

# **GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY**

## **NOTICE OF MEETING**

Notice is hereby given pursuant to Clause 6.9 of the Charter that the Ordinary Meeting of the Gawler River Floodplain Management Authority Board has been called for:

**DATE: Thursday, 21<sup>st</sup> June 2018**

**TIME: 9.45 AM**

**PLACE: The Barossa Council 43-51 Tanunda Road Nuriootpa**



David Hitchcock  
EXECUTIVE OFFICER

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY**  
**ORDINARY MEETING**  
**AGENDA**

9.45 am Thursday 21 June 2018

The Barossa Council 43-51 Tanunda Road, Nuriootpa

**1. MEETING OF THE BOARD**

- 1.1 Welcome by the GRFMA Chairperson.
- 1.2 Present. (Please sign the Attendance Register)
- 1.3 Apologies.
- 1.4 Appointment of Observers.
- 1.5 Declarations of Interest.

**2. CONFIRMATION OF MINUTES**

- 2.1. GRFMA Ordinary Meeting minutes 19/4/18..... Pages 4 - 9
- 2.2. GRFMA Confidential Meeting minutes 19/4/18..... Pages 10
- 2.3. GRFMA Special Meeting minutes 17/5/18.....Pages 11-14
- 2.4. Actions on previous resolutions ..... Pages 15-16
- 2.5. Matters arising from Minutes.

**3. QUESTIONS ON NOTICE**

Nil

**4. MOTIONS ON NOTICE**

Nil

**5. PRESENTATIONS**

Nil

**6. AUDIT COMMITTEE**

GRFMA Audit Committee Meeting scheduled 18/6/18. Copies of the Minutes of the Meeting will be distributed at the 21/6/18 GRFMA meeting.

**7. TECHNICAL ASSESMENT PANEL**

Minutes of the Meeting 11/5/18.....Pages 17-19

**8. REPORTS**

- 8.1 Northern Floodway Project Prospectus.....Pages 20-21
- 8.2 NDRP /LGA funding application proposal UNHaRMED.....Pages 22-24
- 8.3 Financial Report.....Pages 25-26
- 8.4 Depreciation of Assets .....Pages 27-31  
(Bruce Eastick North Para Flood Mitigation Dam)
- 8.5 GRFMA Business Plan 2018 - 2021..... Pages 32-33
- 8.6 GRFMA Budget 2018 – 2019..... Pages 34-38
- 8.7 Achievements against the Business Plan.....Pages 39

**9. CORRESPONDENCE**

Nil

**10. CONFIDENTIAL**

Nil

**11. URGENT MATTERS WITHOUT NOTICE**

**12. NEXT MEETING**

Please note that the next Ordinary Board Meeting will be held on:

Date

Thursday 16 August 2018

Host Council

Town of Gawler

Meeting to commence at 9.45am.

**13 CLOSURE**

**2.1 GRFMA Ordinary Meeting minutes 19/4/18**

**RECOMMENDATION**

**That the Minutes of the Gawler River Floodplain Management Authority Board meeting held 19/4/18 be confirmed as a true and accurate record of that meeting.**

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Refer to attachment.

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**M E E T I N G M I N U T E S**


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Committee      **Gawler River Floodplain Management Authority**  
 Held On        **Thursday 19 April 2018 at 9.45 am**  
 Location        **Gumeracha –Adelaide Hills Council**

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**WELCOME**

*Mr Ian Baldwin formally welcomed Board Members, Deputy Board Members, Observers and the Executive Officer and opened the 102<sup>nd</sup> meeting of the Board.*

**PRESENT**

*Mr Ian Baldwin, Independent Board Member, Chair  
 Mr Andrew Aitkin, Adelaide Hills Council, Board Member  
 Mr Marc Salver, Adelaide Hills Council, Deputy Board Member  
 Mayor Bob Sloane, The Barossa Council, Board Member  
 Mr Gary Mavrinc, The Barossa Council, Board Member  
 Cr Paul Koch, Town of Gawler, Deputy Member  
 Mr Sam Dilena, Gawler Council, Board Member  
 Mr Mal Hemmerling, City of Playford, Board Member  
 Cr Denis Davey, City of Playford, Board Member  
 Mr James Miller, Adelaide Plains Council, Board Member  
 Cr Mel Lawrence, Adelaide Plains Council, Board Member  
 Mr Andrew Philpott, Light Regional Council, Deputy Board Member  
 Mr David Hitchcock, Executive Officer*

**OBSERVERS**

*Mr Martin Waddington, Adelaide Plains Council  
 Cr Terry-Anne Keen, Adelaide Plains Council, Deputy Board Member  
 Mr Greg Pattinson City of Playford  
 Cr C Muzyk, City of Playford*

<b>GRB 18/20 Observers</b>
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**Moved: Mr. J Miller                      Seconded: Mayor B Sloane**

**That Mr. Martin Waddington, Adelaide Plains Council, Cr Terry-Anne Keen, Adelaide Plains Council, Mr Greg Pattinson City of Playford and Cr C Muzyk City of Playford be appointed as Observers.**

**CARRIED**

**APOLOGIES**

*Mr Brian Carr, Light Regional Council, Board Member  
 Cr Adrian Shackley, Gawler Council, Board Member  
 Cr William Close, Light Regional Council, Board Member  
 Cr Malcolm Herrmann, Adelaide Hills Council, Board Member*

**GRB 18/21 Minutes of the GRFMA Meeting 15/2/18**

**Moved: Cr D Davey    Seconded: Mr. G Mavrinac**

**That the Minutes of the previous Gawler River Floodplain Management Authority Board meeting held on 15/2/18 as per copies supplied to members, be adopted as a true and correct record of that meeting.**

**CARRIED**

**GRB 18/22 Minutes of the Confidential GRFMA Meeting 15/2/18**

**Moved: Mr. G Mavrinac    Seconded: Mr. S Dilena**

**That the Confidential Minutes of the previous Gawler River Floodplain Management Authority Board meeting held on 15/2/18 as per copies supplied to members, be adopted as a true and correct record of that meeting.**

**CARRIED**

**GRB 18/23 Minutes of the Gawler River Floodplain Management Authority Audit Committee Meeting 26/3/18**

**Moved: Mr. S Dilena    Seconded: Mr M Hemmerling**

**That the Minutes of the Gawler River Floodplain Management Authority Audit Committee meeting held 26/3/18 be received.**

**CARRIED**

It was noted that the Executive Officer would action the Audit Committee recommendation to further investigate what relevant practices other "Dam operator entities" are undertaking in relation to the level of funding of the depreciation cost incurred by large and long term capital assets such as Dams.

**GRB 18/24 Northern Floodways Prospectus**

**Moved: Mr. M Hemmerling    Seconded: G Mavrinac**

**That the GRFMA:**

- 1. Receive the report;**
- 2. Request the Executive Officer to:**
  - a. seek feedback from Constituent Council staff on the final draft of the Northern Floodways Prospectus by 11 May 2018;**
  - b. present the feedback received from Council staff to a Special Meeting of the GRFMA to be held Thursday 17 May 2018 at the City of Playford;**

- c. **correspond with the Adelaide Plains Council to request the Council to forward all relevant information regarding flood planning management by COB Friday 11 May 2018 to enable inclusion in the 17 May 2018 Special Meeting Agenda papers: and to enable further consideration of next steps in actioning the Northern Floodway's Prospectus.**

**CARRIED**

During discussion regarding the Northern Floodway's Prospectus the Adelaide Plains Council Board Members tabled the document *GRFMA Charter Review - the Basis of APC's concerns and proposed future direction*.

