

REPORT FOR:	Audit Committee		
MEETING DATE:	18 August 2020		
REPORT TITLE:	Service Level and Range Review Update as at July 2020		
FILE NAME:	F10/67	RECORD NO:	AR20/25493

STRATEGIC DIRECTIONS	
5	Governance and Financial Sustainability
5.2	We have positive relationships with other levels of government and partners that deliver great outcomes for the community.
5.3	We are in a surplus financial operating position

SUMMARY/ABSTRACT

The Audit Committee work plan requires the Audit Committee to review work undertaken by Council in relation to Service Level & Range Reviews at least annually.

This report provides an updating regarding investigations undertaken in the 12 months to July 2020.

RECOMMENDATION

Audit Committee recommends Council:

1. Receives and notes the report (AR20/25493) submitted by the Director Corporate & Community Services dated 30/07/2020, concerning Service Level and Range Review Update as at July 2020.

BACKGROUND

The Audit Committee has previously expressed support to Council in relation to service level and range reviews to increase financial sustainability in the longer term.

The Audit Committee has requested an update regarding this work on an annual basis.

DISCUSSION

The following activities were undertaken during the 2019/20 financial year in relation to service level and range review.

1) Central Oval Community Hub – Quantification Report

Oval - completion of upgrade of the turf and irrigation at Central Oval to improve opportunities for utilisation and reduce maintenance costs in the longer term.

Hancock Stadium – An agreement was reached with Flinders Power Partnerships to fund the required upgrade of Hancock Stadium as detailed in the building condition report provided by Tonkins Consulting, through the SAFA Flinders Power

Regional Development Fund. Transfer of the land from Port Augusta Basketball Association to Port Augusta City Council was completed in November 2019. Quotations are being sought for the scope of works required.

- 2) Vehicles – reduction in the number of vehicles within Council's light fleet by one resulted in savings of approximately \$10,000. As part of the scheduled light vehicle changeover, two light fleet vehicles were replaced with hybrid vehicles to reduce fuel consumption and operating costs.
- 3) Port Augusta Childcare Centre – A change of cleaning arrangements at the Centre provided savings of approximately \$5,000 per annum. External funding was obtained for the operational review of the Centre as well as a marketing campaign to increase utilisation. Due to the Covid-19 pandemic and introduction of the Federal Government's 'Free Childcare Initiative' from April through to June 2020, the marketing campaign has been delayed until the 2020/2021 financial year. An operational review of the Centre was conducted by Gowrie SA with recommendations provided. Council had an Informal Gathering to discuss the operational review and future directions. A report on future operation of the Centre has been drafted.
- 4) Insurance Review - reduction in the insurance level of the Great Western Bridge to reflect demolition costs only as the bridge has been declared at end of life resulted in savings of \$13,200.
- 5) LED Street Lighting – further changeover of street lighting to LED type has resulted in savings of approximately \$11,000 per annum.

Port Augusta City Council participated in a Local Government Association of South Australia action for a review of public lighting charges for the period 2010 to 2015. This resulted in an approximately \$140,000 refund to Council.

- 6) Miriam High Special Needs Centre – A review of operating hours to reflect the low utilisation of the Centre was introduced for the period July to September 2019 resulting in savings of approximately \$10,000. The Centre ceased operation as at 30th September 2019, with existing staff redeployed within Council. The Centre's contents were donated to internal Council sites and external children's services and insurance registers updated. A land division was completed to separate the Port Augusta Childcare Centre and Miriam High Special Needs Centre land. New fencing was erected to the new boundary and fire wall installed to part of Miriam High Special Needs Centre. The Centre has been placed on the open market for sale through a local Real Estate Agent.
- 7) Food Waste Strategy – a strategy to encourage placement of food waste into compostable bags for placement in green bins instead of red bins has commenced. Depending on levels of participation, this could result in a sizeable reduction in Kerbside Waste & Recycling service charges as this waste can be redirected from land fill if not contaminated with other waste matter.
- 8) Electricity Contracts – Port Augusta City Council participated in a procurement process through Local Government Procurement for new electricity contracts for its sites for 2020-2023. Savings of approximately \$22,000 were achieved compared to the previous contract.
- 9) Julia Lodge – tenancy of Julia Lodge units was outsourced to a local real estate agency to streamline processes and increase occupancy rates. A report was provided to Council in May 2020 reviewing the operation of Julia Lodge with Council resolving to sell the nine units on the open market through a local real estate agency.

