



AGENDA

FOR INNOVATION AND BUSINESS DEVELOPMENT COMMITTEE MEETING TO BE HELD ON

16 APRIL 2024 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
Deputy Chief Executive Officer, Mr C Mansueto
A/General Manager Community Development, Ms V Haracic
General Manager City Infrastructure, Mr J Devine
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Governance Support Officer, Ms K Boyd

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Innovation and Business Development Committee Meeting held on 19 March 2024.

REPORTS

Administration

6.0.1 Future Reports for the Innovation and Business Development Committee 9

For Decision

6.1.1 Streetscape Renewal Tree Planting Service Delivery 11

QUESTIONS ON NOTICE

There are no Questions Without Notice.

MOTIONS ON NOTICE

There are no Motions Without Notice.

OTHER BUSINESS

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

ORDER TO EXCLUDE THE PUBLIC

6.4.1 Project Connect Quarterly Status Update

Recommendation

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if the Innovation and Business Development Committee so determines, 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) 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*

*On that basis the public's interest is best served by not disclosing the **Project Connect Quarterly Status Update** 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

Confidential Item 6.4.1



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

19 MARCH 2024

MEMBERS PRESENT

Cr S Reardon (Chairman)
Mayor G Aldridge (ex officio)
Cr K Grenfell (Deputy Chairman)
Cr S McKell

OBSERVERS

Cr P Jensen (*via Teams VC*)
Cr S Ouk

STAFF

Deputy Chief Executive Officer, Mr C Mansueto
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Governance Support Officer, Ms K Boyd

The meeting commenced at 6.34 pm.

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

APOLOGIES

Apologies were received from Cr L Brug, Deputy Mayor Cr C Buchanan and Cr M Mazzeo.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr S McKell
Seconded Cr K Grenfell

The Minutes of the Innovation and Business Development Committee Meeting held on 20 February 2024, be taken as read and confirmed.

CARRIED

REPORTS

Administration

6.0.1 Recommendation of the Salisbury Living Sub Committee meeting held on Tuesday 12 March 2024

Moved Cr K Grenfell
Seconded Mayor G Aldridge

That Council:

1. Receives and notes the information contained in the Salisbury Living Sub Committee Minutes of the meeting held on 12 March 2024 and that the following recommendation contained therein be adopted by Council:

CARRIED

SLSC1 Future Reports for the Salisbury Living Sub Committee

Moved Cr K Grenfell
Seconded Mayor G Aldridge

That Council:

1. Notes the report.

CARRIED

6.0.2 Future Reports for the Innovation and Business Development Committee

Moved Cr S McKell
Seconded Mayor G Aldridge

That Council:

1. Notes the report.

CARRIED

QUESTIONS ON NOTICE

There are no Questions on Notice.

MOTIONS ON NOTICE

There are no Motions on Notice.

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 Tuesday 12 March 2024 –

SLSC2 Strategic Development Projects - Status Report

Moved Cr K Grenfell
Seconded Cr S McKell

The Innovation and Business Development Committee orders that:

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) of the Local Government Act 1999, it is necessary and appropriate to exclude the public for the consideration of Agenda Item 6.4.1 Recommendations of the Confidential Salisbury Living Sub-Committee meeting held on Tuesday 12 March 2024 – SLSC2 Strategic Development Projects – Status Report with the exception of the following persons:

- Deputy Chief Executive Officer
- General Manager City Development
- Manager Governance
- Governance Support Officer

On the basis that:

- 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 Tuesday 12 March 2024 - SLSC2: Strategic Development Projects - Status Report** item and discussion at this point in time.*

CARRIED

The meeting moved into confidence at 6.37 pm.

The meeting moved out of confidence and closed at 6.39 pm.

CHAIRMAN.....

DATE.....

ITEM	6.0.1
	INNOVATION AND BUSINESS DEVELOPMENT COMMITTEE
DATE	16 April 2024
HEADING	Future Reports for the Innovation and Business Development Committee
AUTHOR	Mercedes Healy, Personal Assistant Executive Office, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	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. EXTERNAL CONSULTATION / COMMUNICATION

- 2.1 No External consultation was required in the development of this report.

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.

Meeting - Item	Heading and Resolution	Officer
24 July 2023	Motion Without Notice – Tree Climb	John Devine
IBD-MWON1	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.	
Due:	June 2024	
23 October 2023	Motion on Notice: Business Awards	Leandro Lopez Digon
MON3	4. Requests the Administration to present a report to the relevant Committee to investigate the feasibility of running a proposed Citywide business awards event in late 2024 / 2025, similar to the City of Onkaparinga and some other councils.	
Due:	March 2024	
Deferred:	May 2024	
Reason:	Continuing to gather information to prepare the report.	
26 February 2024	Road Reseal Update	Jarred Collins
6.2.1	2. Requests administration to provide a status update every two years and a further report at the completion of the four year term review before the contract is extended.	
Due:	February 2026	

4. CONCLUSION / PROPOSAL

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

ITEM	6.1.1
	INNOVATION AND BUSINESS DEVELOPMENT COMMITTEE
DATE	16 April 2024
HEADING	Streetscape Renewal Tree Planting Service Delivery
AUTHOR	Mark Purdie, Manager Field Services, City Infrastructure
CITY PLAN LINKS	1.1 Our City is attractive and well maintained 4.2 We deliver quality outcomes that meet the needs of our community 4.3 The City of Salisbury is recognised as a great place to work
SUMMARY	This report provides information on the delivery of Council’s Street Tree Renewal Program and recommends additional staffing and equipment to insource the planting and establishment components of the Street Tree Renewal Program.

