

CONFIDENTIAL ITEMS 2003 – JULY 2022

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommend-action to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
162	2 August 2021  #161	Wastewater Service Delivery Report	<p><u>Pursuant to Section 90(3)(b)</u> Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer; Deputy Chief Executive Officer/General Manager Governance, Strategic Projects and Wastewater/Recycled Water; General Manager, Infrastructure; General Manager, Planning and Development; General Manager, Community Services; Commercial Manager, Wastewater; Risk and Governance Officer and the Minute Secretary be excluded from attendance at the meeting for Agenda Item 18.1 Wastewater Service Delivery Report.</p> <p>The Council is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council.</p> <p>In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.</p> <p><u>Pursuant to Section 90 (3) (b)</u> having considered Agenda Item 18.1 Wastewater Service Delivery Report in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until one month after a prioritised program (inclusive of responsibility, timing and resources) with proposed actions to implement the actions arising from the Wastewater Service Delivery</p>	Council report, related documents and all minutes	The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.	Retained in confidence until one month after a prioritised program (inclusive of responsibility, timing and resources) with proposed actions to implement the actions arising from the Wastewater Service Delivery Options Report has been prepared and endorsed at a council meeting, noting that the target timing for that is as soon as practicable, and by no later than 5 October 2021.	6 Sep 21	Within 12 months	<i>Report, Attachments and Minutes released on website 14 July 2022</i>

**CONFIDENTIAL ITEMS 2003 – JULY 2022**

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommend-action to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
			Options Report has been prepared and endorsed at a council meeting, noting that the target timing for that is as soon as practicable, and by no later than 5 October 2021.						
			<u>Order History</u> 6 Sep 21						

RELEASED

**18. CONFIDENTIAL REPORTS****18.1 REPORT TITLE: WASTEWATER SERVICE DELIVERY REPORT****DATE OF MEETING: 2 AUGUST 2021****FILE NUMBER: 21/112698**

**ATTACHMENTS:** 1) FRONTIER ECONOMICS FINAL REPORT ON WASTEWATER SERVICE DELIVERY 21/108519  
**NOT INCLUDED - PREVIOUSLY PROVIDED AS PART OF THE CONFIDENTIAL AUDIT AND RISK COMMITTEE AGENDA ITEM AVAILABLE ON THE COUNCIL MEMBERS' EXTRANET**  
2) FRAMEWORK FOR PRIORITISED PROGRAM PREPARATION 21/111021

**Key Contact** Brian Clancey, Deputy CEO/General Manager, Governance and Wastewater/Recycled Water

**Sponsor** Andrew Stuart, Chief Executive Officer

**Community Plan 2020-2035:**

Ecological Sustainability

ES Objective 5.1 Continue to build on Council's reputation as a leader in wastewater management and promote water recycling and reuse.

**Annual Business Plan:**

Not applicable

**Purpose:**

For council to consider the Wastewater Service Delivery Report prepared by Frontier Economics (attached) and the associated recommendations to council from the Audit and Risk Committee.

**Summary – Key Issues:**

- The final report from Frontier Economics has been received and considered by the council's Audit and Risk Committee;
- The recommendations of the Audit and Risk Committee are below as is an additional recommendation for an interim action being for council to re-engage with SA Water formally.

- Implementation of all of the recommendations in the final report from Frontier Economics is proposed.

**Recommendation:**

That Council:

**Section 90 (3) (b) Order**

A. Pursuant to Section 90(3)(b)

Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer; Deputy Chief Executive Officer/General Manager Governance, Strategic Projects and Wastewater/Recycled Water; General Manager, Infrastructure; General Manager, Planning and Development; General Manager, Community Services; Commercial Manager, Wastewater; Risk and Governance Officer and the Minute Secretary be excluded from attendance at the meeting for Agenda Item 18.1 Wastewater Service Delivery Report.

The Council is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.

- B. That council endorse the following recommendations from the Audit and Risk Committee meeting held on 15 July 2021.

