Confidential Item

CAMPBELLTOWN CITY COUNCIL

Confidential Item

For Council meeting to be held on

Tuesday, 5 March 2024 at 7.00 pm

Refer Item 11.10

Confidential Item

11.10 Inquiry Plan Cost Estimate

General Manager Community Connections, Michelle Hammond's Report

Purpose of Report

To consider correspondence from the Boundaries Commission with respect to Council's resolution regarding the appointment of an investigator.

Strategic Plan Link

Focus Area 4.3.3 Plan for change in demographics, population needs and climatic conditions

Focus Area 5.1.2 Support Elected Members and Committee Members to undertake their legislative functions

Focus Area 5.3.3 Provide corporate and financial governance that meets the needs of our Community and legislative requirements

Previous Council/Committee Resolution

At its meeting on 23 January 2024, Council resolved:

> 'That Council:
>
> 1. supports the Boundaries Commission's recommendation to appoint BDO Australia to undertake the inquiry in relation to the boundary change proposal
>
> 2. has no conflict of interest or concerns with the recommended consultant, BDO Australia
>
> 3. will work with BDO Australia to provide the relevant information required throughout the Inquiry
>
> 4. accepts the quote of $131,300 ex GST and notes that any increase to this amount greater than 10% must be approved by Council prior to Council becoming responsible for that cost
>
> 5. allocate $145,000 in the appropriate Budget Review to fund the cost of the Inquiry once it has been removed from confidence.'

At its meeting on 21 November 2024, Council resolved:

> 'That Council continues to the next stage of the boundary re-alignment process and will fund the cost, estimated at $131,300 (ex GST), for the South Australian Local Government Boundaries Commission to proceed with the inquiry under the *Local Government Act 1999*.'

Background

As Members would be aware the Boundaries Commission presented to Council at its meeting of 19 December 2023 and provided a recommendation to Council regarding the appointment of an Investigator to undertake the inquiry.

Council dealt with this matter at its meeting on 23 January 2024 with the above resolution.

Discussion

Correspondence has subsequently been received from the Boundaries Commission (attached) expressing concern with point 4 of the resolution which states that Council accepts the quote of $131,300 ex GST and notes that any increase to this amount greater than 10% must be approved by Council prior to Council becoming responsible for that cost.

The Commission has expressed concern over what they deem to be a conditional consent and have advised that this is not acceptable to them and that the Inquiry is unlikely to proceed if that condition remains.

Therefore, Council needs to consider whether it's appropriate to remove this condition, noting that the Commission has indicated and the letter states that, the Commission would consult with Council and carefully consider the impacts and value of any additional costs for Council before making any such decision to proceed with a variation.

Given that the Commission will consult Council prior to undertaking any variations that will result in cost increases, Staff consider that should Council wish to proceed with the Inquiry, the requested change to the resolution should be made.

Social Implications

There are no social implications in relation to this report.

Environmental / Climate Change Implications

There are no environmental / climate change implications in relation to this report.

Asset Management Implications

There are no asset management implications in relation to this report.

Governance / Risk Management

This boundary realignment has been discussed over several decades and this particular process commenced in 2019. An independent Inquiry will provide assurance to both Communities that the proposal has been assessed objectively and will also provide certainty to both communities going forward.

There is no certainty of the outcome of the Inquiry; the Boundaries Commission may recommend to the Local Government Minister that the realignment proceeds, or they may recommend that it does not go ahead. Council has committed to funding the Inquiry (as per the cost estimate provided) being fully aware of this risk.

The Commission has indicated that Council will be consulted regarding variations to the cost of the Inquiry prior to the expenditure being committed. This reduces the risk of Council being liable for significant increases in cost.

Community Engagement

There are no Community engagement implications in relation to this report.

Regional Implications

There are no regional implications in relation to this report.

Economic Development Implications

There are no economic development implications in relation to this report.

Financial Implications

The cost of the Inquiry has been estimated to be $131,300 ex GST. The Commission indicated that there is a possibility that this amount may increase as the Inquiry proceeds. However, Council will be consulted regarding any variations that are likely to increase that cost to Council. As Members would be aware, Council allocated $145,000 in this year's second Budget Review for this Inquiry.