RECOMMENDATIONThat Council:

1. Notes the delivery of the tree planting and establishment components of the capital Street Tree Renewal Program from contract delivery to internal teams commencing in the 2025 planting season.
2. Approves a staffing headcount increase of 2 FTE ongoing positions in the Field Services Division for 2024/25, with a capital budget of \$183k, which will be funded through the Street Tree Renewal Capital funding.
3. Approves a non-discretionary budget bid for the 2024/25 budget process for the purchase of two (2) additional planting/watering trucks, one (1) utility, and (1) skid steer and trailer, with a capital budget of \$625k. The ongoing costs of \$126.5k (excluding depreciation) for these plant items will also be funded through the Street Tree Renewal Capital program funding.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 The Tree Planting team within Field Services currently plants approximately 900 advanced street trees per year. This includes:
 - 1.1.1 Residents' requests (150)
 - 1.1.2 Individual tree replacements where a tree has been removed (300)
 - 1.1.3 Infill planting sites on the same streets, including previously failed streetscape plantings.

These trees are located at different addresses across the city.

- 1.2 In addition, the team plants approximately 2,500 trees and shrubs across Feature Landscape sites and Council reserves to renew plantings and enhance the horticultural amenity of open space environments.
- 1.3 The Infrastructure Delivery team contracts out the planting of between 1,200 and 1,500 street trees each year as part of the capital Street Tree Renewal Program.

2. EXTERNAL CONSULTATION / COMMUNICATION

- 2.1 Nil

3. DISCUSSION

Opportunity / Proposal

- 3.1 It is proposed that the tree planting and establishment components of the Street Tree Renewal Program be transferred from contract service delivery managed by Infrastructure Delivery to internal teams at Field Services, to centralise all street tree planting activity with the one provider.

Rationale and Benefits

- 3.2 The rationale and benefits of this proposal are:
 - 3.2.1 Internal teams have been undertaking street tree planting for over 40 years, know the specification and standard required, and have a track record of delivering consistent, quality planting outcomes that are superior to contract delivery.
 - 3.2.2 Fosters long-term ownership from planting, establishment, juvenile maintenance, to mature tree maintenance – a whole of life approach.
 - 3.2.3 Improved public perception of Council staff and branded vehicles undertaking works along the streets / in front of homes.
 - 3.2.4 Provides a whole street planting experience which is more efficient to deliver and maintain (less travel times between sites), and is rewarding work for staff.
 - 3.2.5 Approximately half the costs of the current contract service provision are maintenance – which is a core function of Field Services and aligns better with internal service delivery.
 - 3.2.6 Consistent with most other local governments where delivery of street tree planting programs is undertaken by internal work teams. It is quality horticultural work that assists in providing a career path for horticultural trainees.

Resourcing

- 3.3 The current internal resources dedicated to tree planting comprise:
 - 3.3.1 Three (3) x multi-purpose planting and watering trucks & trailers
 - 3.3.2 One (1) utility
 - 3.3.3 One (1) Kanga (skid steer) & trailer
 - 3.3.4 Six (6) x FTE staff, two (2) trainees (two (2) FTE are dedicated to juvenile tree maintenance)

3.4 In order to undertake the Street Tree Renewal planting and maintenance, which plants 1,400 street trees per year and maintains 2,800 street trees per year, above current services, the following additional resources would be required:

3.4.1 Two (2) Additional Multi-purpose planting / watering trucks

3.4.2 Utility

3.4.3 Kanga with trailer

3.4.4 Two (2) x FTE staff

3.5 The cost breakdown of the additional equipment/resourcing is provided in section 4.1.

Cost Comparison

3.6 A cost comparison has been undertaken between internal and contractual service delivery. Refer Table 1 below.

Item	Internal Service Delivery	Contract Service Delivery (actual costs 22/23)	Comments
Planting Yr 1	\$365,500	\$184,000	Contract costs are actual costs 22/23
Maintenance Yr 1		\$175,000	Internal costs are based on 23/24
Planting Year 2	\$365,500	\$184,000	
Maintenance Yr 2		\$175,000	
Total (2-year period)	\$731,000	\$718,000	Difference of \$13,000 or \$6,500 per year

Table 1 – Street Tree Renewal Business Case Cost Comparisons – based on two (2) years

3.7 The cost comparison is based on a two-year period, as the first-year plantings are maintained for a further 12-month establishment period by the contractor under the current arrangement.

3.8 The internal cost to deliver the same service is \$13k higher than contractual costs over two years, or \$6.5k per year.

