgrade Finance program.
- 5.2 It is anticipated that with support from Better Building Finance the City of Salisbury will be able to more effectively promote the availability of Building Upgrade Finance to local commercial building owners and support building upgrades to achieve business objectives, including reduction of energy bills.



City of Salisbury Values: Respectful, Accountable, Collaborative, Helpful

## Building Upgrade Agreements Policy

Adopted by:	Council
Responsible Division:	City Shaping
First Issued/Adopted:	28 August 2017 (Decision No. 1966/2017)
Last Reviewed:	27 April 2021 (Decision No. 0914/2021)
Next Review Date:	Draft for Council consideration

### 1. Purpose

The purpose of this policy is to specify the circumstances under which the City of Salisbury will enter into and administer a Building Upgrade Agreement.

Building Upgrade Agreements provide a mechanism to help building owners to access loans to improve the energy, water and environmental efficiency or sustainability of commercial (ie non-residential) buildings that are at least two years old by providing access to alternative long term finance secured against the property.

Building Upgrade Agreements can also support funding of heritage works to State and local heritage listed buildings (to maintain, repair, upgrade or reinstate heritage significance of a building; achieve compliance with requirements under Building Rules within the meaning of the *Planning, Development and Infrastructure Act 2016* or the Commonwealth's *Disability Discrimination Act 1992*, or facilitate ongoing occupation of a building).

## 2. Scope

This policy applies to all Building Upgrade Agreements involving the City of Salisbury.

A Building Upgrade Agreement is a voluntary agreement between a building owner, a finance provider and Council where:

- a Building Owner agrees to carry out upgrade works to a building as prescribed by the *Local Government (Building Upgrade Agreements) Regulations 2017*. These works cover both environmental upgrades and heritage works to non-residential buildings; and
- a Finance Provider agrees to advance funds to the Building Owner to finance those upgrade works; and
- Council levies a charge on relevant land (a building upgrade charge) for the purpose of recouping the money advanced by the finance provider for the upgrade works (and any interest or other charges payable to the finance provider under the agreement); and pays the finance provider any money paid to Council by way of the building upgrade charge.

## 3. Legislative Requirements and Corporate Policy Context

On 10 December 2015, the *Local Government (Building Upgrade Agreements) Amendment Act* passed through Parliament making South Australia the third jurisdiction in Australia to enable Building Upgrade Finance after New South Wales and Victoria. The Act was proclaimed and the Regulations made on 25 July 2017, with the mechanism becoming operational on 1 August 2017.

The legislation that enables Building Upgrade Agreements is:

- Schedule 1B of the *Local Government Act 1999*
- *Local Government (Building Upgrade Agreements) Regulations 2017*

Council's participation in the Building Upgrade Agreement program is consistent with its objective to position Salisbury as the place of choice for businesses to invest and grow and its desire to support business competitiveness through efficient resource use.

## 4. Interpretation/Definitions

Nil

## 5. Policy Statements

- 5.1 Council's consideration of approaches to enter into a Building Upgrade Agreement will be guided by its requirements under the *Local Government Act 1999* and its broader strategic objectives as articulated in the City Plan.