Recommendation

That Council:

1. **advise the Boundaries Commission that it:**

    a. **supports the Boundaries Commission's recommendation to appoint BDO Australia to undertake the inquiry in relation to the boundary change proposal**

    b. **has no conflict of interest or concerns with the recommended consultant, BDO Australia**

    c. **will work with BDO Australia to provide the relevant information required throughout the Inquiry**

2. **delegate to the Chief Executive Officer the ability to approve variations to the estimated cost of the Inquiry of up to 10% and variations greater than this be referred to Council for their consideration.**

23 February 2024

Mayor Jill Whittaker
Campbelltown City Council
PO Box 1
CAMPBELLTOWN SA 5074

By email to: mayor@campbelltown.sa.gov.au

Dear Mayor Whittaker

Campbelltown City Council Boundary Change Inquiry Costs

I refer to the Campbelltown City Council (the Council) correspondence of 23 January 2024 in response to the South Australian Local Government Boundaries Commission's (the Commission's) meeting with the Council on Tuesday 19 December 2023 regarding the proposed appointment of an investigator for the Campbelltown City Council Boundary Change Proposal (the Proposal).

The Commission notes the Council's support of the recommended consultant BDO Australia to undertake the Inquiry. The Commission will make a final decision on the appointment of an investigator for the inquiry into the Proposal following consultation with Adelaide Hills Council.

The Commission has noted and considered point 4 of the 23 January 2024 Council resolution:

> [The Council] *"accepts the quote of $131,300 ex GST and notes that any increase to this amount greater than 10% must be approved by Council prior to Council becoming responsible for that cost".*

The Commission also noted that the Council had previously advised that it had unconditionally resolved to accept the cost estimate of $131,300 (ex GST) and proceed with the Inquiry (in correspondence dated 24 November 2023). I understand that this correspondence reflected a motion passed at the Council's meeting held on 21 November 2023. The January 2024 decision seems to place an additional condition on the motion and advice of November 2023.

The Commission wishes to clarify that it will be the Commission's decision to undertake any additional work that it considers necessary to ensure that the Inquiry provides all of the relevant information required to make its recommendations to the Minister for Local Government on the Proposal. Therefore, it is not possible for the Inquiry to proceed on the basis that the Council must first approve any additional expenditure above the 10% margin.

Of course, the Commission would consult with the Council and carefully consider the impacts and value of any additional costs for the Council before making any such decision.

As you are aware, section 32B of the *Local Government Act 1999* (the Act) provides for the Commission to recover reasonable costs, and it would do so accordingly where necessary.

It is important to note in this process that any further investigation required as part of the Inquiry would be undertaken to ensure that the affected Councils and communities are fully

informed on the Proposal and the Commission has the best possible information in order to make a recommendation to the Minister. It is in the best interests of all parties that a full and thorough investigation be undertaken to inform the Commission's recommendation to the Minister.

I also take this opportunity to advise the Council that due to the length of time that has passed since the procurement process commenced (March 2023), **the Inquiry cost estimate of $131,300 ex GST, provided to the Council in the Commission letter dated 7 November 2023, has increased to $141,400 (ex GST). The Commission has resolved to not pass on the extra amount to the Council in this instance** and the cost estimate (to Council) of $131,300 (ex GST) stands at this point.

As you are aware, the Commission is now in the final stages of completing consultation with affected councils prior to appointing an investigator. The Commission has acted on the basis that your Council's agreement to the Inquiry proceeding was provided on 24 November 2023. However, the Council decision of 23 January 2024 appears to indicate that your Council now only agrees for the Inquiry to proceed if Council has the ability to approve (or not) any cost increase greater than 10%.

The Commission will not be able to proceed with the Inquiry on the basis of that condition. Given the late stage at which this advice has been received, your response to the Commission's position is requested by close of business on 1 March 2024.

If you have further questions, please feel free to contact the Commission's Executive Officer, Mr Peter Ilee, on 7133 1311 or by email to boundaries.commission@sa.gov.au.

Yours sincerely

Rob Donaldson
CHAIR
SOUTH AUSTRALIAN LOCAL GOVERNMENT BOUNDARIES COMMISSION