The meeting adjourned at 11.20 am for a short break.

The meeting reconvened at 11.35 am.

#### **GRB 18/25 Financial Report**

**Moved: Mr. M Hemmerling      Seconded: Mr S Dilena**

**That the GRFMA**

1. **adopts the Budget Review Documents for February 2018 for the 2017/2018 financial year and the variances contained within as the amended and current budget for the period ending 30 June 2018; and**
2. **receives the financial report as at 28 February 2018 showing a balance of total funds available of \$ 193,777.09.**

**CARRIED**

#### **GRB 18/26 GRFMA Charter and Governance Framework Review**

**Moved: Mr M Hemmerling      Seconded: Mr. Mr. J Miller**

**That the GRFMA:**

1. **at this time defer further discussion on the GRFMA Charter and Governance Framework Review;**
2. **request the Executive Officer to seek feedback from Constituent Council GRFMA Board Members, by COB 11 May 2018, on the Why, What and How considerations they might have when considering undertaking the GRFMA Charter and Governance Review; and**
3. **further consider the GRFMA Charter and Governance Review and subsequent Board Member feedback at the 17 May 2018 Special Meeting.**

**CARRIED**

Cr C Muzck left the meeting at 12.14 pm.

**GRB 18/27 In Confidential 12.14 pm****Moved: Mayor B Sloane    Seconded: Mr. S Dilena**

**Pursuant to Section 90(2) of the Local Government Act 1999, an Order is made that the public be excluded from attendance at the meeting, in order to consider in confidence agenda item 10. Flood Retention Dam South Para, under Section 90(3)(d) of the Local Government Act 1999 on the basis that:**

**(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which— (i) 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 (ii) would, on balance, be contrary to the public interest;**

**This matter is confidential because the information provided is preliminary to proposed construction and design works and not at a stage sufficient to inform public discussion.**

**On the basis of this information, the principle that meetings of the GRFMA Board should be conducted in a place open to the public has been outweighed in this instance: the Board consider it necessary to consider this matter in confidence.**

**CARRIED****GRB 18/28 Flood Retention Dam South Para – See separate Confidential Meeting Minute****CARRIED****GRB 18/29 Out of Confidential 12.25 pm****Moved: Mr. J Miller    Seconded: Mr. A Philpott**

**Pursuant to Section 90(2) and Section 91(7) of the Local Government Act 1999, the GRFMA orders that the following aspects of item 10 Flood Retention Dam South Para be kept confidential in accordance with the GRFMA Boards reasons to deal with this item in confidence pursuant to section 90(3) (d) of the Local Government Act 1999:**

- **Report for Item 10.**
- **Attachments for item 10.**

**and further;**

**Authorises the Executive Officer to advise relevant parties of the outcome of the GRFMA decision regarding this matter.**

**This order shall operate until reviewed and determined as part of the annual review by the Authority in accordance with Section 91(9)(a) of the Local Government Act 1999.**

**CARRIED**

Out of confidence.

The Ordinary Meeting resumed.



**Urgent Matters without Notice**

Members noted that ARTC was currently undertaking works on the ARTC Bridge over the Gawler River and that it might be a possible blockage of water flow should winter rainfall events occur. The Executive Officer was requested to inquire with ARTC as to the current status of the scaffolding work.

Members noted that it would be beneficial, in relation to the GRFMA Governance and Charter Review, to undertake a quick review of the current and proposed State Government legislation/policy on governance frameworks, NRM, Joint Planning Boards etc as they might relate to options for the Board to consider. The Executive Officer was requested to undertake the quick review.

The Chairperson noted the proposed date of the next GRFMA meeting (14 June 2018) was a short week due to the Public Holiday and also conflicted with his availability to attend. The meeting agreed to reschedule the next Ordinary Meeting to Thursday 21 June 2018 at the Barossa Council.

**Closure of meeting**

The Chairperson thanked the Adelaide Hills Council for hospitality as host and noted the next Ordinary Board Meeting will be held 9.45 am, Thursday 21 June 2018 at the Barossa Council.

The Chairperson also noted the Special Meeting, as determined by the Board, scheduled for 9.45 am Thursday 17 May 2018 at the City of Playford.

Meeting closed 12.38 pm

**Confirmed Chairperson .....**

**2.2 Confidential Minutes of the Gawler River Floodplain Management Authority Board meeting held 19/4/18**

**RECOMMENDATION**

**That the Confidential Minutes of the Gawler River Floodplain Management Authority Board meeting held 19/4/18 be confirmed as a true and accurate record of that meeting.**

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Refer to separate Confidential attachment.

**2.3 GRFMA Special Meeting minutes 17/5/18**

**RECOMMENDATION**

**That the Minutes of the Gawler River Floodplain Management Authority Board Special Meeting held 17/5/18 be confirmed as a true and accurate record of that meeting.**

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Refer to attachment.

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**S P E C I A L M E E T I N G M I N U T E S**


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Committee           **Gawler River Floodplain Management Authority**  
Held On               **Thursday 17 May 2018 at 9.45 am**  
Location              **Stretton Center 307 Peachy Road Muno Para, City of Playford.**

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**WELCOME**

*Mr Ian Baldwin formally welcomed Board Members, Deputy Board Members, Observers and the Executive Officer and opened the 103<sup>rd</sup> meeting of the Board.*

**PRESENT**

*Mr Ian Baldwin, Independent Board Member, Chair  
Mr Marc Salver, Adelaide Hills Council, Deputy Board Member  
Cr Malcolm Herrmann, Adelaide Hills Council, Board Member  
Mayor Bob Sloane, The Barossa Council, Board Member  
Mr Gary Mavrincac, The Barossa Council, Board Member  
Mr Sam Dilena, Gawler Council, Board Member  
Mr Mal Hemmerling, City of Playford, Board Member  
Cr Denis Davey, City of Playford, Board Member  
Mr James Miller, Adelaide Plains Council, Board Member  
Cr Mel Lawrence, Adelaide Plains Council, Board Member  
Mr Andrew Philpott, Light Regional Council, Deputy Board Member  
Cr Adrian Shackley, Gawler Council, Board Member  
Cr William Close, Light Regional Council, Board Member  
Mr David Hitchcock, Executive Officer*

<b>GRB 18/30 Observers</b>
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**Moved: Mr. J Miller                      Seconded: Cr M Lawrence**

**That Mr. Martin Waddington, Adelaide Plains Council, Cr Terry-Anne Keen, Adelaide Plains Council and Mr. Greg Pattinson City of Playford be appointed as Observers.**

**CARRIED**

**APOLOGIES**

*Mr. Brian Carr, Light Regional Council, Board Member*

<b>GRB 18/31 Motion on Notice</b>
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**Moved: Cr M Herrmann                      Seconded: Cr M Lawrence.**

**That the GRFMA receive the motion on notice from the Adelaide Plains Council.**

**CARRIED**

Motion on Notice Stormwater Management Plans
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Moved: M J Miller.            Seconded: Cr M Lawrence.

