



# Council Agenda

# AGENDA

## NOTICE OF MEETING

Notice is hereby given that an ordinary meeting of Council will be held in the

**Council Chamber – Glenelg Town Hall  
Moseley Square, Glenelg**

**Tuesday 22 October 2013 at 7.00pm**

Justin Lynch  
CHIEF EXECUTIVE OFFICER



## Ordinary Council Meeting Agenda

### 1. OPENING

*His Worship the Mayor will declare the meeting open at 7:00pm.*

### 2. KAURNA ACKNOWLEDGEMENT

*We acknowledge Kaurna people as the traditional owners and custodians of this land.*

*We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kaurna People today.*

### 3. PRAYER

*Heavenly Father, we pray for your presence and guidance at our Council Meeting.*

*Grant us your wisdom and protect our integrity as we carry out the powers and responsibilities entrusted to us on behalf of the community that we serve.*

### 4. APOLOGIES

4.1 Apologies Received

4.2 Absent

### 5. ITEMS PRESENTED TO COUNCIL

### 6. DECLARATION OF INTEREST

*If a Council Member has an interest (within the terms of the Local Government Act 1999) in a matter before the Council they are asked to disclose the interest to the Council and provide full and accurate details of the relevant interest. Members are reminded to declare their interest before each item.*

### 7. CONFIRMATION OF MINUTES

#### Motion

**That the minutes of the Ordinary Meeting of Council held on 8 October 2013 be taken as read and confirmed.**

Moved Councillor \_\_\_\_\_, Seconded Councillor \_\_\_\_\_

**Carried**

**8. QUESTIONS BY MEMBERS**

8.1 **Without Notice**

8.2 **With Notice - Nil**

**9. MEMBER'S ACTIVITY REPORTS - Nil**

**10. PUBLIC PRESENTATIONS**

10.1 **Petitions - Nil**

10.2 **Presentations - Nil**

10.3 **Deputations - Nil**

**11. MOTIONS ON NOTICE - Nil**

**12. ADJOURNED MATTERS - Nil**

**13. REPORTS OF MANAGEMENT COMMITTEES, SUBSIDIARIES AND THE DEVELOPMENT ASSESSMENT PANEL - Nil**

**14. REPORTS BY OFFICERS**

14.1 Items in Brief (Report No: 352/13)

14.2 Former Brighton Town Hall Facade (Report No: 354/13)

14.3 Community Donations Program 2013-14 (Report No: 348/13)

14.4 2012-13 Annual Review of Investments (Report No: 351/13)

14.5 Budget Update – as at 30 September 2013 (Report No: 353/13)

**15. RESOLUTIONS SUBJECT TO FORMAL MOTIONS**

*Presented for the information of Members is a listing of resolutions subject to formal resolutions, for Council and all Standing Committees, to adjourn or lay on the table items of Council business, for the current term of Council.*

**16. URGENT BUSINESS – Subject to the Leave of the Meeting**

**17. CLOSURE**

**JUSTIN LYNCH  
CHIEF EXECUTIVE OFFICER**

Item No: **14.1**

Subject: **ITEMS IN BRIEF**

Date: 22 October 2013

Written By: Personal Assistant

General Manager: Corporate Services, Mr I Walker

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## **SUMMARY**

These items are presented for the information of Members.

After noting the report any items of interest can be discussed and, if required, further motions proposed.

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## **RECOMMENDATION**

**That the report be noted and items of interest discussed.**

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## **COMMUNITY PLAN**

A Place that Provides Value for Money

## **COUNCIL POLICY**

Not applicable

## **STATUTORY PROVISIONS**

Not applicable

## **REPORT**

### **14.1.1 Australia Day One Day Cricket International Regional Live Site**

The City of Holdfast Bay will host the One Day International Regional Live Site on Colley Reserve Glenelg, Sunday 26 January Australia Day.

Cricket Australia is bringing to Glenelg the One Day (day/night) International Cricket specifically for families unable to attend the game, via the big screens on Colley Reserve from 1pm until 10.30pm.

A family zone will be established incorporating, cricket nets, dunk tank, face painting, innings break competitions including stumps challenge and appearances by

Australian Cricket legends. Local Crickets clubs have been contacted directly by Cricket Australia to run a barbeque for event attendees with all proceeds retained by the cricket club.

#### 14.1.2 **Sheffield Shield Game Glenelg Oval**

The South Australian Cricket Association has confirmed Glenelg Oval will host the Redbacks' season opener from Wednesday, 30 October to Saturday, 2 November, as the Adelaide Oval redevelopment will not be ready in time. It will be the first time South Australia has hosted a Sheffield Shield game away from Adelaide Oval in the national competition's 121-year history.

Item No: **14.3**

Subject: **COMMUNITY DONATIONS PROGRAM 2013/14**

Date: 22 October 2013

Written By: Social Development Officer

General Manager: City Services, Mrs R Cooper

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### **SUMMARY**

The purpose of this report is to seek Council's endorsement for the successful applicants of the 2013/14 Community Donations Program.

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### **RECOMMENDATION**

**That Council endorses the successful applicants of the Community Donations Program 2013/14 as outlined in this report.**

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### **COMMUNITY PLAN**

A Place with a Quality Lifestyle  
A Place for Every Generation  
A Place that Celebrates Culture

### **COUNCIL POLICY**

Not Applicable

### **STATUTORY PROVISIONS**

Not Applicable

### **BACKGROUND**

Council provides annual financial support of \$34,000 through the Community Donations Program to support local clubs, groups and organisations in a range of areas including sport, recreation, environment, community development, art, and culture. The program is designed to support and encourage community initiatives and projects within the City of Holdfast Bay, which will positively influence the community.

