

CONFIDENTIAL

INFORMATION REPORT

REPORT TITLE: BROWN HILL KESWICK CREEK UPDATE
ITEM NUMBER: 622
DATE OF MEETING: 26 SEPTEMBER 2016
AUTHOR: JOHN DEVINE
JOB TITLE: GENERAL MANAGER, ASSETS & ENVIRONMENT

EXECUTIVE SUMMARY

At its meeting on 29 March 2016, Council was provided with an Information Report advising it that the revised Brown Hill Keswick Creek (BHKC) Stormwater Management Plan (SMP) had been submitted to the Stormwater Management Authority (SMA) for review and endorsement.

While discussions have been continuing with representatives of the SMA during the last six months, to date the SMA has not given its endorsement of the SMP.

The project Steering Group believes that these discussions are coming to an end and as such the Minister has been asked to write to the Lord Mayor and Mayors of the five (5) catchment councils to formally present the State Government's offer and to outline any conditions are attached to the funding.

RECOMMENDATION

MOVED:
SECONDED:

That:

1. The report be received.
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BACKGROUND

At its meeting on 29 March 2016 Council was provided with an Information Report advising that the revised Brown Hill Keswick Creek (BHKC) Stormwater Management Plan (SMP) had been submitted to the Stormwater Management Authority (SMA) for review and endorsement, under delegation of the Chief Executive Officer (CEO) as per Council's resolution at its meeting on 29 September 2015.

As indicated in this Information report, the BHKC Steering Committee has continued to seek funding from State and Federal Government based on a one third ($\frac{1}{3}$) contribution / funding model as described within the SMP.

All five (5) Councils are committed to the project, however should funding not become available, this leaves the five (5) Council's in a situation of having complied with an order from the SMA to produce a Stormwater Management Plan that they are unable to afford to implement. In addition, should funding not be forthcoming, it is the Steering Committee's view that the matter will be brought back to each Council for determination and direction on the future of the project.

While discussions have been continuing with representatives of the SMA during the last six months, to date the SMA has not given its endorsement of the SMP.

DISCUSSION

The BHKC Steering Group (SG), Project Director and State Government representatives have been discussing several aspects of the BHKC project during the last six months. The Steering Group now believes that these discussions are coming to an end and that an agreed position is close to being arrived at on the delivery of the SMP and a funding model.

Recently, the BHKC Project Director (Michael Salkeld) met with the General Manager (Steve Morton) of the Department of Environment, Water and Natural Resources (DEWNR) and the followings items were discussed in confidence:

- 1.1. We have been informed that through Cabinet, the State Government has committed to allocate a 50% contribution of the total cost of the works in the plan from the Stormwater Management Fund, allowing for indexation against CPI, over the next 20 years. This contribution will be cash flowed against the likely expenditure pattern for the major work elements outlined in the plan.
- 1.2. It was recognised that the BHKC SMP proposes a preferred funding model whereby the Commonwealth Government, South Australian Government and the catchment councils as a consortium each contribute one third of the funding required and that implementation occurs over a 10 year timeframe.

- 1.3. It was stressed that the State Government has made several representations to the Commonwealth funding for this project, including through Infrastructure Australia, the National Water Infrastructure Development Fund and in the context of the recent election. However, a Federal commitment has yet to be forthcoming.
- 1.4. We indicated that the Councils have only committed formally to one third of the cost, although all councils have allowed for up to 50% funding in their forward budgets - Long Term Financial Plan (LTFP)). Therefore, each Council will / may have to revisit and formally endorse any proposed offer at some early stage.
- 1.5. The BHKC Project Director indicated that the actual wording of the offer would need to be studied so that Councils are reassured as to the full project commitment.
- 1.6. We have been advised that a copy of the relevant part of the submission will not be provided, but details could be provided through the agency of DEWNR. For example, the General Manager (DEWNR) is authorised to discuss details with the BHKC Project Steering Group. Mr Morton has indicated that the Stormwater Management Authority (SMA) cash flow spreadsheet could probably be provided.
- 1.7. As expected, the Minister wishes to control the public announcement (confidential until further notice) and would like it to be a joint event with the project councils; a photo opportunity is being considered.
- 1.8. Now that the Stormwater Management Plan (SMP) conditions have been agreed, it only remains for the SMP to be gazetted which should be this month - September 2016; (SMA board sign-off has been delegated to the Presiding Member).
- 1.9. The next SMA board meeting is scheduled for the 23 September 2016 and at this meeting parties will wish to present and discuss the outline program of potential milestones over the next 12–18 months (noting that the next state election is within that timeframe).
- 1.10. The first milestone will be the date of gazettal and the second milestone will be a public announcement of the SMP including 50% state government funding.
- 1.11. A regional subsidiary (requiring Ministerial approval) is another potential milestone.

In discussions, it was indicated that a sod turning milestone would be desirable. It has been suggested that the detention basin in the Glenside Development Site or the Victoria Park wetland was not out of the question in that regard, but it would depend on how quickly the project is able to move into detailed design.

We have asked that the Minister writes to the Lord Mayor and Mayors of the five (5) catchment councils to formally present the State Government's offer and to assess the conditions that are attached to the funding.

Auditor General - Brown Hill Keswick Creek Review

The General Manager (DEWNR) was confident that the gazettal and funding announcement would precede release of the Auditor General's report as early reports are that the Auditor General's Department is grappling with criticisms in the Councils' response letter which is causing further delay.

No further information on the Auditor General's submission to Parliament is available at present.

A preliminary communications plan and a draft news release have been prepared by the SMA and the BHKC Project Steering Group. This will be finalised to reflect dates and additional narrative if and when required.

Further information will be provided following the meeting with the SMA on the 23 September 2016 and upon receipt of the Minister's funding letter. Once the information is received a report will be presented to Council discussing the funding proposal, staging options and financial matters and / or timing issues.

The Minister has requested that the matter remain in confidence until further notice.