That the GRFMA act strategically, with due diligence and consistent with principles of corporate and financial governance in its approach to future flood mitigation responsibilities being an approach and direction that will achieve a holistic rather than a 'project by project' approach to flood mitigation for the benefit of the constituent councils and their communities. This strategic approach requires the GRFMA, as a priority and, consistent with the principles and objectives of Schedule IA to the Local Government Act 1999, to develop a Stormwater Management Plan and to obtain the approval of the Stormwater Management Authority. The preparation of a Stormwater Management Plan to be followed by a review of the GRFMA Charter, the development of a long term financial plan and the consequent update of the business plan all of which will ensure that all constituent councils are able to forward plan with clarity and certainty.

LOST

The meeting adjourned at 10.50 am for a short break.

The meeting reconvened at 11.15 am.

<b>GRB 18/32 Strategic and Financial Policy</b>
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Moved:     **Mr. M Lawrence**            **Seconded: Mr. J Miller**

**That GRFMA:**

- 1. Acknowledge the Adelaide Plains Council view on the strategic and financial policy position on the strategic planning of flood mitigation option for the Gawler River; and**
- 2. Agree in principle with this position to act with due diligence and consistent with the principles of the corporate and financial governance in its approach and direction that will achieve a holistic approach to flood mitigation for the benefit of all constituent Councils.**

**CARRIED UNANIMOUSLY**

<b>GRB 18/33 Northern Floodway Project Prospectus</b>
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Moved: **Mr S Dilena**            **Seconded: Mr. G Mavrinac**

**That the GRFMA:**

- 1. Receive feedback from Constituent Council staff on the final draft of the Northern Floodway Project Prospectus;**
- 2. Authorise the Executive Officer to finalise the document subject to inclusion of relevant amendment and updates from the feedback received, including explanation in the document that all further design and development costs, described as key project stages, are to be included in the total Northern Floodway Project costing; and**
- 3. Provide a final copy of the the Northern Floodway Project Prospectus to all Board Members.**

**CARRIED UNANIMOUSLY**

**GRB 18/34 Northern Floodway Project**

**Moved: Cr M Lawrence      Seconded: Mr. J Miller**

**That the GRFMA:**

1. **Resolve to continue progressing the Northern Floodway Project as a priority, subject to:**
  - a. **The Federal and State Governments confirming in writing a commitment to fund in totality all capital costs including the further design; and development costs associated with the Northern Floodway Project.**
  - b. **Acknowledging the GRFMA contribution will be responsibility for the ongoing maintenance of the Northern Floodway; and**
  - c. **The GRFMA seeking formal commitment from all constituent Council’s on progressing the Northern Floodway Project on this funding principle.**
  
2. **Request the Chair of the GRFMA to advise the Federal and State Government of this approach.**

**CARRIED UNANIMOUSLY**

**GRB 18/35 GRFMA Charter and Governance Review**

**Moved: Mr G Mavrinac      Seconded: Mr. M Salver**

**That the GRFMA:**

1. **Receive feedback from constituent council GRFMA Board Members on the Why, What and How considerations they might have when considering undertaking the GRFMA Charter and Governance Review;**
2. **Establish a Working Group, consisting of one representative from each constituent council, to consider and develop a suitable methodology and process to facilitate delivery of the GRFMA Charter and Governance Review; and that the Working Group report on its deliberations and relevant recommendations at the August 2018 GRFMA meeting; and**
3. **Appoint the GRFMA Chair as chair of the Working Group.**

**CARRIED**

Mr Andrew Philpott left the meeting at 12 noon.

**Closure of meeting**

The Chairperson thanked the City of Playford for hospitality as host and noted the next Ordinary Board Meeting will be held 9.45 am, Thursday 21 June 2018 at the Barossa Council.

Meeting closed 12.03 pm

**Confirmed Chairperson .....**

## 2.4 Actions on Previous Resolutions

Number	Resolution	Action
17/078	That the GRFMA: <ol style="list-style-type: none"> <li>1. Receive the report; and</li> <li>2. That consideration of the matters raised be deferred until such time as:               <ul style="list-style-type: none"> <li>• the process of the Charter review by the GRFMA is determined; and</li> <li>• formal application by the Adelaide Plains Council to withdraw from GRFMA has been determined by the Minister for Local Government.</li> </ul> </li> </ol>	Action deferred.
17/090	That the GRFMA: <ol style="list-style-type: none"> <li>1. Receive the report;</li> <li>2. Endorse preparation of a suitable funding application proposal for NDRP and or the LGA R&amp;D Scheme for UNHaRMED;</li> <li>3. Authorise the Executive Officer to consult with constituent councils on the proposal; and</li> <li>4. The Board receive a further report regarding this matter prior to any external funding application being made.</li> </ol>	Refer Agenda item 8.2.
17/100	That the Audit Committee be requested to consider the matter of depreciation of the Bruce Eastick North Para Flood Mitigation Dam in relation to the GRFMA view that the constituent councils (GRFMA) do not necessarily have to fund annual depreciation costs as the GRFMA is very unlikely to have capacity to fund a new or replacement Dam.	Refer Agenda item 8.5
18/07	That the GRFMA: <ol style="list-style-type: none"> <li>1. Receive the report;</li> <li>2. Supports proposed development of a Levee Bank Management (Gawler River Floodplain) information and guideline document by the Adelaide &amp; Mt Lofty Ranges Natural Resources Management Board (AMLRNRMB);</li> <li>3. Requests the Executive Officer to initiate a meeting with Constituent Council planning and engineering staff and AMLRNRMB staff to facilitate adoption of:               <ol style="list-style-type: none"> <li>a. a suitable and consistent Development Consent process (where appropriate) for applications for approval to undertake construction and maintenance of levee banks; and</li> <li>b. approved Best Practice Operating Procedures under the relevant Natural Resources Management Plans.</li> </ol> </li> </ol>	Currently liaising with the AMLRNRMB to facilitate action
18/08	That the GRFMA: <ol style="list-style-type: none"> <li>1. Note the report;</li> <li>2. Adopts the 2018-2021 draft GRFMA Business Plan and draft 2018/19 GRFMA Budget documents as amended; and</li> <li>3. Following receipt of Constituent Council feedback considers adoption of the GRFMA draft Business Plan and Annual Budget at the June 2018 meeting.</li> </ol>	Refer Agenda Item 8.5