The four categories applicants can apply for are: Community Vitality, Sport & Recreation, Arts and Cultural Development and Environmental Sustainability. Applications will not be accepted if the funding is used for salaries, fundraising, travel, conference costs, political purposes, ongoing expenses, minor equipment purchases and for structural work on buildings.

## REPORT

Applicants were invited to apply for up to 50% of the cost of their project to a maximum of \$5,000. Applications have been assessed in accordance with the Community Donations Program guidelines and criteria which include:

- Benefit to the community.
- Strategic link to the 'Our Place' Community Plan
- Previous donations received from council.
- Capacity for self-funding and/or other funding source opportunities.
- Council's own budgetary constraints.

Council received twenty (20) applications for the Community Donations Program totalling \$54,267. Four of the applications were deemed ineligible due to not meeting funding criteria, which left the Assessment Panel with fifteen (15) eligible applications totalling \$41,767.

The following donations have been approved by the Assessment Panel which consisted of representatives from Community Development, Youth, Arts and Culture, Buildings and Leasing.

*Refer Attachment 1*

Group	Ranking	Score /40	Council Donation	Donation approved
Probus Club of Marino (Kingston House)	1	31.7	\$940	\$940
Brighton & Seacliff Yacht Club	2	28.8	\$5,000	\$5,000
Brighton District Table Tennis Club	3	28.5	\$5,000	\$5,000
City of Holdfast Bay Music Centre	4	28.4	\$2,683.18	\$2,683.18
Holdfast Bay Community Centre	5	27	\$2,500	\$2,500
Brighton Uniting Church	6	26.8	\$3,777	\$3,777
Minda Inc	7	26.1	\$476	\$476
Glenelg District Cricket Club	8	25.6	\$2,114.20	\$2,114.20
William Kibby VC Veterans Shed	9	25.3	\$2,000	\$2,000
Tutti Inc	10	25.1	\$4,300	\$4,300
Parent Engagement Group	11	22.4	\$5,000	\$3,112
Somerton Park Tennis Club	12	22	\$1,350	\$1,350
Brighton Cricket Club	14	20.8	\$962.50	\$747.50

**TOTAL \$34,000**

The following donations were not approved due to a low ranking score and council budgetary restraints.

<b>Group</b>	<b>Ranking</b>	<b>Score /40</b>	<b>Council Donation</b>	<b>Donation Approved</b>
Brighton Jetty Classic Sculptures**	13	21.75	\$5,000	\$0
Glenelg Brass Band	15	17.8	\$2,778	\$0

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*Refer Attachment 1*

**\*\* Please note** – Although Brighton Jetty Classic Sculptures ranked higher than Brighton Cricket Club, they were unable to accept partial funding for their project, and budgetary constraints prevented a full funding opportunity.

#### **BUDGET**

There is \$44,000 allocated in the approved 2013/14 budget item 307.806 Community Development Admin – Donations, which is distributed between the Community Donations Program, Youth Achievement Sponsorship and Brighton Performing Arts Centre Hire Subsidy Program. There is \$34,000 that is assigned to the Community Donations Program.

#### **LIFE CYCLE COSTS**

N/A



# City of Holdfast Bay

## Community Donations Program 2013/14

### Successful Applicants

Applicant	Project Name	Donation
Brighton Cricket Club	Centre Wicket Batting Cage	\$747.50
Brighton District Table Tennis Club	Purchase of New Table Tennis Tables	\$5,000.00
Brighton & Seacliff Yacht Club	Entry Level Program to get Kids in Sailing Boats	\$5,000.00
Brighton Uniting Church	Air-conditioning in Central Hall, For Use by Community Organisations	\$3,777.00
Glenelg District Cricket Club	Grade Cricket Facilities Strategic Program	\$2,114.20
Holdfast Bay Community Centre	HBCC Mural and Mosaic Project	\$2,500.00
Minda Inc	Stobie Pole Decoration on Minda Campus Grounds	\$476.00
Parent Engagement Group	Sustainability Action Group – Garden Club	\$3,112.00
Probus Club of Marino	Enhancing Seniors Educational Program	\$940.00
Somerton Park Tennis Club	Somerton Park Tennis Club	\$1,350.00
The City of Holdfast Bay Music Centre	Public Address Sound System Including Vocalist Audio System and Drum Kit	\$2,683.18
Tutti Inc	Club2T	\$4,300
William Kibby VC Veterans Shed	Water Pipes, Security Lights and Power to a Memorial Garden	\$3,700.00
<b>Total Donations</b>		<b>\$34,000</b>

Item No: **14.4**

Subject: **2012/13 ANNUAL REVIEW OF INVESTMENTS**

Date: 22 October 2013

Written By: Manager Finance

General Manager: Corporate Services, Mr I Walker

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### **SUMMARY**

Section 140 of the Local Government Act requires Council to review the performance of its investments on an annual basis. This report explains the process for investing funds, amount of funds invested during 2012/13, average interest rate earned and investment performance against budget for Council municipal activities and Alwyndor Aged Care.

The 2012/13 revised budget for investment income was \$819,287 comprising \$581,787 from Alwyndor and \$237,500 for Municipal operations. The actual result was \$914,692 comprising \$690,023 from Alwyndor and \$224,669 from Municipal operations. The overall interest on investment budget was therefore exceeded by \$95,405.