2. *That the Audit and Risk Committee recommends to Council that:*

- a) *Council commit to ownership of the wastewater/recycled water service during the implementation phase of recommendations 1-8 of the Frontier Economics Final Report (attached);*

- b) Council continue to separate the funding arrangements and financial reporting for the wastewater/recycled water service from the remainder of council's service delivery in order to enhance transparency;*
  - c) The wastewater/recycled water service is required by council to be financially sustainable in the long-term on a standalone basis;*
  - d) Recommendations 1 – 8 inclusive in the Wastewater Service Delivery Options Report prepared by Frontier Economics (attached) be endorsed by council, whilst noting and respecting that portion of recommendation 8 relates to council staffing which is a matter for determination by the council's Chief Executive Officer;*
  - e) A prioritised program (inclusive of responsibility, timing and resources) with proposed actions to implement the actions arising from the Wastewater Service Delivery Options Report be prepared for consideration at a council meeting as soon as practicable, and by no later than 5 October 2021; and*
  - f) Reporting on the progress of the implementation of the program is to occur to future council and Audit and Risk Committee meetings on a quarterly basis.*
- 3. That the Audit and Risk Committee recommends that Council ensure adequate resources (financial, human and infrastructure) are provided to support the implementation of Recommendations 1-8 of the Frontier Economics report (attached) and failure to do so will pose a risk to the program of work.*
- 4. That the Audit and Risk Committee note and commend Council's inclusive and comprehensive process around the development and delivery of the Frontier Economics report (attached) including the involvement of the Audit and Risk Committee throughout.*
- C. That council authorise the Chief Executive Officer to write to the Chief Executive of SA Water to: (i) provide extracts (relating to SA Water) of the final report from Frontier Economics on a confidential basis; and (ii) seek a meeting to discuss the recommendation of the report in relation to collaboration between council and SA Water.

**Section 91(7) Order****D. Pursuant to Section 90 (3) (b)**

That having considered Agenda Item 18.1 Wastewater Service Delivery Report in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until one month after a prioritised program (inclusive of responsibility, timing and resources) with proposed actions to implement the actions arising from the Wastewater Service Delivery Options Report has been prepared and endorsed at a council meeting, noting that the target timing for that is as soon as practicable, and by no later than 5 October 2021.

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**Background:**

1. At the council meeting held on 7 September 2020 it was resolved to proceed with the wastewater service delivery study inclusive of the brief, budget and related matters.
2. Following an open tender call, Frontier Economics (FE) was subsequently engaged by council.
3. As per the brief, FE conducted an initial workshop with council and Audit and Risk Committee (ARC) members on 12 April 2021.
4. Subsequently FE provided an interim report on which consolidated council feedback was provided.
5. As per the brief, FE conducted a workshop on 15 June 2021 to discuss the FE draft report with council and Audit and Risk Committee members and members of the Strategic Advisory Panel to the Chief Executive Officer (SAP).
6. Following the provision of consolidated council feedback, FE provided their final report which was made available to council and ARC members on 9 July 2021.
7. The FE final report was considered in confidence by the ARC at its meeting on 15 July 2021 and the recommendations to council from the ARC are as shown above.

**Discussion:****Report Implications**

8. Implementation of all of the recommendations in the final report from Frontier Economics is proposed.
9. The recommendations from the ARC include that a prioritised program for the implementation of the FE final report recommendations be prepared. A framework as to the layout and content that is proposed for this purpose has been prepared and is included for information as attachment 2. This includes an indicative example being for recommendation 8 from the FE final report.
10. The ARC recommendations also include the issue of resourcing for the implementation of the FE final report recommendations. The resource implications are anticipated to be substantial and will be identified within the prioritised program that is recommended to be prepared. The associated cost will need to be met by the wastewater service and is expected to require variations to the 2021/22 budget which can be reflected in budget review 1.

**Strategic Advisory Panel to the Chief Executive Officer (SAP)**

11. Members of the SAP participated in the confidential informal gathering to discuss the FE draft report.
12. The SAP is meeting on 28 July after the deadline for the close of the content of this agenda item. The FE final report and subsequent implications/actions will be discussed by the SAP. A verbal update on these discussions can be provided at the council meeting.