	<p>That the GRFMA:</p> <ol style="list-style-type: none"> <li>1. Receive feedback from Constituent Council staff on the final draft of the Northern Floodway Project Prospectus;</li> <li>2. Authorise the Executive Officer to finalise the document subject to inclusion of relevant amendment and updates from the feedback received, including explanation in the document that all further design and development costs, described as key project stages, are to be included in the total Northern Floodway Project costing; and</li> <li>3. Provide a final copy of the the Northern Floodway Project Prospectus to all Board Members.</li> </ol>	Completed Refer Agenda Item 8.1
	<p>That the GRFMA:</p> <ol style="list-style-type: none"> <li>1. Resolve to continue progressing the Northern Floodway Project as a priority, subject to: <ol style="list-style-type: none"> <li>a. The Federal and State Governments confirming in writing a commitment to fund in totality all capital costs including the further design; and development costs associated with the Northern Floodway Project.</li> <li>b. Acknowledging the GRFMA contribution will be responsibility for the ongoing maintenance of the Northern Floodway; and</li> <li>c. The GRFMA seeking formal commitment from all constituent Council's on progressing the Northern Floodway Project on this funding principle.</li> </ol> </li> <li>2. Request the Chair of the GRFMA to advise the Federal and State Government of this approach.</li> </ol>	Completed refer Agenda item 8.1
	<p>That the GRFMA:</p> <ol style="list-style-type: none"> <li>1. Receive feedback from constituent council GRFMA Board Members on the Why, What and How considerations they might have when considering undertaking the GRFMA Charter and Governance Review;</li> <li>2. Establish a Working Group, consisting of one representative from each constituent council, to consider and develop a suitable methodology and process to facilitate delivery of the GRFMA Charter and Governance Review; and that the Working Group report on its deliberations and relevant recommendations at the August 2018 GRFMA meeting; and</li> </ol> <p>Appoint the GRFMA Chair as chair of the Working Group.</p>	In progress. first meeting of Working Group 21/6/18



**7 GRFMA Technical Assessment Panel Meeting minutes 11/5/18**

**RECOMMENDATION**

**That the Minutes of the Gawler River Floodplain Management Authority Technical Assessment Panel meeting held 11/5/18 be received.**

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Refer to attachment.

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**M I N U T E S**

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Committee           **GRFMA Technical Assessment Panel**  
Held On             **Friday 11 May 2018 at 2.PM**  
Location            **Meeting Room, LGA House, 148 Frome Street Adelaide.**

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**1. PRESENT**

Mr Ian Baldwin, Independent Chair  
Mr Dino Musolino, Observer, Lower Gawler River representative  
Ms Belinda Skilton, Flood Management Officer, DEWNR  
Mr Angus Paton, Manager Headworks Assets SA Water  
Mr Matt Elding, Barossa Council  
Mr Braden Austin, Playford Council  
Mr David Trebilcock, Observer, Storm Water Management Authority  
Mr David Hitchcock Executive Officer

**2. APOLOGIES**

Nil

**3. WELCOME**

The Chair extended a welcome to new members Belinda Skilton and Angus Paton and noted that DPTI had recently withdrawn from membership of the Panel.

**4. MINUTES OF THE 7/8/17 MEETING**

<b>GRT 18/01 Minutes of the 7/8//17 Meeting</b>
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**Moved: M Elding    Seconded: B Austin**

**That the Panel receive the minutes of the GRFMA TAP meeting 7/8/17.**

**5. GENERAL BUSINESS****Northern Floodways Project Prospectus**

Discussion was held on the final draft of the Northern Floodways Project Prospectus with a view to providing feedback to the GRFMA Board on the document.

Comments of note from around the table discussion included:

- There is need to undertake work now in relation to silt removal and vegetation management.
- DEWNR may be an option to facilitate access to manage the water course.

- Adelaide Mount Lofty Ranges NRM Board could be a good option to initiate existing levee bank management clean up with land owners.
- The document should include a timeframe for progressing decisions and actions including a stop point at which time to set aside unresolved funding negotiations and to get on with desilting and vegetation management.
- Need to acknowledge and manage impacts of vegetation removal on stability of existing levee banks in any proposed works.
- The return period and benefits to be realised should be made clear.
- The document should include other overarching floodplain management considerations and indicate how the longevity of the mitigation option will be maintained.
- Best endeavours should be made to repair and construct levee banks structures to highest standards (clear of vegetation with road access).
- Work should start downstream first so as to manage possible flood out issues.
- Public consultation should be undertaken early in the process with a professional approach and management thereof.
- Include matters relating to a suitable maintenance regime (asset management planning, process of maintenance, who manages etc).
- The Confirm Scope stage should have opportunity to have additional flood modelling information undertaken early to assist design scope.
- One member noted It's better to manage for a 1:50 ARI flood event than a 1:100 ARI.
- Discussion from the technical representatives noted that the performance of the design against a 1 in 100-year event needs to be understood plus also needs final confirmation of performance based on final design outcome of levees and the northern floodway.
- the Preliminary design stage needs a loop process to close out (i.e. construction design performance to be confirmed)
- Requirement to change development category to reflect changes in land use and to manage future development.
- Flood Warning and Emergency Response aspects should be acknowledged and included as stakeholders.

#### Charter Review and Adelaide Plains Council.

The Chair provided an update on matters relating to the GRFMA Charter and Governance Review and the unsuccessful application by Adelaide Plains Council to withdraw from the GRFMA.

#### **6. CLOSURE**

The Chair thanked members for their attendance and considered comment regarding the Prospectus.

The meeting closed at 3.08 PM

Confirmed

Chair\_\_\_\_\_

## 8.1 Northern Floodway Project Prospectus

### RECOMMENDATION

**That the GRFMA receive the report.**

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The Gawler River 2016 Flood Review report provides three recommendations for works to be undertaken:

- a) proposed Gawler River Northern Floodway,
- b) upgrade and maintenance of the existing levee system; and
- c) management of silt and pest vegetation.

Initial estimated costs for the Project are \$27 million.

The GRFMA has previously resolved to progress the report recommendations in 2018 and has commissioned development of a "Project Prospectus" document which outlines a 'staged' approach to quantify required works, engagement of all stakeholders and a clear project feasibility pathway for funding options.

At the 17/5/18 GRFMA Special Meeting the following resolution was passed.

*That the GRFMA:*

1. *Receive feedback from Constituent Council staff on the final draft of the Northern Floodway Project Prospectus;*
2. *Authorise the Executive Officer to finalise the document subject to inclusion of relevant amendment and updates from the feedback received, including explanation in the document that all further design and development costs, described as key project stages, are to be included in the total Northern Floodway Project costing; and*
3. *Provide a final copy of the the Northern Floodway Project Prospectus to all Board Members.*

The document has now been finalised. A copy has been provided to GRFMA Board Members.

Further work is now being undertaken to enhance the visual presentation of the summary document to a suitable marketing and easy read quality.

In discussing further steps to progress the Gawler River 2016 Flood Review report recommendations the 17/5/18 GRFMA Special Meeting also resolved the following:

*That the GRFMA:*

1. *Resolve to continue progressing the Northern Floodway Project as a priority, subject to:*
  - d. *The Federal and State Governments confirming in writing a commitment to fund in totality all capital costs including the further design; and development costs associated with the Northern Floodway Project.*
  - e. *Acknowledging the GRFMA contribution will be responsibility for the ongoing maintenance of the Northern Floodway; and*
  - f. *The GRFMA seeking formal commitment from all constituent Council's on progressing the Northern Floodway Project on this funding principle*
2. *Request the Chair of the GRFMA to advise the Federal and State Government of this approach.*

GRFMA correspondence seeking formal commitment on progressing the Northern Floodway Project on the funding principle, as per the resolution, was forwarded to all constituent Council's on 18/5/18.