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### **RECOMMENDATION**

**That this report comprising an annual review of its investments in accordance with section 140 of the Local Government Act, is received and noted.**

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### **COMMUNITY PLAN**

A Place that Provides Value for Money

### **COUNCIL POLICY**

Treasury Management Policy

### **STATUTORY PROVISIONS**

Local Government Act, Sections 139 and 140

## **BACKGROUND**

The Local Government Act requires Councils to review the performance of its investments annually. Council invests its funds in accordance with its Treasury Management policy ensuring funds are preserved and invested within legislative requirements and common law responsibilities.

Section 139 of the Act details the investment powers of a Council. The Act requires a Council to exercise care, diligence and skill in placing and managing investments, while avoiding speculative or hazardous investments. The Act also stipulates matters to be taken into account when placing investments. Major considerations include the nature of risk, likely income return, effect of inflation, the costs of making the investment and any anticipated community benefit.

Council's Treasury Policy requires all surplus funds to be invested with secure financial institutions with a credit rating of not less than A1. For 2012/13 all investments were held with either the State backed Local Government Finance Authority (LGFA) or the National Australia Bank (NAB).

The LGFA and NAB have provided Council with secure and competitive interest received. The LGFA is also Councils preferred borrower and provides very low borrowing rates that have been unable to be matched by the major banks.

## **REPORT**

### **Investment Types**

Council has three major types of investments; cash, loans to community organisations, and equity investments. This report deals with cash investments resulting from the investing of day-to-day surplus funds (operating funds) and specific purpose cash backed reserves.

Loans outstanding to community organisations are also considered to be financial assets and total \$2.159m as at 30 June 2013. Equity accounted investments totaling \$2.411m existed with the Southern Region Waste Resource Authority as at 30 June 2013.

### **Investment policy framework**

Council's policy states that the (LGFA) is the preferred financial institution for cash investments. The LGFA is state guaranteed and is managed and administered by a Board of Trustees, working for the benefit of Councils and other Local Government Bodies within South Australia.

The LGFA also offers an annual bonus payment. The bonus is a mechanism which enables the authority to share its success with member Councils. It is calculated in relation to the average deposit and loan levels held by the LGFA during the financial year.

Other approved investment types include SA or Commonwealth Government Bonds and interest bearing deposits or bank bills with a short term credit rating of not less than A1.

### **Investment placement**

During 2012/13 all of Council municipal cash investments were placed with the LGFA. When new investment opportunities arise quotes are obtained from the LGFA and approved banks. The LGFA is given the opportunity to match or exceed the best quote received which it has in all cases for new investments. For existing investments other non-quantifiable factors are taken into account including transaction processing efficiency and the level of service provision.

In 2012/13 Council received a \$30,374 LGFA bonus payment for Municipal funds and \$12,379 for Alwyndor funds. The bonus payment equates to approximately 0.3% additional interest earned on average deposits.

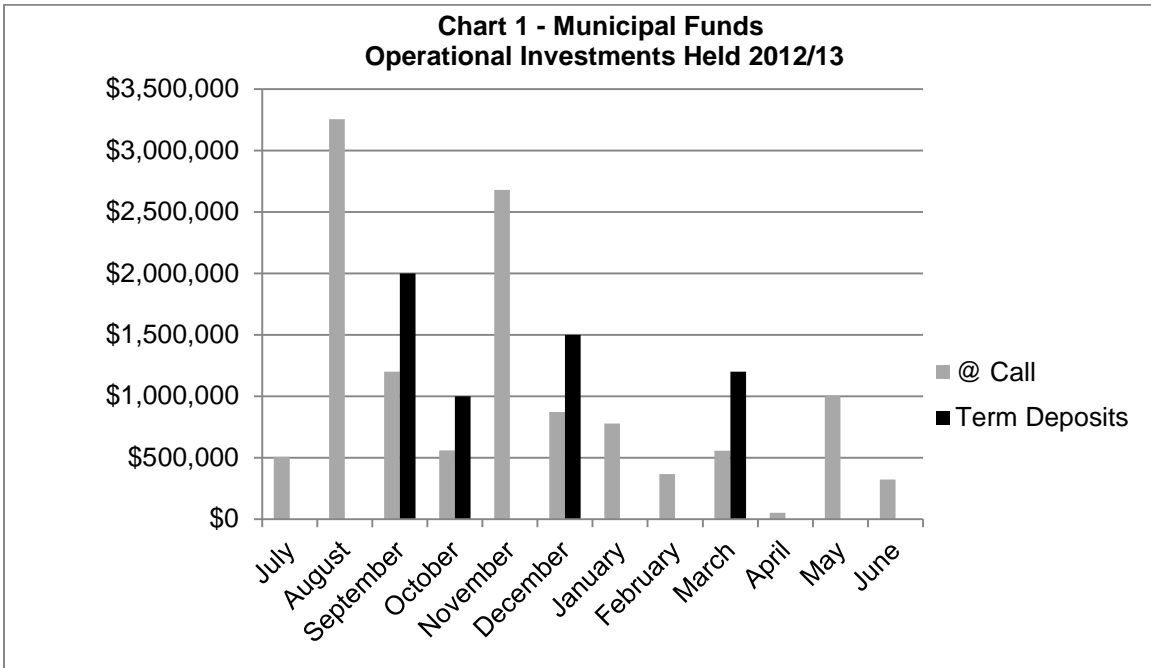
For Alwyndor investments the NAB has been able to offer more competitive rates for the larger amounts invested as a result of the accommodation bond policy. During 2012/13 78% of Alwyndor investments were placed with the NAB with the remaining 22% placed with the LGFA.

### **Levels of Investment**

#### *Municipal Funds*

During 2012/13 the level of invested funds reduced by \$1.128m to \$2.491m. The reduction was the result of adhering to the treasury management policy of utilising available cash backed reserves, and drawing down available short-term cash advance debentures to meet cash flow requirements. No new borrowings were made during 2012/13.