- 5.2 The following legislative requirements need to be met for Council to consider entering into a Building Upgrade Agreement:
- a) The proposed upgrade works are either environmental upgrade works or heritage upgrade works and are consistent with the relevant provisions of *Local Government Act 1999* and *Local Government (Building Upgrade Agreements) Regulations 2017*.
  - b) The building is located in the City of Salisbury Local Government Area and was constructed at least 2 years ago.
  - c) The building is a prescribed building used primarily for commercial, industrial or other non-residential purposes in accordance with the relevant provisions of *Local Government Act 1999* and *Local Government (Building Upgrade Agreements) Regulations 2017*.
  - d) The Building Owner has provided the City of Salisbury with a Statutory Declaration that satisfies the *Local Government Act 1999* Schedule 1B clause 2 (5) and (6) requirements.
- 5.3 Council will only consider entering into a Building Upgrade Agreement if the following criteria are met, but reserves the right to consider other relevant matters:
- a) The proposed works align with the intent of the Council's strategic management plans.
  - b) There are no outstanding Orders that have been issued in relation to the Building determined based on completion of a Council Section 7 search (in accordance with the *Land and Business (Sale and Conveyancing) Act 1994*).
  - c) The Building Owner has no overdue rates debts with the City of Salisbury.
  - d) The Building Owner is not in dispute with the City of Salisbury regarding any matter.
- 5.4 The City of Salisbury will:
- a) Issue billing notices to the Building Owner on a quarterly basis showing the Building Upgrade Charge in accordance with the Agreed Repayment Arrangements;
  - b) Only accept payment of a Building Upgrade Charge via direct debit;
  - c) Only accept pre-payments of the Building Upgrade Charge when twenty-eight (28) days prior notice in writing is given;
  - d) Charge the Building Owner all applicable fees/charges (as defined in the Building Upgrade Agreement); and
  - e) Require all parties to the Building Upgrade Agreement to acknowledge, as a condition of the Building Upgrade Agreement, that the Building Upgrade Agreement does not imply or constitute consent or approval as required

under any relevant legislation including the *Planning, Development and Infrastructure Act 2016*.

## 6. Related Policies and Procedures

6.1 Building Upgrade Finance Enforcement Procedure

## 7. Approval and Change History

Version	Approval Date	Approval By	Change
1	28 August 2017	Council	N/A
2	27 April 2021	Council	No change
3	TBC	TBC	New template and amendments to simplify process

## 8. Availability

8.1 The Policy is available to be downloaded, free of charge, from Council's website [www.salisbury.sa.gov.au](http://www.salisbury.sa.gov.au)

8.2 The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Salisbury Community Hub  
34 Church Street, Salisbury SA 5108  
Telephone: 8406 8222  
Email: [city@salisbury.sa.gov.au](mailto:city@salisbury.sa.gov.au)

## 9. Review

9.1 This Policy will be reviewed every two years.

## Further Information

For further information on this Policy please contact:

Responsible Officer: Manager City Shaping  
Address: 34 Church Street, Salisbury SA 5108  
Telephone: 8406 8222  
Email: [city@salisbury.sa.gov.au](mailto:city@salisbury.sa.gov.au)

**Attachment 3: Better Building Finance Fee Structure**

The Better Building Finance fee structure incorporates three types of fees that are paid to Better Building Finance by the borrower (building owner):

**1. Application Fee**

An Application Fee of \$600 (plus GST) is charged upfront for each Building Upgrade Agreement application.

**2. Processing Fee**

A Processing Fee is charged on signing and execution of a Building Upgrade Agreement. This fee is subject to variation and is calculated based on the value of the Building Upgrade Agreement loan – see table below.

<b>Building Upgrade Finance Loan Value</b>	<b>Better Building Finance Processing Fee</b>
Less than \$50,000	\$0
\$50,000 - \$200,000	\$612.50
\$200,001 - \$400,000	\$1,350.00
\$400,001 - \$800,000	\$2,340.00
\$800,000 - \$1,400,000	\$3,630.00
\$1,400,001 - \$2,500,000	\$4,875.00
\$2,500,001 - \$4,000,000	\$6,175.00
\$4,000,001 - \$8,000,000	\$9,600.00
More than \$8,000,000	TBD

**3. Service Fee (Annual)**

The Service Fee is 0.0675% of the value of the Building Upgrade Agreement loan and is collected on a quarterly basis for the term of each Building Upgrade Agreement signed by Council during the term of the Service Agreement.

A comparison of the Better Building Finance and City of Salisbury fee structure is provided in the table below.