Council responses to date are:

<b>Council</b>	<b>Confirmed commitment</b>	<b>Pending council meeting date</b>
Adelaide Plains	Motion not supported	Motion to be re-put 14/6/18
Adelaide Hills	To be advised	19/6/18
Barossa	To be advised	19/6/18
Gawler	To be advised	26/6/18
Light	To be advised	26/6/18
Playford	Yes	

In discussion with the GRFMA Chair it was decided to hold further engagement with the State and Federal Government until responses from constituent councils has been received.

it is anticipated Board Members will be able to provide any further indication of each council's status in considering the resolution proposal at the 21/6/18 GRFMA meeting.

## 8.2 NDRP funding application proposal UNHaRMED

### RECOMMENDATION

#### **That the GRFMA:**

- 1. Receive the report; and**
- 2. Discusses implications of funding contributions required for the Natural Disaster Resilience Program Application**

At the 14/12/17 Meeting of the GRFMA the following resolution was passed.

#### *That the GRFMA:*

- 1. Receive the report;*
- 2. Endorse preparation of a suitable funding application proposal for NDRP and or the LGA R&D Scheme for UNHaRMED;*
- 3. Authorise the Executive Officer to consult with constituent councils on the proposal; and*
- 4. The Board receive a further report regarding this matter prior to any external funding application being made.*

The Natural Disaster Resilience Program Applications opened 7 May 2018. Applications will be accepted until 5pm on Friday 29 June 2018. Successful and unsuccessful applications will be notified October 2018.

Coincidentally the Local Government Research & Development Scheme Advisory Committee is also seeking funding submissions for the July 2018 Funding Call. Submissions close at 5pm on Friday 27 July 2018. All Local Government Research & Development Scheme proponents will be advised of the outcome of their submissions by Friday, 21 September 2018.

Applications for these funding programs have now been drafted.

The Natural Disaster Resilience Program(NDRP) Application seeks funding of \$99,400 and the Local Government Research & Development Scheme application seeks funding of \$30,000.

Important information. Natural Disaster Resilience Program Applications require a cash funding contribution of \$30% from Local Governments toward the project (i.e. 30:70). The application to the the Local Government Research & Development Scheme seeks funding for this local government contribution.

Funding application details.

Total Budget:	<b>155,480</b>
NDRP Funding sought	<b>99,400</b>
LGR&DS Funding Sought:	<b>30,000</b>
GRFMA in Kind	14,080
CRC Cash contribution	12,000

Prior to submission of both applications the Board should consider and determine a position on the following options should the Local Government Research & Development Scheme funding application of \$30,000 be unsuccessful:

- withdraw application to the Natural Disaster Resilience Program; or
- await outcomes of application to the Natural Disaster Resilience Program and if successful contribute the required cash funding contribution.

Please see separate attachments for both the Natural Disaster Resilience Program and the Local Government Research & Development Scheme applications.

A copy of the applications has been separately provided to council staff GRFMA Board Members so they have opportunity to discuss within their own council environments prior to the 21 June 2018 GRFMA Board Meeting.

### Background

Over the past three years the University of Adelaide, and the Research Institute for Knowledge Systems, funded by the Bushfire & Natural Hazard CRC, has been developing UNHaRMED, a software application for the understanding and mitigation of long-term natural hazard risk.

This development has been supported by the inputs of many stakeholders around Australia, in what the software should be able to do and what it should look like.

UNHaRMED is designed to explore how to manage risk into the future in an integrated and dynamic approach considering different drivers and options impacting on future risk. Hazards included in the application of UNHaRMED to Greater Adelaide are earthquake, bushfire, coastal inundation and riverine flood.

The CRC is keen to trial the tool with the GRFMA in a Gawler River floodplain (flood) aspect. The tool may have considerable potential to assist the GRFMA develop a “landscape master plan” for the future of the catchment area at the infrastructure, environmental and socio-economic level.

UNHaRMED is considered to have considerable potential to assist the GRFMA to develop a “landscape master plan” for the future of the catchment area at the infrastructure, environmental and socio-economic level.

In accordance with the GRFMA resolution a workshop was held at Gawler on 17 November 2017. Persons attending the workshop included, Planning and Engineering staff from constituent councils, University of Adelaide (project proponents) and the GRFMA Executive Officer.

Outcomes from the workshop were.

1. Participants agreed the model was worth pursuing further with recommendation to the GRFMA Board.
2. The preferred approach would be for a central model developed and operated by Adelaide University on the one platform with GRFMA councils contributing to development as a user group.

3. Councils could then seek data input and modelling outcomes relevant to their Council area. This would also enable both a “local” and a “landscape” overview of any proposed changes (ie land use planning, infrastructure build, State Government policy).
4. The mechanism to effect this could be by way of application to the National Disaster Resilience Program(NDRP) SA and/or the LGA SA Research and Development Scheme(LGAR&D).
5. The proposal would be a pilot project that would evaluate the hazard risks and development benefits associated with the proposed Northern Floodway project and the proposed raising of the Bruce Eastick North Para Flood Mitigation Dam.
6. It was agreed that the model would also be beneficial in application to other Councils (Local Government), which the pilot project would demonstrate.
7. Subject to GRFMA Board considerations a suitable pilot proposal to be drafted and circulated to constituent councils for comment and subsequent funding application processes.



### 8.3 Financial Report

#### RECOMMENDATION

**That the GRFMA.**

- 1. Adopts the Budget Review Documents for 31 May 2018 for the 2017/2018 financial year and the variances contained within as the amended; and current budget for the period ending 30 June 2018; and**
- 2. That the financial report as at 31 May 2018 showing a balance of total funds available of \$ 28,527 received.**

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Budget variations previously adopted in Budget Review 2 date are detailed below.

Revenue	Item	Detail	Income \$	Expenditure \$
	4.6	Contribution from LGA Mutual Liability Scheme in relation to purchase of additional land. New budget item	30,000	
Expenditure	6.5	Additional costs due to attendance of Auditor on Audit Committee -Budget was \$5100 now \$7872		2,772
	7.62	Acquisition costs – Capital, land purchase – New budget item DA fees, survey etc for land acquisition (note LGAMLS contributing \$20,000 capital purchase and \$10,000 transfer costs. GRFMA funding \$110,000 from cash reserves – New budget item		130,000 10,000
	9.7	Consultancies- GRFMA Board request for preparation of next steps and the Prospectus Northern Floodways – funding from cash reserves – new budget item		17,000
	10.3	Property Maintenance – additional cost for Dam inspection - Budget was \$6100 now \$8433		2,333
<b>Total</b>			<b>30,000</b>	<b>162,105</b>

The Budget Analysis to 31 May 2018 indicates a YTD operating deficit of (\$121,343).  
Depreciation not included until 30/6/18.

The budgeted net result for the period to 31 May was a deficit of (\$127,644).

The Budget Analysis Deficit total for 30 June 2018 is (\$364,730) which includes the end of year depreciation allocation of \$231,000 for the Bruce Eastick North Para Flood Mitigation Dam. The GRFMA does not fund this depreciation.

In summary the anticipated deficit of (\$364,730) at 30 June 2018 is to be mitigated by redraw of \$127,000 from cash reserves (\$110,000 land acquisition and \$17,000 Northern Floodways Prospectus).

This provides a net (cash) operating deficit of \$6730.