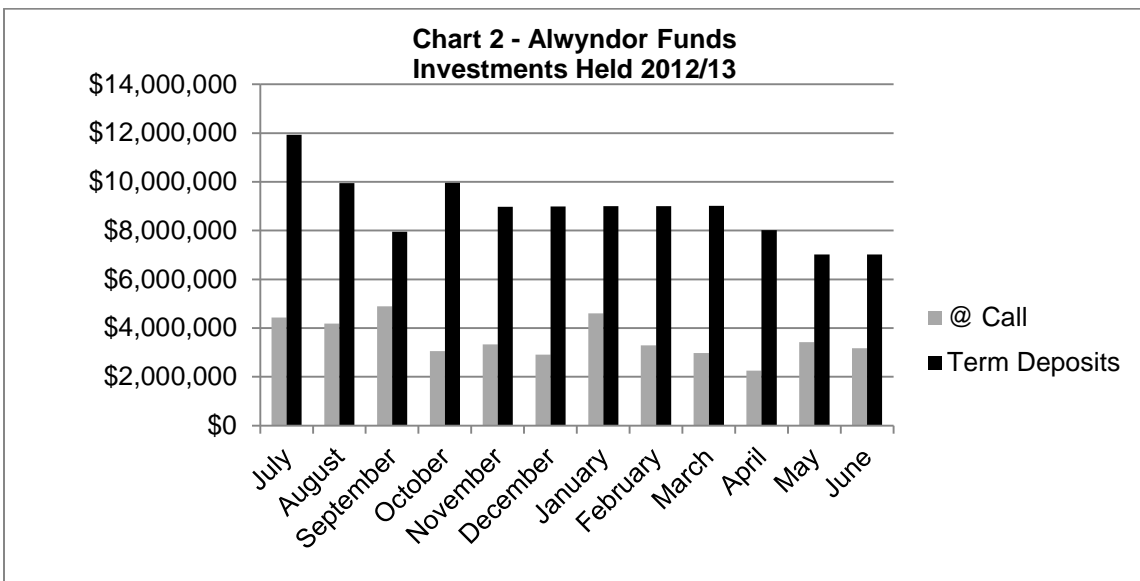
Chart one shows the monthly level and nature of investments held during 2012/13 for municipal funds. The chart shows strong cash injections coinciding with the rate payment due dates, tapering off significantly to meet cash flow requirements.



*Alwyndor Aged Care Facility Funds*

During 2012/13 the level of invested funds reduced by \$4.9m to \$10.2m. The reduction was due primarily to meeting cash flow requirements towards the budgeted redevelopment of the facility.

Chart two displays the level and nature of investments held during 2012/13 for Alwyndor funds.



*Cash backed reserve fund investments*

The transition to the treasury management policy since 2011 has seen a reduction in the number and value of cash backed reserves. The remaining cash backed reserve fund is the Glenelg Access Strategy. Other reserves that are legally required including developer contributions and the Alwyndor Aged Care reserve, have been maintained.

As at 30 June 2013 Council held the following reserves totaling \$9.162m.

<b>Reserve Purpose</b>	<b>Amount 30 June 2013 (\$000's)</b>
Glenelg Access Strategy	2,101
Car Park Contributions	36
Alwyndor Aged Care – including accommodation bonds	7,025

Reserve funds are invested for longer periods of time during the financial year.

**Investment Performance***2012/13 Interest rate movements*

During 2012/13 official interest rates were decreased three times by the Reserve Bank of Australia. The decreases were due in part to low inflation, a softer economy and labour market, and increased risks in international economies.

The following table summarises the movements:

<b>Effective Date</b>	<b>Cash Rate Decrease</b>	<b>RBA Maximum cash rate</b>	<b>24 hour LGFA @ call deposits</b>
1/7/12	Opening Rate	3.5%	3.5%
3/10/12	0.25%	3.25%	3.25%
5/12/12	0.25%	3.0%	3.0%
8/5/13	0.25%	2.75%	2.75%

*Weighted average interest rate earned*

The following table compares the overall weighted average interest rate earned on investments for 2012/13

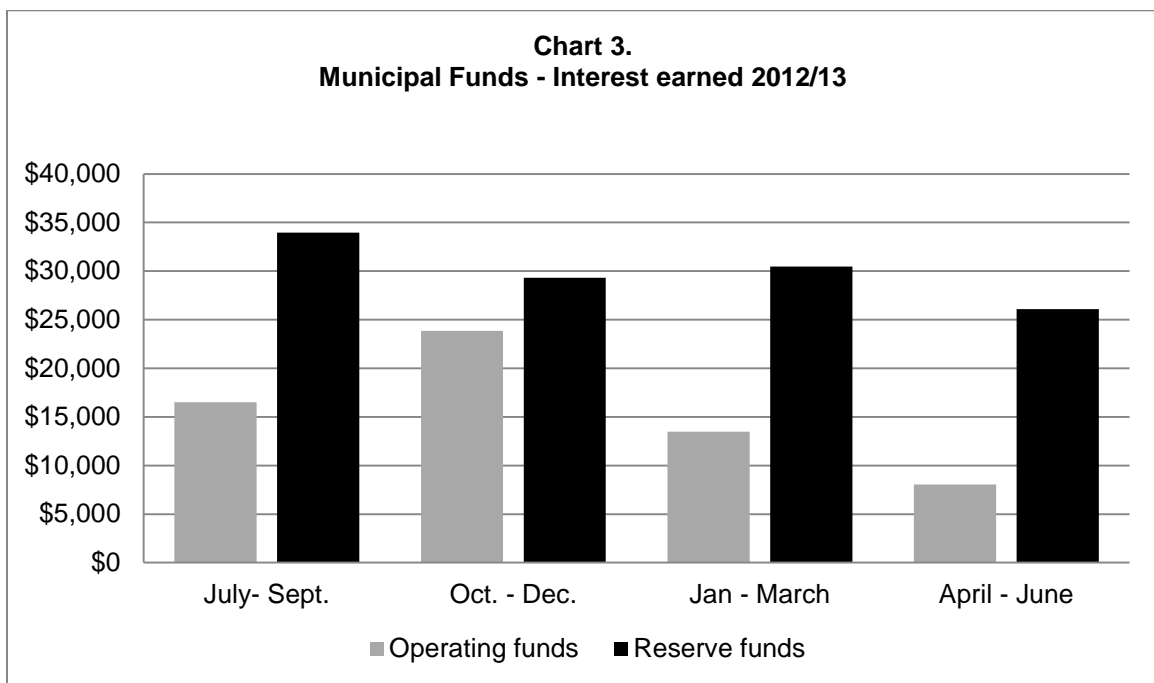
<b>Funds</b>	<b>RBA Cash Rate</b>	<b>Operational Funds – Term Deposits</b>	<b>Operational Funds – at call investments</b>	<b>Reserve Funds</b>
Municipal	3.13%	4.12%	3.43%	4.31%
Alwyndor	3.13%	Refer reserves	3.43%	4.50%