<b>Loan Value</b>	<b>Application Fee (GST incl.)</b>	<b>Processing Fee (GST incl.)</b>	<b>Total Service Fee (GST incl.) Example for 10 years</b>	<b>TOTAL BBF FEES (incl. GST) Example for 10 years</b>	<b>TOTAL BBF FEES (ex. GST) Example for 10 years</b>	<b>Percent of loan amount that is BBF fee</b>	<b>CoS fees (ex. GST) Example for 10 years</b>	<b>Percent of loan amount that is CoS fee</b>
<b>\$100,000</b>	\$660.00	\$673.75	\$2,970.00	\$4,303.75	\$3,912.50	4.3%	\$4,586.00	4.6%
<b>\$200,000</b>	\$660.00	\$673.75	\$5,940.00	\$7,273.75	\$6,612.50	3.6%	\$4,586.00	2.3%
<b>\$400,000</b>	\$660.00	\$1,485.00	\$11,880.00	\$14,025.00	\$12,750.00	3.5%	\$4,586.00	1.1%
<b>\$800,000</b>	\$660.00	\$2,574.00	\$23,760.00	\$26,994.00	\$24,540.00	3.4%	\$4,586.00	0.6%
<b>\$1,400,000</b>	\$660.00	\$3,993.00	\$41,580.00	\$46,233.00	\$42,030.00	3.3%	\$4,586.00	0.3%
<b>\$2,500,000</b>	\$660.00	\$5,362.50	\$74,250.00	\$80,272.50	\$72,975.00	3.2%	\$4,586.00	0.2%

A subset of the fees collected are paid to Council including:

**1. Signing Fee**

A Signing Fee of up to \$250 per Building Upgrade Agreement is paid to Council after the Agreement is signed and the Building Upgrade Charge Declaration is entered in Council's Rates and Finance System.

**2. Administration Fee (Quarterly)**

The Administration Fee paid to Council is 0.0125% of the value of the Building Upgrade Finance loan, a minimum of \$5 and a maximum of \$50, and is collected on a quarterly basis for the term of each Building Upgrade Agreement. The quarterly Administration Fee for a loan of \$400,000 and above is \$50.

**Attachment 3** – Explanation of the changes to the Policy Statement section of the Building Upgrade Agreements Policy

Original Policy Statement	Explanation of amendment
1. Council’s consideration of approaches to enter into a Building Upgrade Agreement will be guided by its requirements under the <i>Local Government Act 1999</i> and its broader strategic objectives as articulated in the City Plan.	Retained
2. Council will only consider entering into a Building Upgrade Agreement if the following criteria are met:	Retained
2.1 <u>Upgrade Works</u>	Heading deleted
a) The proposed works are consistent with the relevant provisions of Schedule 1B of the <i>Local Government Act 1999</i> .	Retained
b) The proposed works are consistent with the relevant objectives of Council’s City Plan.	Council specific criteria retained. Amended to “The proposed works align with the intent of the Council’s strategic management plans.”
2.2 <u>Building</u>	Heading deleted
a) The building is located in the City of Salisbury Local Government Area and was constructed at least 2 years ago.	Legislative criteria retained
b) The building is a prescribed building under the <i>Local Government Act 1999</i> , used primarily for commercial, industrial or other non-residential purposes.	Legislative criteria retained
c) There are no outstanding Orders that have been issued in relation to the Building pursuant to any relevant legislation.	Council specific criteria retained, but amended to indicate that this requirement would be checked based on the Council Section 7 search
d) There are no encumbrances noted or registered on the title for the Building which may impact on the City of Salisbury exercising its enforcement rights.	Deleted based on internal consultation that found there are no encumbrances that would impact enforcement of non-payment
2.3 <u>Building Owner</u>	Heading deleted
a) The Building Owner has successfully completed and submitted a BUA Application Form to City of Salisbury.	Criterion deleted as it is confusing for building owners who may apply via a third-party service provider, not directly to Council. This criterion can be addressed by administrative procedures that implement the Policy as required.
b) The Building Owner has provided the City of Salisbury with a Statutory Declaration that satisfies the <i>Local Government Act 1999</i> Schedule 1B clause 2 (5) and (6) requirements.	Legislative criteria retained
c) The Building Owner has no overdue debts to City of Salisbury and is not in dispute with City of Salisbury regarding any matter.	Council specific criteria retained. The criteria was divided into two criteria – one relate to overdue debts and one related to disputes.
d) The Building Owner has consulted City of Salisbury to ensure that all property development compliance requirements have been met or will be met prior to the earlier of the date that the BUA is executed by the Building Owner, City of Salisbury and Finance Provider or the Commencement Date.	Criterion deleted. Instead of this criterion, a clause was added into the Policy Statement to indicate that the City of Salisbury will “Require all parties to the Building Upgrade Agreement to acknowledge, as a condition of the Building Upgrade Agreement, that the Building Upgrade Agreement does not imply or constitute consent or approval as required under any relevant legislation including the