- 10) Review of Leases & Licences – A review of leases & licences of Council owned buildings by various community groups has been progressing. It is expected to be finalised in the near future.
- 11) AALBG Master Plan Review – a review has been conducted of the AALBG Master Plan which guides development of the site and outlines priority actions. This document may be used to support applications for external grant funding in the future.
- 12) City Safe Program – Following a review of the City Safe Program, Council resolved to revise the scope of works of the contract and call for tenders for a 12 month fixed term contract concluding on 30th September 2020. A working group was set up to transition the City Safe Program from Council.
- 13) Sale of Surplus Land – two parcels of vacant land were sold through separate unsolicited proposals. A third parcel of vacant land has been approved for sale and is in progress.

An acquisition of land process was also undertaken by DPTI in relation to the Joy Baluch Bridge upgrade with compensation for actual land acquired to be paid on completion of the project.

- 14) Rating System Review – Council has undertaken a review of its rating system and is proposing a change in the basis of rating from Site Value to Capital Value, from Minimum Rate to Fixed Charge and a change to differential rates from location and land use to land use only (subject to further consideration following public consultation) from the 2021/2022 rating year. A public consultation process will be conducted in August 2020 regarding this proposal.
- 15) Upper Spencer Gulf Regional Assessment Panel – Council resolved to create an Upper Spencer Gulf Regional Assessment Panel with Port Pirie and Whyalla Councils to ensure that the most cost effective and productive service is delivered to respective communities and avoid the need for each Council to separately attract and pay accredited Panel Members under the new State Government Professional Accreditation Scheme – saving costs and triplication.
- 15) Review of ownership of Port Augusta Wharf – following information received stating that the State Government has ownership & control of the Port Augusta Wharf, this asset was removed from Council's Asset Register, Depreciation Schedule and Insurance Register.
- 16) Parks & Gardens Maintenance Regimes – a review of the contract specification was undertaken including classification of open spaces to determine a future maintenance strategy prior to tender. Whilst there has been an increase in maintenance costs, the parks and gardens are in better condition and Council is now receiving compliments from the general public regarding their improved aesthetic appearance.
- 17) Organisational Review – Work has continued on finding the optimum organisation structure to meet Council's current and future needs. As positions become vacant, they are reviewed to determine whether a 'like for like' replacement is the most suitable outcome or whether there is an opportunity to re-model positions based on organisational requirements.
- 18) Procurement Review – a review was undertaken of 'cumulative spend' amounts to determine where opportunities exist to tender for works across Council rather than engagement by individual departments. Further work in this area will continue with reports provided to Council's Audit Committee.
- 19) Substance Misuse Services – Council received advice during the year that funding for the Mobile Assistance Patrol has been extended until June 2021. Funding for

the Sobering Up Program has also been received to the same date. This may provide an opportunity for Council to review its role within both operations as per Council's Strategic Directions 2019-2029.

20) Section 184 Process (Sale of Land for Non Payment of Rates)

Council completed a process in relation to Sale of Land for Non-payment of Rates during 2019/20. This has resulted in Council recouping outstanding rates reducing the need for borrowing of funds.

Council recently completed a Section 185 process. This is where the current valuation of land is less than the amount of outstanding rates, the council may apply to the Minister who is responsible for the administration of the Crown Lands Act 1929 for an order under this section. Land was transferred to Council's name due to non-payment of rates and subsequently transferred to adjoining land owners for 3 parcels of land that were located within other larger land parcels. This process commenced in 2016 and was a lengthy process with little precedent from other Councils to guide officers.

21) Covid-19 review of operating hours – the Covid-19 pandemic and resulting Emergency Declarations from SAPOL required Council to temporarily suspend a number of its programs during the 2019/2020 financial year. As restrictions were lifted, programs re-commenced on limited operating hours. This also provided Council with an opportunity to review the ongoing operating hours and structure of some services based on historic 'point of sale' data and staff feedback.

Work is progressing across a range of activities in the 2020/2021 financial year that may be subject to further reports to Council.

CONFIDENTIALITY PROVISIONS

n/a

RISK MANAGEMENT

1: Financial/Budget/Asset Management

As outlined in Council's Long Term Financial Plan 2019-2029

2: Legal/Policy

Legal advice will be obtained as required throughout the service level and range review.

3: Environment

n/a

4: Community

Ratepayers are keen to see Council rate increases kept to a minimum. However, it is noted that not all community members may be receptive to reductions in service levels or the range of services.

30/07/2020