**SA Water**

13. The brief required FE to engage with SA Water and to facilitate that, council wrote to the Chief Executive of SA Water in advance and provided the study brief.
14. As a courtesy, council has subsequently communicated with the nominee of the Chief Executive of SA Water which has been in relation to process and progress, rather than content.
15. As per the above recommendation (C), it is considered timely that council provide extracts (relating to SA Water) of the FE final report to the Chief Executive of SA Water as a confidential document.

Communication and Confidentiality

16. As per the above recommendation (D), it is proposed that the FE final report and associated information remain confidential until one month after a prioritised program (inclusive of responsibility, timing and resources) with proposed actions to implement the recommendations from the Wastewater Service Delivery Options Report has been prepared and endorsed at a council meeting.
17. The 'one month after' arrangement is to allow time for a communication strategy to be prepared to accompany the release of this information rather than simply have the FE final report made available in isolation. The strategy would include communication with key stakeholders and may include for example a council Media Release that includes reference to SA Water that SA Water has had an opportunity to review and provide input to.

Process

18. The ARC saw fit to provide feedback to council on the process undertaken.
19. The requirement in the brief for engagement with all council members both early on and later in the process appeared to work well.
20. Similarly the inclusion of the opportunity for input from the ARC and SAP members also appeared to work well.
21. Council members are also invited to provide feedback on the process.

**Community Engagement:**

Informing only	Refer above
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**Policy:**

Commercial Policy  
Strategic Partnerships Policy  
Wastewater Accounting Principles Policy

**Long Term Financial Plan:**

Refer recommendation 3 in the FE final report.

**Budget:**

The FE report was completed within budget. The total fee payable to FE was \$41,000 ex GST. This was funded by the wastewater service.



**Statutory/Legal:**

Refer annexure B in the FE final report.

**Staff Resource Requirements:**

The preparation of the recommended prioritised program can occur internally and will identify the resources required to implement the recommendations. This will not be able to occur within existing resource capability and capacity.

**Environmental:**

Refer recommendation 6 in the FE final report.

**Social:**

A key consideration is the continued provision of a quality, reliable and affordable wastewater service to ratepayers.

**Risk Assessment:**

The FE final report highlights the significant risk of council being distracted by the consideration of alternate wastewater service delivery models now when the highest priority is the timely delivery of the required infrastructure to provide the additional service capacity that is required due to growth.

Also refer recommendation 7 in the FE final report.

**Asset Management:**

Refer recommendation 2 in the FE final report.

**Conclusion:**

The completion of the FE final report is a valuable document for council and the implementation of the report recommendations over a period of time will require additional resources and regular monitoring and reporting of progress.

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**Previous Decisions By/Information Reports to Council**

Meeting Date	7 September 2020	CM Reference	DOC/20/115143
Title	SERVICE DELIVERY FOR WASTEWATER/RECYCLED WATER		
Purpose	To: <ul style="list-style-type: none"><li>• finalise the project brief for service delivery of wastewater/recycled water;</li><li>• appoint a tender assessment panel for this consultancy; and</li><li>• authorise the tender assessment panel to appoint a consultant to deliver the scope of the work as per the project brief.</li></ul>		

Attachment 2 to Item 18.1

**Prioritised Program of Actions Arising from the Frontier Economics Report on Wastewater Service Delivery**

Action	Person Responsible	Performance Outcome	Target Timing	Resourcing/Cost Impact	Comment (optional)
<b>Example only:</b>					
Recommendation 8					
Part 1 – Governance Reform	Brian Clancey	a) Review and revise the terms of reference for the Strategic Advisory Panel to the CEO (SAP)	Formalise revised terms of reference for the SAP at the September 2021 council meeting	Internal	
	Brian Clancey	b) Prepare a report (for consideration at a council meeting) on the implications of council establishing a subsidiary, to include recommendations on key points such as the Board composition	Autumn 2022	External  Preliminary cost estimate of \$10,000 - \$15,000	To identify what would be required and the anticipated benefits and resource impact (both establishment and ongoing)
Part 2 – Staffing/Structure	Andrew Stuart	c) Review of current wastewater senior management structure and staff accountabilities	End 2021	Internal	