3.9 In comparing cost structures, the cost of internal labour is approximately 24% higher than equivalent market rates. However, the private market typically factors in a 20% gross profit margin, which is not applicable in local government. The costs of the additional internal machinery are fully costed over 12 months, whereas a contractor can cost machinery to other jobs when it's not fully utilised on tree planting.

3.10 The internal costs are fully accounted for over a 12-month period, and therefore any incidental scope of work change will not attract any further costs – including vandalism replacement plantings. Contractual comparative costs are based on a schedule of rates and contract provisions; any scope change will result in variations to the costs, which could easily erode the \$6.5k annual cost differentiation between the service modes.

3.11 While cost is one factor, the quality of planting and the end result is expected to yield better quality juvenile trees and improved planting success rates, delivering substantially improved value from the program.

Trial

- 3.12 As an interim step, a trial was conducted over the 2023 planting season. Internal planting programs were reduced slightly to enable existing resources to trial street tree planting.
- 3.13 The trial involved Council staff planting 489 street trees (approximately 33% of the program). The trial provided an opportunity to test methodology and timeframes.
- 3.14 The works were completed in a total of 109 hours productive hours. This is comparative with contractor productivity rates for tree planting.
- 3.15 The quality of planting works was superior and additional planning above the trial was issued to internal teams (additional 63 trees) due to the inability of contractors to meet the timeframes.
- 3.16 The trials enabled refinement of the resourcing plans to deliver the work in the future. With additional two (2) staff and equipment as outlined in 4.1, it is proposed that the tree planting crews would split into two (2) – each comprising three (3) staff plus a trainee (already funded).

Risks

- 3.17 The risks of insourcing Street Tree Renewal planting are considered low, as street tree planting is already undertaken and proven by internal work teams.
- 3.18 There is a risk of a change in weather patterns from La Niña to El Niño, and plantings requiring more than thirty two (32) watering events per summer. This risk applies to any delivery model. Field Services will have five (5) watering trucks available for watering. Should drought conditions be experienced in the future, consideration should be given to running split shifts and maximizing the use of existing machinery.
- 3.19 The main risks with the program are around coordination and integration of all services associated with the works. These are discussed further below.

Implementation

- 3.20 The procurement of the additional equipment such as the Kanga and trucks required to undertake the additional planting work has lead times of around 12 months in the present market.
- 3.21 While hiring equipment is a potential alternative, the preferred implementation (if the recommendation is approved) is for the full insourcing of the Street Tree Renewal planting to commence in the 2025 planting season (May 2025).
- 3.22 This provides suitable time to procure equipment, establish tree sourcing contracts, undertake internal consultation, plan the works, and employ and train new staff.
- 3.23 Financial OverviewTable 3 below provides details of the costs of additional resources required to insource the planting and maintenance of the streetscape renewal program.

Item	Capital	Life (yr)	Depc per yr	Operational Costs per yr Capital Budget)	Notes
Planting/Watering Truck	\$250,000	10	\$20,000	\$39,000	Planting & watering
Planting/Watering Truck	\$250,000	10	\$20,000	\$39,000	Planting & watering
Utility	\$50,000	5	\$8,500	\$6,500	Tow kanga and move ahead of planting truck
Kanga (skid steer)	\$75,000	7	\$8,000	\$11,500	Tree hole boring
2 x FTE Staff (Grade 3)				\$183,000	Planting, Watering, Maintenance
Materials				\$30,000	Stakes, water bowls, fertiliser, water, locations
Total	\$625,000		\$56,500	\$309,500	

Table 3 – Costs of In-Sourcing Streetscape Renewal Planting & Maintenance

- 3.24 Capital costs of \$625k are for the one-off purchase of equipment/machinery. This has not been included in the 2024/25 budget deliberations and will require a new initiative bid.
- 3.25 The ongoing operational costs of \$309,500 exclude depreciation for the renewal of the equipment/machinery, and can be funded from the existing Capital streetscape renewal program. 1
- 3.26 Street Tree Renewal is a more efficient planting method than adhoc street trees (current) – reduced travel and set up times. Planting average 30 + per day = approx. nine (9) weeks to complete planting component based on 1,400 street trees.
- 3.27 During planting – tree planting teams would split into two – each comprising three (3) staff plus a trainee (already funded).

4. CONCLUSION

- 4.1 The estimated cost increase of \$6.5k per annum to insource these works is considered to be outweighed by the ownership and long-term interests in delivering these works by internal work teams – particularly given the nature of the work where success is long-term given the slow growth rate of trees, and given planting quality can impact long-term establishment outcomes.
- 4.2 The delivery of planting and maintenance for Street Tree Renewal by internal teams will deliver significantly better value and overall quality outcomes for the community.
- 4.3 The costs required to insource the street tree renewal planting and maintenance comprise \$625k capital (one-off) for new plant and equipment, and \$365.5k ongoing operating costs, which can be funded from the current street tree renewal program.

- 4.4 The delivery of the planting component (planting and maintenance) of the Street Tree Renewal Program is proposed to be transferred from contract delivery managed by Infrastructure Delivery, to internal teams at Field Services, commencing in the 2025 planting season (May-Oct).