At this time, it is anticipated the projected 30 June net (cash) operating deficit of \$6730 will be further reduced due to current savings in expenditure e.g Audit Fes \$1,301, Legal fees \$ 1,200

## Attachments

- GRFMA 2017/18 Budget Review 3 - 31May 2018
- GRFMA 2017/18 Budget 30/6/18
- Balance Sheet as of May 2018.
- Reconciliation to 31/5/18

Executive Officer Activities report

<b>Activity</b>	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
To keep maintained the business office of the Authority	7	4	11	12	4	11	5	8	6.5	11.75
To prepare the Business Plan, Budgets and reports in a timely manner	2.5	2.5	3	4.5	1.5	8	4	3	2	3
To liaise with Councils, and Stakeholders to foster the outcomes of the Business Plan	16	14	2.5	13	12.75	4.75	11	5	5.5	12
To attend all meetings of the GRFMA, to prepare agendas, minutes and correspondence as required.	22.5	9.5	21	4.5	18	6	18.5	14	21.5	14
<b>TOTAL</b>	<b>48</b>	<b>30</b>	<b>37.5</b>	<b>34</b>	<b>36.25</b>	<b>29.75</b>	<b>38.5</b>	<b>30</b>	<b>35.5</b>	<b>40.75</b>

## 8.4 Depreciation of Assets (Bruce Eastick North Para Flood Mitigation Dam)

### RECOMMENDATION

**That the GRFMA;**

- 1. Receive the report; and**
- 2. Revisit the matter of maintenance and renewal funding (depreciation) for the Bruce Eastick North Para Flood Mitigation Dam following completion of the proposed Consequence (Hazard) Assessment report and development of an Asset Management Plan for the Dam.**

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At the 14/12/17 GRFMA meeting the Board noted the annual cost value of depreciation on the Bruce Eastick North Para Flood Mitigation Dam is \$231,000 and the following resolution was passed.

*That the Audit Committee be requested to consider the matter of depreciation of the Bruce Eastick North Para Flood Mitigation Dam in relation to the GRFMA view that the constituent councils (GRFMA) do not necessarily have to fund annual depreciation costs as the GRFMA is very unlikely to have capacity to fund a new or replacement Dam.*

The 26/03/18 Meeting of the GRFMA Audit Committee subsequently advised:

*That the GRFMA Audit Committee confirms that annual depreciation, as previously determined, of the Bruce Eastick North Para Flood Mitigation Dam should be maintained in accordance with relevant Accounting Standards; and Considers it best practice to fund depreciation of assets: however, advises that in considering this view the GRFMA Board may wish to research what level or extent of depreciation funding is practiced by other Local or State Government Authorities when managing similar assets.*

Subsequent research undertaken reaffirms the legislative requirement for Local Government authorities to account for appropriate depreciation of assets and also identifies there is support for the view that depreciation is not just about building up funds to replace assets at the end of their useful lives.

*Rather “what we describe as a depreciation expense is essentially the cost of undertaking necessary maintenance and renewal to ensure council assets continue to perform as expected: something that reflects good governance and stewardship of our communities built up investments. Depreciation is designed to ensure that today’s ratepayers pay their “fair share” for the amount of the council’s assets that they consume, essentially through wear and tear. (Local Government New Zealand).*

These concepts appear to be also supported in advice received from SA Water which indicate SA Water does not create cash funds for future replacement of assets and manages large investments (such as Dams) via a long-term asset management plan (25 years) that helps inform of large future investment requirements and effects borrowings through the State for any relevant expenditure requirements.

In summary depreciation reflects accounting for “consumption of the asset” over its useful life and asset management planning is the process of determining what levels of maintenance and

renewal is undertaken on the asset to enable it to provide the agreed and relevant level of service standard.

Currently the GRFMA does not have a formal adopted Asset Management Plan for the Bruce Eastick North Para Flood Mitigation Dam.

The recent Dam Inspection Report undertaken by Newman Engineering made a number of recommendations in relation to management of the Dam including recommendation the GRFMA facilitate a Consequence (Hazard) Assessment of the Dam pursuant to ANCOLD guidelines.

Findings of the Consequence Assessment report will indicate the required inspection and asset management regimes for the Dam which could then be utilised to develop a suitable asset management plan.

Development of an asset management plan for the Dam will then provide opportunity for the Board to determine what necessary maintenance and renewal funding is required to ensure the asset continues to perform at expected service level requirements.

Consequence Assessment report costs have been included in the draft 2018/19 GRFMA budget estimates.

### **Background**

Depreciation is an accounting concept that measures and spreads the cost associated with the consumption of an asset over its useful life.

The structure (the Dam) comprises a dam wall and secondary spillway constructed of 44,000 cubic metres of Roller Compacted Concrete (RCC) that has no internal reinforced steel (apart from the primary spillway crest wall, spillway side channel walls and stilling basin walls and baffle blocks). The dam wall has been bedded onto the excavated bedrock of the river valley and the secondary spillway has been bedded on to the deep clay of the high terrace. The bedrock under the dam wall was treated with curtain grouting to seal the footing from the egress of water under pressure to protect the integrity of the dam foundation. There are no moving parts, gates or valves. While the dam wall was constructed in full width layers it is separated into 15-metre-wide monoliths separated by 1mm stainless steel inducer plates and neoprene water stops. While these may deteriorate over time the integrity of the dam wall as a flood mitigation structure will not be impaired.

Galvanised steel components include and access ladder, spillway railing, and Low-Level Outlet Pipe Trash Rack and High-level Outlet Pipe safety screens. These components will require maintenance.

On this basis the dam is deemed to be NOT a complex asset and will be treated as one.

URS Australia Pty Ltd, Dam Designers, have previously advised that a concrete RCC dam wall can be expected to have a life of 80 years after completion.

On that basis the dam wall has been depreciated at the rate of 1.25% annually.

The net equity share (of annual depreciation costs) of each constituent council is subsequently reflected in the (Financial Statements) Schedule of constituent councils interest in net assets as at 30 June each year prepared to meet the requirements of clause 15.5 of the GRFMA charter.

**NON-CURRENT ASSETS SUMMARY 2017**

	Fair Value Level	2017			2016			
		At Fair Value	At Cost	Accum Dep'n	Carrying Amount	At Fair Value	At Cost	Accum Dep'n
Land and easements	-	\$326,364			\$326,364			\$326,364
North Para Dam	-							
North Para Dam	3	\$18,497,000	(\$2,080,638)	\$16,416,362	\$18,497,000	(\$1,849,425)	\$16,647,575	
Total Infrastructure and Land		\$18,823,364	(\$2,080,638)	\$16,742,726	\$18,823,364	(\$1,849,425)	\$16,973,939	

## Research Findings

### SA Water

SA Water does not create a "cash fund" to be used to eventually replace large assets such as dams or desalination plants.

#### SA Water

- is owned by the State and borrows through the South Australia Financing Authority (SAFA); in effect borrows through the State for any relevant expenditure requirements
- Has a long-term asset plan (25 years) that helps inform of large future investment requirements (such as dams).
- Large investments are managed over time so that they do not have large expenditures in any given year or over a few years. This helps with customer pricing as well as managing cash flow (and debt) requirements.
- Work quite closely with Department Treasury and Finance (DTF) for capital expenditure requirements and therefore debt requirements.

### Local Government New Zealand (extracts)

#### Depreciation in the local government context - Final paper

There has been much comment over the requirement for the local government sector to account for and fund depreciation. The purpose of the paper is to put context around the requirements to include depreciation in the accounts and budgets of local authorities.