All investments on term deposits have performed above the RBA cash rate. Alwyndor interest rates are above the Municipal level due to the timing and placement of large investments with the NAB.

*Interest received during 2012/13*

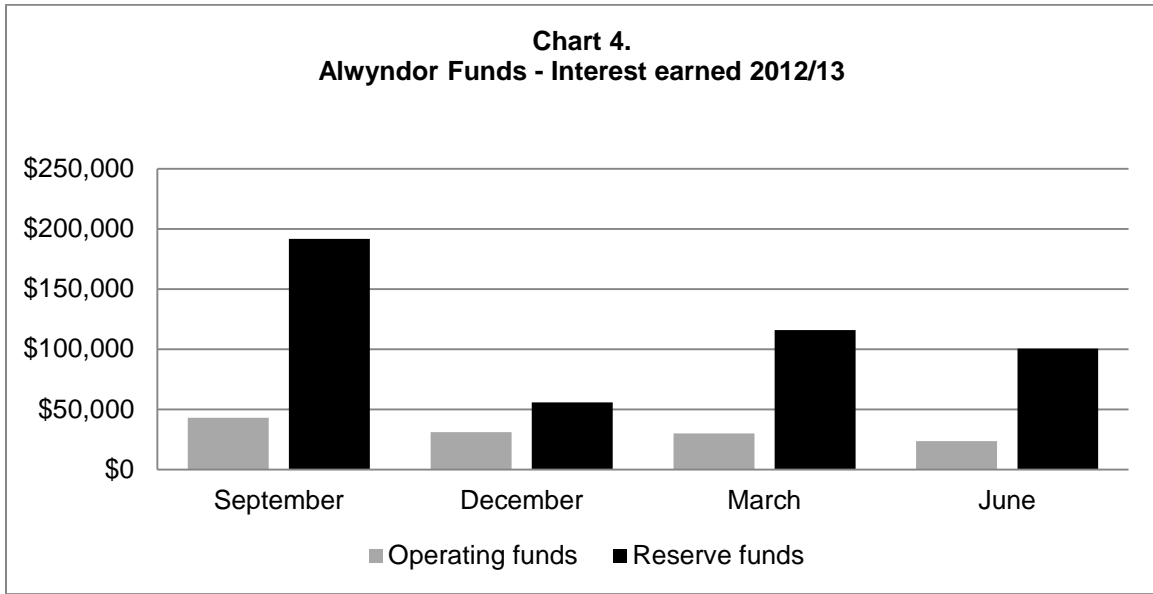
**Municipal Funds**

Interest received from the LGFA is paid quarterly and is summarised in the Chart 3. It indicates a downward movement in available operating cash invested. At the same time interest rates were declining. Reserve funds remained stable although reducing interest rates affected the amount of interest earned.



**Alwyndor Funds**

The interest received from the LGFA is paid quarterly while interest received from NAB is paid at the end of the investment term. This is summarized in Chart 4.