Original Policy Statement	Explanation of amendment
	<i>Planning, Development and Infrastructure Act 2016.</i>
e) The Building Owner agrees to be bound by the requirements of the BUA (including any additional conditions as required by City of Salisbury), this Policy and Council's broader approach to enforcing non-payment of rates and other charges.	Criterion deleted. This criterion is considered unnecessary as in signing a Building Upgrade Agreement all parties agree to comply with the requirements and conditions of the agreement.
2.4 Finance Provider	Heading deleted
a) The Finance Provider acknowledges and agrees that it has undertaken a credit assessment of the Building Owner and is satisfied that at the Commencement Date the Building Owner is able to comply with its obligations under the BUA.	Criterion deleted as there is no mechanism to require the finance provider to comply with this Policy. A finance provider is providing the loan and accepting the risk therefore it is their responsibility to complete credit or other assessments as applicable.
b) The Finance Provider agrees to be bound by the requirements of the BUA (including any additional conditions as required by the City of Salisbury) and this Policy.	Criterion deleted as there is no mechanism to require the finance provider to comply with this Policy and will be bound by the Building Upgrade Agreement once signed.
3. The City of Salisbury will:	
a) Issue billing notices to the Building Owner on a quarterly basis showing the Building Upgrade Charge (BUC) in accordance with the Agreed Repayment Arrangements;	Retained
b) Only accept payment of a BUC via direct debit;	Retained
c) Only accept pre-payments of the BUC when twenty eight (28) days prior notice in writing is given;	Retained
d) Charge the Building Owner all applicable fees/charges (as defined in the BUA) in the event that the Building Owner fails to pay the BUC on the Charge Payment Date; and	Retained
e) Not be a party to any dispute that may arise between the Building Owner, a tenant or the Finance Provider as to any matter relating to a BUA.	Deleted as this clause may be considered contradictory to relevant legislation and the Building Upgrade Agreement which dictates City of Salisbury's responsibilities.
4. To provide a consistent approach to the receipt and assessment of applications, building owners will be required to complete and submit a Building Upgrade Agreement application form to the City of Salisbury.	As per 2.3 a) the reference to submission of an application form is deleted as it is confusing for building owners who may apply via a third-party service provider, not directly to Council. This criterion can be addressed by administrative procedures that implement the Policy as required.