## Summary

Councils are required to operate a balanced budget unless it is prudent not to. Because depreciation is defined as an operational cost, councils must, in order to balance their budgets, raise sufficient revenue to match the total of their operational expenses (unless there are prudent reasons not to.) There are many myths about depreciation, such as that it involves building up funds to replace assets at the end of their useful lives. While this may be a side-effect, the depreciation requirement is not dissimilar to the requirement placed on businesses, the chief difference being that councils must depreciate assets that have very long lives.

Depreciation is important not simply because the government requires it but because it is designed to ensure that today's ratepayers pay their "fair share" for the amount of the council's assets that they consume, essentially through wear and tear. So, what we describe as a depreciation expense is essentially the cost of undertaking necessary maintenance and renewal to ensure council assets continue to perform as expected: something that reflects good governance and stewardship of the communities built up investments.

## **LGA SA (extracts)**

### Information Paper 17 - Depreciation and Related Issues

Depreciation is an accounting concept that measures and spreads the cost associated with the consumption of an asset over its useful life.

Even though it does not directly result in a cash outlay, depreciation is a real cost of conducting business and given its magnitude, warrants close attention.

A Council may consciously and explicitly decide not to replace certain assets, or to operate with fewer or lower-standard assets, and thus provide fewer services, or lower standards of services in future. However, if a Council wishes to at least maintain existing services and service levels on an ongoing basis, it should generally strive to ensure that operating revenue at least matches operating expenses (including depreciation costs).

Depreciation is not easy to measure but with care and understanding a reliable estimate can be made, in a cost-effective manner. An understanding of depreciation expenses is vital when:

- making decisions about the level and nature of services that the Council can sustainably provide, based on an understanding of the full costs of providing all services;
- setting annual budgets;
- developing long-term financial plans;
- making pricing decisions even if full cost is not the basis for pricing; and
- ensuring that all operating costs are included in rating decisions.

## CPA Australia – Valuation and Depreciation(extracts)

A Guide for the not for profit and public sector under accrual-based accounting standards

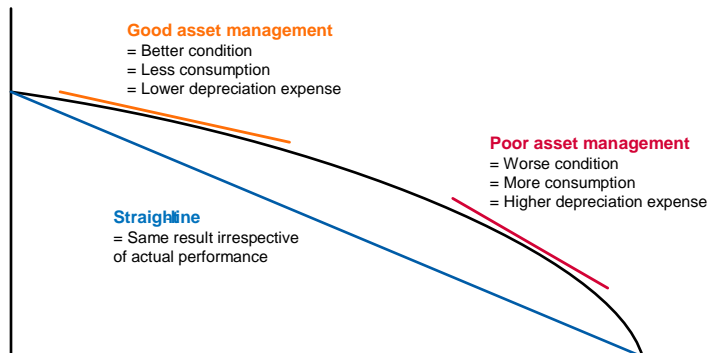
### Depreciation

While fair value and its relationship to gross replacement cost (if the cost approach is used) is important, the amount of depreciation expense in relation to the value of the asset portfolio is just as important.

Under accounting standards, depreciation expense is an estimate of the amount of future economic benefit (or service potential) consumed over the year. It is charged as an expense in the financial statements over an asset's life and is calculated in a manner that reflects the pattern by which the entity is expected to use the asset's future economic benefits.

Typically, when an entity practices good asset management, over time the assets are maintained in a good condition and therefore the depreciated replacement cost(DRC) should be higher than under poor asset management. Therefore, accumulated depreciation should be lower. As a result, an entity that keeps its assets in a good condition, with high levels of remaining service potential, should also report a lower rate of depreciation expense than an entity that practices poor asset management.

If we assume maintaining assets at a level that retains a significant level of remaining service potential equates to good asset management, then compared with an entity that is not managing its assets well, an entity should be disclosing a higher relative value and lower rate of depreciation. This information enables the readers of the entity's financial statements to make informed decisions about the performance and sustainability of the entity.



## 8.5 GRFMA Business Plan 2018- 2021

### RECOMMENDATION

**That pursuant to Clause 12.1 of the Charter, the Business Plan 2018- 2021 be adopted.**

.....

Prior to setting the draft budget each year the Authority must review its Business Plan in conjunction with the Constituent Councils. The Business Plan must be updated to ensure it presents a plan for the ensuing three years.

The Authority must also prepare a budget for the forthcoming financial year which must be consistent with and account for activities and circumstances referred to in the Authority's Business Plan and must be submitted in *draft form to each Constituent Council before 31 March* for approval of its contribution for the year.

Both the draft Business Plan and Budget were reviewed at the 15/2/18 GRFMA Board Meeting and the 26/3/18 meeting of the GRFMA Audit Committee.

The budget must not be adopted by the Authority until after 31 May but before 30 September; and the Authority must then provide a copy of its budget to each Constituent Council within five business days after adoption.

When considering the 2017-2020 GRFMA Business Plan (last year's plan) Board Members noted the document contained a lot of historical information and would benefit from a redraft to provide a more contemporary format.

The Business Plan has now been revised and redrafted for the 2018-2021 period.

Key elements of the Business Plan include:

- The Gawler River 2016 Flood Review report recommendations for flood mitigation works to be undertaken in the lower Gawler River with a first stage indicative cost of \$27 million:
  - d) proposed Gawler River Northern Floodway,
  - e) upgrade and maintenance of the levee system and
  - f) management of silt and pest vegetation;

The GRFMA has resolved to progress the report recommendations in 2018.

- Maintenance and operations of the scheme during 2018 to 2021 which will include:
  - Establishment of a detailed Consequence Assessment of the Dam pursuant to ANCOLD guidelines;
  - Preparation of Dam Safety Emergency Plans and Operation and Maintenance Manuals;
  - Reinstatement of Dam access roads;
  - Dewatering and inspection of the low-level inlet;
  - Survey of survey monuments on the Dam; and



- Scheduled inspections and environmental management of land associated with the Dams location.

See separately attached for a copy of the draft 2018-2021 Business Plan.

On 26/3/18 the GRFMA Executive Officer provided copies of the draft 2018-2021 Business Plan and 2018/19 draft annual Budget to all constituent councils and GRFMA Board Members.

All constituent councils have now formally resolved to either endorse or receive and note the draft 2018-2021 Business Plan and 2018/19 draft annual Budget.

**8.6 GRFMA Annual Budget 2018-2019**RECOMMENDATION

1. That pursuant to Section 25 Schedule 2 Part 2 of the Local Government Act 1999, that the GRFMA Budget 2018- 2019 be adopted; and
2. That pursuant to Clause 10.2 of the Charter that the subscriptions scheduled below be subscriptions payable for the 2018- 2019 year:

The Schedule

**Part A** Flood Mitigation Works – No subscriptions.

**Part B Capital works and Maintenance** – A total of **\$89,476**. calculated by the percentage shares prescribed in Clause 10.1 of the Charter:

Adelaide Hills Council	<b>\$ 1,548</b>
Adelaide Plains Council	<b>\$25,867</b>
The Barossa Council	<b>\$ 7,758</b>
Town of Gawler	<b>\$15,515</b>
Light Regional Council	<b>\$ 7,758</b>
City of Playford	<b>\$31,030</b>
<b>Total</b>	<b>\$89,476</b>

**Part C Operation** – A total of **\$142,100** calculated by even shares prescribed in Clause 10.1 of the Charter

Adelaide Hills Council	<b>\$23,683</b>
Adelaide Plains Council	<b>\$23,683</b>
The Barossa Council	<b>\$23,683</b>
Town of Gawler	<b>\$23,683</b>
Light Regional Council	<b>\$23,684</b>
City of Playford	<b>\$23,684</b>
<b>Total</b>	<b>\$142,100</b>

**2018/2019 Budget**

The scope of the GRFMA Annual Budget is small in comparison to the extensive undertakings by constituent councils.