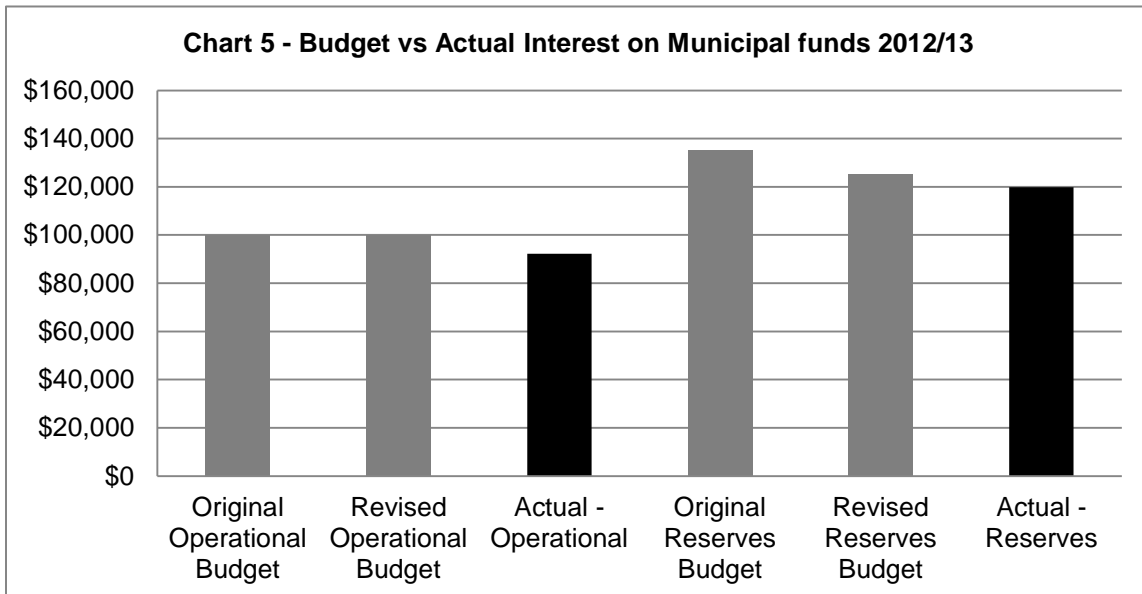


**2012/13 budget comparison**

**Municipal Funds**

The 2012/13 original budget for investment income totaled \$100,000 for operational funds and \$135,000 for reserve funds. The reserve funds budget was revised downward during the year to \$125,000. The actual interest received totaled \$92,263 and \$119,832 respectively.

Chart 5 shows the budget to actual performance for Municipal funds during 2012/13.



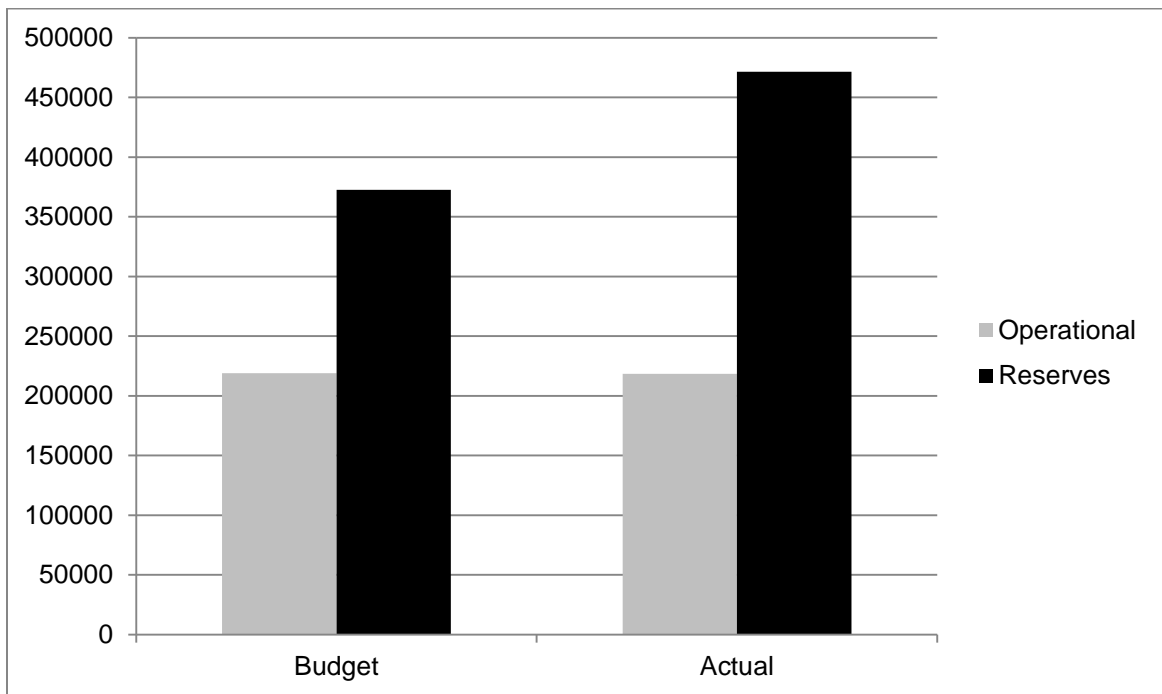


**Alwyndor Funds**

The 2012/13 original budget for investment income for Alwyndor was \$219,087 from all sources. The budget was revised during the year to \$581,787. The total amount earned was \$690,023. The increase was due to increase in accommodation bonds held and the increase in funds held for investment due to the timing and amounts of redevelopment progress payments.

Chart 6 shows the favourable budget to actual performance during 2012/13 for Alwyndor.

**Chart 6 – Alwyndor Funds  
Budget vs Actual interest 2012/13**



**2013/14 interest rate movements**

Since July interest rates have eased a further 0.25%. The Reserve Bank Governor Glenn Stevens said in his statement in August 2013 that the Australian economy has been growing below trend over the past year due to lower levels of mining investment. Unemployment has edged higher while inflation has been consistent with the medium term target. Therefore in August 2013 after taking into account information on prices and economic activity the Board judged that a further decline in the cash rate was appropriate. Market analysts are undecided that there will be a further easing of interest rates during 2013/14.

**BUDGET**

The application of the treasury management policy has reduced the amount of reserve funds available for investing. The original 2013/14 budget forecast provided for a number of reserve funds that were cash backed. During the last quarter of 2012/13 the majority of these cash reserves were utilised in preference to more expensive short-term borrowings. The budget for interest on reserve funds invested (excluding Alwyndor) will therefore need to be reduced by \$43,000 and this will be adjusted as part of the first budget update in 2013/14.

The reduction in interest rates since June 2013 will also reduce the amount of interest earned during 2013/14. The interest on investment budgets will be monitored during 2013/14 and adjusted as part of the budget update process.