<b>ITEM</b>	6.2.1		
	<b>INNOVATION AND BUSINESS DEVELOPMENT COMMITTEE</b>		
<b>DATE</b>	22 August 2023		
<b>PREV REFS</b>	Innovation and Business Development Committee	6.4.1	24/01/2023
	Finance and Corporate Services Committee	2.1.2	18/07/2022
	Innovation and Business Development Committee	6.4.2	17/05/2022
	Innovation and Business Development Committee	6.1.1	22/02/2022
	Innovation and Business Development Committee	6.2.2	17/08/2021
	Innovation and Business Development Committee	6.4.1	18/05/2021
	Innovation and Business Development Committee	6.2.1	18/04/2023
<b>HEADING</b>	Project Connect (ERP Implementation) Update		
<b>AUTHOR</b>	Jayne Emerson, Director Business Transformation, Business Excellence		
<b>CITY PLAN LINKS</b>	<p>4.1 Members of our community receive an exceptional experience when interacting with Council</p> <p>4.2 We deliver quality outcomes that meet the needs of our community</p> <p>4.4 We plan effectively to address community needs and identify new opportunities</p>		
<b>SUMMARY</b>	This report provides an update on the implementation of the ERP solution.		
<b>RECOMMENDATION</b>			
	<u>That Council:</u>		
	1. Notes the report.		
<b>ATTACHMENTS</b>			
	This document should be read in conjunction with the following attachments:		
	1. Phase 1: Project Connect Timeline - February 2023 - October 2023 <a href="#">↓</a>		

2. Phase 2: Project Connect Timeline - October 2023 - October 2024 [↓](#)

**1. BACKGROUND**

- 1.1 To deliver critical actions in the City Plan 2035 the organisation needs to change the way we design and deliver our services to the community and the business processes that support this.
- 1.2 A number of the current business processes are designed around the needs of the service provider (Council) rather than the community member. By designing and delivering our services from the perspective of the community member consuming the service, the City of Salisbury (CoS) will significantly contribute to the delivery of exceptional community experience, quality outcomes and a great place to work.
- 1.3 To support this business change and provide the capability for the new way of delivering services, CoS is transitioning from a portfolio of (internally hosted) line of business applications to a digital platform-based Enterprise Resource Planning (ERP) business that provides the enabling technology to support the delivery of exceptional community experience.
- 1.4 Further, the current Finance and Records Management systems which are based on internally hosted solutions, will no longer be fully supported by the vendor from October 2024 and Council's Asset Management solution is expected to no longer be fully supported within 2 years as the vendors have already transitioned their solutions to Cloud based technology.
- 1.5 This presented an ideal opportunity to review our technology offerings. In essence, Council will be required to invest in transitioning these systems to the cloud model, but may not achieve the broader benefits of an integrated solution.
- 1.6 The majority of CoS's core business systems and solutions were introduced in the late 1999's/early 2000's and, while the systems have been incrementally updated, the underlying technology platforms and the solutions themselves are not suited to delivering the functionality expected to deliver on Council's three success factors; exceptional community experience, quality outcomes and a great place to work.
- 1.7 Optimising a number of systems will bring transparency and visibility across the system which will be designed with the community experience in mind.
- 1.8 With automated workflows, the data will be timely and reliable, allowing for more informed decision-making using system dashboards. The solution will be accessible from any device, any place and at any time, and will introduce greater cybersecurity response due to the software as a service architecture and environment.
- 1.9 This report provides an update on Phase One of the implementation of the solution which commenced in February 2023.

**2. CONSULTATION / COMMUNICATION**

- 2.1 Internal
  - 2.1.1 General Manager Business Excellence
  - 2.1.2 Business Transformation Division team members