Principally the budget revenue is sourced from predetermined "formulae based" financial contributions by the six constituent councils, opportunistic funding applications and some interest from financial institutions. Recently any shortfalls in income (over expenditure) have been met from reserves.

Expenditure is principally budgeted on estimated costs of Executive Management and administrative and governance requirements of the Authority according to its charter. Some costs are incurred with maintenance of the Bruce Eastick North Para River Flood Mitigation Dam site and access.

The 2018/19 Budget has been prepared based on 2017/18 Budget estimates with an annual escalator (September 2017 Local Government Price Index) of 2.5 % to general expenses. No escalator has been applied to the Chair honorarium or Executive Officer consultancy costs.

In considering the 2018/19 draft Budget the Board noted the recent Bruce Eastick North Para Flood Mitigation Dam Inspection Report undertaken by Newman Engineering which made a number of recommendations in relation to management of the Dam.

*The Board has resolved that an additional amount of \$150,000 be included in the draft GRFMA 2018/2019 Budget document for Dam operations and maintenance item requirements identified at item 8, page 7 of the report. GRB 17/104*

See attached for a copy of the 2018/19 GRFMA Budget document.

**The 2018/19 Budget provides a total income of \$233,088 and operating costs of \$464,182.**

This results in a net Operating loss of \$231,094.

This loss is principally the result of current GRFMA policy to not fund annual depreciation of \$231,000 for the Bruce Eastick North Para Flood Mitigation Dam.

On a cash basis this effectively is a cash deficit of (\$94).

The net equity share (of annual depreciation costs) of each constituent council is subsequently reflected in the (Financial Statements) Schedule of constituent councils interest in net assets as at 30 June each year prepared to meet the requirements of clause 15.5 of the GRFMA charter.

While not funding depreciation of the Dam is current GRFMA Board policy the Board is currently considering the issue of what extent annual depreciation should be funded.

Refer 21/6/18 GRFMA Meeting Agenda item 8.4 regarding this matter.

At request of the GRFMA Board, the 26 March 2018 Audit Committee Meeting discussed the proposed works (\$150,000) to determine which elements were capital or maintenance or operational.

The Audit Committee determined that of the \$150,000:

- works associated with reinstatement of the road access and repairs to scouring on the right abutment to be capital expenses (total budget cost \$70,000), with
- the remaining items to be operational (total budget cost \$80,000).

See attached for the individual item budget cost estimates of the \$150,000 allocation and a priority hierarchy. A copy of the complete Newman report is available on request.

The Board also noted ongoing discussions with the State and Federal Government regarding the capital cost and funding requirements for the proposed \$27 million in flood mitigation initiatives (Northern Floodway) as recommended in the 2016 Gawler River Flood Review Report.

At the 17/5/18 Special GRFMA meeting the Board resolved to continue progressing the Northern Floodway Project as a priority, subject to:

- The Federal and State Governments confirming in writing a commitment to fund in totality all capital costs including the further design; and development costs associated with the Northern Floodway Project.
- Acknowledging the GRFMA contribution will be responsibility for the ongoing maintenance of the Northern Floodway; and
- The GRFMA seeking formal commitment from all constituent Council's on progressing the Northern Floodway Project on this funding principle.

This proposal will not be included in the 2018/19 GRFMA Budget considerations.

No allowance has been made for any surplus or deficit that might result from the current 2017/18 Budget results.

Refer to Agenda Item 8.3 Financial Report which provides information regarding 2017/18 Budget estimates and indicative small deficit.

See Table 1 below for an indicative cost associated with 2018/19 Constituent Council contributions.

**Table 1 - Constituent Council Shares proposed as per draft 2018/19 GRFMA Budget (Profit and Loss) - Refer Member Subscriptions (\$142,100) and Council Subscriptions (89,476).**

<b>Council</b>	2017/18 Maint	2017/18 Operation	2017/18 Total	2018/19 Capital Costs	2018/19 Operation of Assets	2018/19 Operational Costs	2018/19 Maint	Total 2018/19
Adelaide Hills Council	\$329	\$10,100	\$10,429	\$1,211	\$13,333	\$10,350	\$337	\$25,231
Adelaide Plains Council	\$5,492	\$10,100	\$15,592	\$20,237	\$13,333	\$10,350	\$5,630	\$49,550
The Barossa Council	\$1,647	\$10,100	\$11,747	\$6,069	\$13,333	\$10,350	\$1,689	\$31,441
Town of Gawler	\$3,295	\$10,100	\$13,395	\$12,138	\$13,333	\$10,350	\$3,377	\$39,198
Light Regional Council	\$1,647	\$10,100	\$11,747	\$6,069	\$13,334	\$10,350	\$1,689	\$31,442
City of Playford	\$6,590	\$10,100	\$16,690	\$24,276	\$13,334	\$10,350	\$6,754	\$54,714
<b>Total</b>	\$19,000	\$60,600	\$79,600	\$70,000	\$80,000	\$62,100	19476	\$231,576

6.1.1. *Table 2 – Constituent Council Shares for Contributions as per GRFMA Charter*

Constituent Council	Capital Works Percentage Share	Maintenance of Assets Percentage Share	Operational Costs Percentage Share
Adelaide Hills Council	1.73%	1.73%	16.66%
The Barossa Council	8.67%	8.67%	16.66%
Town of Gawler	17.34%	17.34%	16.66%
Light Regional Council	8.67%	8.67%	16.66%
Adelaide Plains Council	28.91%	28.91%	16.66%
City of Playford	34.68%	34.68%	16.66%
<b>Total</b>	100%	100%	100%

On 26/3/18 the GRFMA Executive Officer provided copies of the draft 2018-2021 Business Plan and 2018/19 draft annual Budget to all constituent councils and GRFMA Board Members.

Councils were requested to provide feedback on the documents for GRFMA consideration.

All constituent councils have now formally resolved to either endorse or receive and note the draft 2018-2021 Business Plan and 2018/19 draft annual Budget.

## **8.7 Achievements against the Business Plan**

### **RECOMMENDATION**

**That the Achievements against the Business Plan 2017-2020 for the year 2017-2018 be adopted, as amended and to be published in the GRFMA Annual Report 2017- 2018.**

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The Statement of Achievements against the Business Plan provides a basis for evaluation of performance by the GRFMA

it also forms part of the Key Outcomes Summary to Councils following the meetings at which it is tabled.

The June 2018 report will form part of the GRFMA Annual Report 2017- 2018.

See separately attached for the completed 2017- 2018 Statement of Achievements against the Business Plan.