**18. CONFIDENTIAL REPORTS**

<b>18.1</b>	<b>REPORT TITLE:</b>	<b>CONFIDENTIAL REPORT: WASTEWATER SERVICE DELIVERY REPORT</b>
	<b>DATE OF MEETING:</b>	<b>2 AUGUST 2021</b>
	<b>FILE NUMBER:</b>	<b>DOC/21/112698</b>
	<b>ATTACHMENTS:</b>	<b>1.DOC/21/108519 - FRONTIER ECONOMICS FINAL REPORT ON WASTEWATER SERVICE DELIVERY NOT INCLUDED - PREVIOUSLY PROVIDED AS PART OF THE CONFIDENTIAL AUDIT AND RISK COMMITTEE AGENDA ITEM AVAILABLE ON THE COUNCIL MEMBERS' EXTRANET 2.DOC/21/111021 - FRAMEWORK FOR PRIORITISED PROGRAM PREPARATION</b>

Moved Councillor Leach that Council:

Pursuant to Section 90(3)(b)

A. Pursuant to Section 90(3)(b)

Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer; Deputy Chief Executive Officer/General Manager Governance, Strategic Projects and Wastewater/Recycled Water; General Manager, Infrastructure; General Manager, Planning and Development; General Manager, Community Services; Manager Strategic Projects and Economic Development; Manager City Development; Project Administration Officer; and Governance Officer and the Minute Secretary be excluded from attendance at the meeting for Agenda Item 18.1 Wastewater Service Delivery Report.

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Seconded Councillor Minett

CARRIED  
OM20210802.14

Moved Councillor Bailey that Council:

- B. endorse the following recommendations from the Audit and Risk Committee meeting held on 15 July 2021.
2. *That the Audit and Risk Committee recommends to Council that:*
    - a) *Council commit to ownership of the wastewater/recycled water service during the implementation phase of recommendations 1-8 of the Frontier Economics Final Report (attached)*
    - b) *Council continue to separate the funding arrangements and financial reporting for the wastewater/recycled water service from the remainder of council's service delivery in order to enhance transparency;*
    - c) *The wastewater/recycled water service is required by council to be financially sustainable in the long-term on a standalone basis;*
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    - e) *A prioritised program (inclusive of responsibility, timing and resources) with proposed actions to implement the actions arising from the Wastewater Service Delivery Options Report be prepared for consideration at a council meeting as soon as practicable, and by no later than 5 October 2021; and*
    - f) *Reporting on the progress of the implementation of the program is to occur to future council and Audit and Risk Committee meetings on a quarterly basis.*
  3. *That the Audit and Risk Committee recommends that Council ensure adequate resources (financial, human and infrastructure) are provided to support the implementation of Recommendations 1-8 of the Frontier Economics report (attached) and failure to do so will pose a risk to the program of work.*

4. *That the Audit and Risk Committee note and commend Council's inclusive and comprehensive process around the development and delivery of the Frontier Economics report (attached) including the involvement of the Audit and Risk Committee throughout.*

Seconded Councillor Jones

CARRIED  
OM20210802.15

Moved Councillor Westwood that Council:

- C. authorise the Chief Executive Officer to write to the Chief Executive of SA Water to: (i) provide extracts (relating to SA Water) of the final report from Frontier Economics on a confidential basis; and (ii) seek a meeting to discuss the recommendation of the report in relation to collaboration between council and SA Water.

Seconded Councillor Jones

CARRIED  
OM20210802.16

Moved Councillor Hardingham that Council:

Section 91(7) Order

- D. Pursuant to Section 90 (3) (b)  
having considered Agenda Item 18.1 Wastewater Service Delivery Report in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until one month after a prioritised program (inclusive of responsibility, timing and resources) with proposed actions to implement the actions arising from the Wastewater Service Delivery Options Report has been prepared and endorsed at a council meeting, noting that the target timing for that is as soon as practicable, and by no later than 5 October 2021.

Seconded Councillor Seager

CARRIED  
OM20210802.17

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