**3. PROGRAM OVERVIEW**

- 3.1 The City of Salisbury with primary vendor and partners are working towards the end of implementation for the phase 1 modules which were initiated in February 2023 (see attachment 1 – Phase 1: Project Connect Timeline).
- 3.2 Key achievements and summary include:
  - 3.2.1 The Altus CRM module continues to progress with first phase implementation due in September 2023.
  - 3.2.2 Significant progress has been achieved in the configuration of the mobile publisher application which will be used by Elected Members and our community members. Both the Google and Apple stores evaluate the Mobile Application through an approval process, and we are currently in this phase. The proposal is to undertake a soft launch of the application pending more functionality being added as part of Phase 2.
  - 3.2.3 The implementation of an accessibility tool has been executed on the CoS website and also the Community Portal assisting inclusion to information by people with learning difficulties, disabilities and by translating the website into other languages.
  - 3.2.4 The Altus Payroll module will go live by October 2023 with a new electronic timesheet and leave approval system.
  - 3.2.5 Employee lifecycle module is due to be complete at the same time as Altus Payroll and the build is almost complete with data migration currently in progress.
  - 3.2.6 Base integration is being built between Employee lifecycle and Altus Payroll and this will be thoroughly tested before Go Live.
  - 3.2.7 Altus Procurement (Phase 1) upgrade successfully went live on Thursday 8<sup>th</sup> June 2023. The product is now part of business as usual.
  - 3.2.8 A revised timeframe (moved to October 2024 from July 2023) has been put in place for Altus Content (document management system) to assist with the transition from the existing system given the volume of data residing in the current system and the need to integrate with the full application modules (rather than incrementally).
  - 3.2.9 Altus Business Intelligence module (data dashboards) has commenced recently and has concentrated on establishing the technical framework.
  - 3.2.10 Altus Finance module commenced on 29<sup>th</sup> May 2023, with this module due to go live late 2024.
- 3.3 As this is a large scale, multi-disciplinary transformation project, challenging the status-quo processes and thinking about the future is key. Another key challenge is to bring the key stakeholders up to date on the project and upskill them in the project approach using an Agile methodology.
- 3.4 The project team is continuing to engage widely with the stakeholders at showcases, workshops, newsletters, SharePoint, training sessions and meetings to ensure success.

**RISKS**

- 3.5 Due to the quantum of data in our current Document Management system, we need to cleanse our data before migrating to the new solution. To manage this risk and transition to the new solution, we are pushing out this implementation to 2024. There will be integration challenges along the way with temporary integrations required until we can decommission old solutions and phase new solutions online. We are managing this with our vendor who has nominated an integration expert, leading the way across all modules.
- 3.6 Change Management is one of the biggest risks for this project, impacting and changing current processes and daily tasks. This is being managed with a structured Change Management approach, communication cadences, engagement in workshops, showcases, training and awareness sessions at all levels of the organisation.

#### **4. GOVERNANCE**

- 4.1 To ensure strategic guidance for the Business Transformation Division and Project Connect to deliver on the roadmap, manage risks, roadblocks and help prioritise initiatives in line with the City of Salisbury's 3 success factors and the City Plan 2035, a strong governance model has been implemented.
  - 4.1.1 A Business Transformation Steering Committee, made up of the Executives as well as engaging in an external consultancy to support the Steering Committee.
  - 4.1.2 Quarterly updates to the Audit and Risk Committee and Innovation and Business Development Committee.
- 4.2 The vendor partner presented to the Business Transformation Steering Committee in July 2023 with no major issues identified by the vendor.

#### **5. FINANCES**

- 5.1 As at 31 July 2023 expenditure of \$491k has been incurred, funded from the Business Transformation Future Fund established by Council. The use of the Business Transformation Future Fund is governed by the Council endorsed policy.