**LIFE CYCLE COSTS**

This report deals with 2012/13 investment performance it does not have any full life cycle cost implications.

Item No: **14.5**

Subject: **BUDGET UPDATE – AS AT 30 SEPTEMBER 2013**

Date: 22 October 2013

Written By: Manager Finance, Accountant

General Manager: Corporate Services, Mr I Walker

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### **SUMMARY**

This report covers the first update of Council's 2013/14 budget conducted as at 30 September 2013.

It has resulted in a reduction in the projected consolidated operating surplus of \$218,900 to a forecast operating surplus of \$265,332. The major reasons are a \$143,900 increase in depreciation on new and upgraded assets, and a \$43,000 reduction in investment interest on reserve funds.

Council's net financial liabilities at 30 June 2014 are projected to increase marginally by \$75,000 to \$26.7 million (comprising \$14.4 million for municipal operations and \$12.3 million for Alwyndor).

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### **RECOMMENDATION**

1. That Council notes the first 2013/14 budget update for Council's municipal operations including:
  - (a) a decrease of \$218,900 in the projected operating surplus from \$237,301 to \$18,401 (compared to an operating surplus of \$309,327 in the original budget);
  - (b) no change to the projected capital expenditure of \$12.9 million (compared with \$11.6 million in the original budget);
  - (c) an increase in projected net financial liabilities at 30 June 2014 of \$75,000 from \$14.30 million to \$14.37 million (compared to a net financial liabilities amount of \$14.96 million in the original budget).
  
2. That Council notes the first 2013/14 budget update for Alwyndor operations including:
  - (a) no change to the projected operating surplus of \$612,000 (compared to \$612,000 in the original budget);
  - (b) no change to the projected capital expenditure of \$2.631 million (compared with \$2.631 million in the original budget);

- (c) **no change in projected net financial liabilities of \$12.3 million as at 30 June 2014 (compared to a net financial liabilities amount of \$12.3 million in the original budget).**

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## COMMUNITY PLAN

A Place that Provides Value for Money

## COUNCIL POLICY

Not applicable

## STATUTORY PROVISIONS

*Local Government (Financial Management) Regulations 2011, Regulation 9*

## BACKGROUND

The Local Government (Financial Management) Regulations 2011 require three specific budget performance reports to be prepared and considered by Councils including:

1. Budget Update (at least twice per year);
2. Mid-year Budget Review (once per year); and
3. Report on Financial Results (after completion and audit of annual financial statement of previous financial year).

The three reports collectively are intended to provide a comprehensive reporting process that allows Council to track performance against the financial targets it established in its annual budget. The following timetable meets these requirements.

Report Purpose	Date of Review	Reported To Council
Budget update	30 September	October
Mid-year review	31 December	February
Budget Update	31 March	April
Financial Results	30 June	As soon as practical after audit

### ***Budget Update***

Regulation 9(1)(a) requires a budget update report to include a revised forecast of the Council's operating and capital activities compared with estimates set out in the original budget. The focus of the Budget Update is on the end of year revised forecast in comparison with the original and revised (full year) budget.

The LGA has suggested, as part of its financial sustainability program, that the Budget Update show at a summary level:

- original full-year budget activity;
- the most recent revised budget for the financial year;
- any variances sought to the most recent revised budget for the financial year;
- a revised budget forecast for the financial year;
- year to date actual.

## REPORT

### Introduction

The current forecast projections comprise the original budget adopted by Council in June 2013 plus unspent budgets carried forward from 2012/13, approved by Council at its meeting on 10 September 2013.

A comprehensive review of Council's budget has resulted in the following major proposed amendments:

<b>Municipal Funds</b>	
<b>Amount \$000</b>	<b>Comments</b>
(43)	Reduction in interest on reserve funds invested – (refer Report 351/13 22 October 2013)
(144)	Increased depreciation forecast on new infrastructure purchased and constructed during 2012/13.
(15)	Stormwater Management Plan – community consultation (refer Council resolution C100913/1030)
(10)	Community Bus promotion – (refer Council resolution C110613/952)
(7)	Various net reallocations
<b>(218)</b>	<b>DECREASE IN OPERATING RESULT – Sub Total</b>
144	Add back reduction in forecast value of infrastructure as non-cash item
<b>(75)</b>	<b>INCREASE IN FUNDING REQUIREMENTS</b>

### Funding Statements

Funding statements with notes for Council municipal (ie excluding Alwyndor), Alwyndor and consolidated operations have been prepared.

*Refer Attachment 1*

The statements comprise five columns:

- The 2013/14 original full year budget.

- The current full year revised forecast comprising the original budget adopted by Council at its meeting on 21 June 2013 and items carried forward from 2012/13 adopted by Council on 10 September 2013.
- Proposed budget forecasts variances arising from this budget update.
- Proposed full year revised budget forecast.
- Actual to 30 September 2013.

**Detailed Amendment Notes: Municipal Council Activities (excluding Alwyndor)**

The following notes correspond to the numbers on the attached Funding Statements. Other than those listed above, most proposed amendments are offsetting and comprise re-allocation between budget items. Note that there are no proposed amendments to Alwyndor's projections.

***Operating Income variances:***

1. Reduction in provision for rate capping.
2. Higher rates/property search income than budgeted.
3. HACC reallocations and re-allocation of caravan park budget following the appointment of a new park manager (note that there are no proposed changes to net income from the caravan park – see further detail below).
4. Increased HACC grant funding.
5. Reduced interest on reserve funds invested.
6. Increased HACC home maintenance income and contributions for memorial seats.
7. Removal of Construction Industry Training Board (CITB) collections, offset by increased HACC client contributions.