#### **6. CEO DELEGATION**

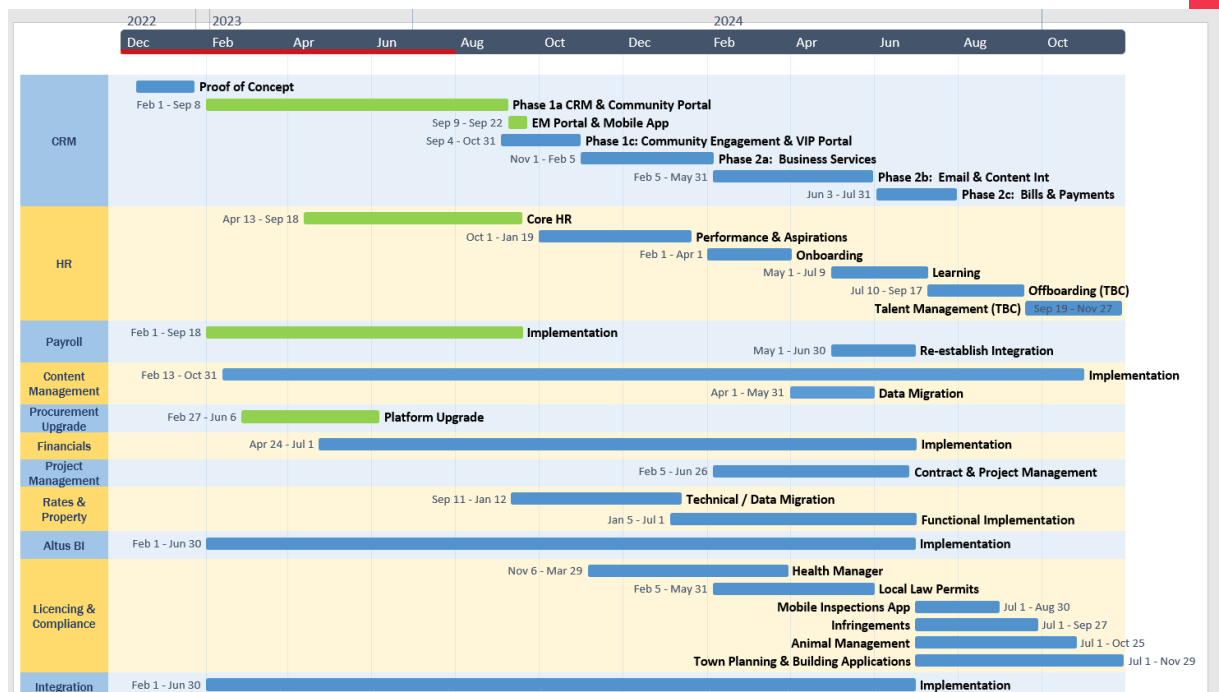
- 6.1 As resolved at the January 2023 Council meeting the Chief Executive Officer has the delegation to allocate from the approved funding the relevant budget to ensure the appropriate resources are in place to successfully deliver the project.
- 6.2 Allocations of this delegation to date total \$358,284 which include various change management resources and a business analyst required to support the work on reviewing and defining new processes to achieve enhanced outcomes.
- 6.3 As our current Finance and Records Management systems (internally hosted solutions) will no longer be fully supported by our current vendor from October 2024, we are time critical in implementation for Phase 2 modules to transition to the Cloud based technology.
- 6.4 As the project progresses and further resourcing requirements are identified to ensure a successful outcome is achieved to meet the required these will be reported to the committee.

**7. NEXT PERIOD REPORTING OUTCOMES**

7.1 Within the next reporting period we forecast the following:

- 7.1.1 Go Live of CRM (Phase 1)
- 7.1.2 Go Live of Payroll
- 7.1.3 Go Live of Employee Lifecycle (Phase 1)
- 7.1.4 Kick off of Property and Rates Module
- 7.1.5 Kick off of Licensing and Compliance Module
- 7.1.6 Kick off of Performance and Aspirations module
- 7.1.7 Ongoing progress of the Finance, Altus Content module and Altus BI module implementation

**8. PHASE TWO (SEE ATTACHMENT 2 FOR MORE DETAILS)**



**9. CONCLUSION / PROPOSAL**

- 9.1 Project Connect has commenced and largely aligned to the original implementation plan, noting the change in the Content module to October 2024 from July 2023.
- 9.2 This project is complex and requires managing many stakeholders and running a number of modules concurrently. The governance framework and the team formed to manage the project will minimise any material issues arising during implementation.



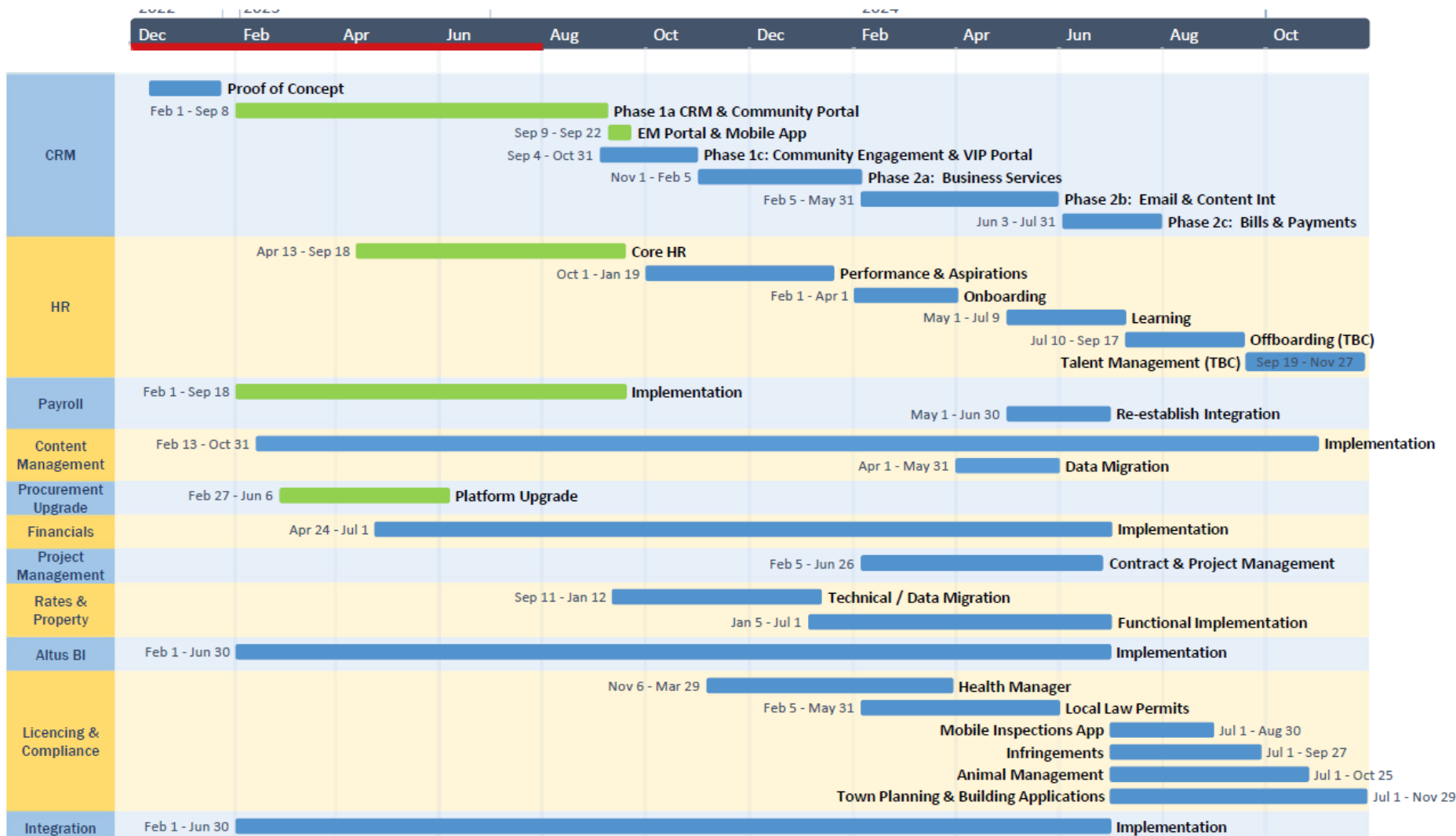


## Phase 1: Project Connect Timeline



Item 6.2.1 - Attachment 1 - Phase 1: Project Connect Timeline - February 2023 - October 2023





Item 6.2.1 - Attachment 2 - Phase 2: Project Connect Timeline - October 2023 - October 2024