***Operating Expenses variances:***

8. Materials, contracts and other expenses. Re-allocation of Caravan Park management agreement expenses, HACC funded programs, stormwater management plan consultation and community bus promotion.
9. Depreciation of new/upgraded infrastructure constructed during 2012/13 including the Coast Park project.

***Funding Variance:***

10. Net funding required to meet the budget update result.

**Other future budget variance information****Brighton Caravan Park**

The first 3 months with new operator FreeSpirit began slowly in the off-peak winter season with fewer carry over bookings, however this has recently increased resulting in substantially higher

occupancy rates. The current expectation is that net revenue for 2013/14 will meet budget although this will be partially offset by significant expenditure on repairs & maintenance and legal advice.

Because of the uncertainty, it is not proposed to recommend any changes to the current budget pending a more detailed review of bookings in the last quarter of 2013. A more detailed report on operations will be provided to Council during November.

#### Broadway Kiosk

Settlement and assignment of the lease is expected to be executed before this Council meeting. Council has incurred significant legal fees however this will be offset by an increase in rental income over the remaining 15 years of the lease. As a result, it is not proposed to recommend any changes to the current budget until settlement has occurred.

#### Insurance and Work, Health & Safety

Council received an unbudgeted \$93,000 as 'special distributions' from the LGAWCS, LGAMLS and LGAAMF. The LGA has asked that these be re-invested back into risk management and work, health & safety.

In addition, Council's annual rebates received were \$39,000 higher than budget. The annual rebates are essentially a return of the various schemes' net proceeds and are allocated to councils based on risk audits and claims performance. As a result this favourable variance (ie. cost saving) is earmarked for re-investment into further improving risk management and implementation of the LGAWCS 'One System' framework. This initiative will further underpin improved audit outcomes and lower claims.

As the specific nature of the additional WHS programs are yet to be determined the current budget will be updated as part of the mid-year budget review.

#### **Financial indicators**

Financial indicators have been prepared including an operating surplus ratio, net financial liabilities ratio and asset sustainability ratio.

The operating surplus ratio is determined by calculating the operating surplus/(deficit) before capital amounts as percentage of general revenue and other rates, net of NRM Levy.

The net financial liabilities ratio is determined by calculating total liabilities less financial assets as percentage of total operating revenue, net of NRM Levy. It measures what is owed to others less money held, invested or owed to Council. In a household context, a net financial liabilities ratio of 35% is equivalent to a household with an annual income of \$100,000 having net debt (including a mortgage) of just \$35,000.

The asset sustainability ratio is determined by calculating capital expenditure on the renewal or replacement of existing assets, excluding new capital expenditure as a percentage of depreciation. This ratio measures the extent to which existing infrastructure and assets are being replaced.

The following table provides updated forecasts for these and other major ratios for Council operations excluding Alwyndor.

<b>Ratio – Municipal Funds</b>	<b>Target – from Long Term Financial Plan</b>	<b>Current Budget Forecast</b>	<b>Revised Budget Forecast</b>
Operating Ratio	≥ 0%	1%	0%
Net Financial Liabilities ratio	35%	38%	37%
Asset Sustainability Ratio	90% -110%	70%	68%

The following table provides updated forecasts for these and other major ratios for Alwyndor operations. The net financial liabilities ratio is being impacted by the major capital redevelopment which is being funded from Alwyndor cash reserves.

<b>Ratio – Alwyndor Funds</b>	<b>Target – from Long Term Financial Plan</b>	<b>Current Budget Forecast</b>	<b>Revised Budget Forecast</b>
Operating Ratio	≥ 0%	4%	4%
Net Financial Liabilities ratio	35%	75%	75%
Asset Sustainability Ratio	90% -110%	68%	68%

The following table provides updated forecasts for these and other major ratios for consolidated Council operations.

<b>Ratio – Consolidated Funds</b>	<b>Target – from Long Term Financial Plan</b>	<b>Current Budget Forecast</b>	<b>Revised Budget Forecast</b>
Operating Ratio	≥ 0%	2%	1%
Net Financial Liabilities ratio	35%	49%	48%
Asset Sustainability Ratio	90% -110%	70%	68%

## **BUDGET**

The content and recommendation of this report indicates the effect on the budget.

## **LIFE CYCLE COSTS**

The nature and content of this report is such that life cycle costs are not applicable.



**CITY OF HOLDFAST BAY**  
**FINANCIAL STATEMENTS**  
**2013/14 BUDGET FUNDING STATEMENT - MUNICIPAL**

<u>ORIGINAL</u> <u>FULL YEAR</u> <u>BUDGET</u>		<u>CURRENT</u> <u>FULL YEAR</u> <u>FORECAST</u>	<u>PROPOSED</u> <u>FORECAST</u> <u>VARIANCE</u>	<u>NOTE</u>	<u>PROPOSED</u> <u>FULL YEAR</u> <u>FORECAST</u>	<u>ACTUAL</u> <u>TO</u> <u>30 SEPT.</u>
\$		\$	\$		\$	\$
28,397,800	Rates - General	28,397,800	2,000	1	28,399,800	28,359,101
535,124	Rates - Jetty Road Glenelg	535,124	-		535,124	535,121
49,125	Rates - Patawalonga Marina	49,125	-		49,125	49,123
978,669	Rates - NRM Levy	978,669	-		978,669	978,665
2,393,667	Statutory Charges	2,393,667	6,000	2	2,399,667	709,522
2,442,388	User Charges	2,442,388	610,757	3	3,053,145	365,621
2,918,072	Operating Grants & Subsidies	3,178,072	7,829	4	3,185,901	955,381
203,000	Investment Income	203,000	(43,000)	5	160,000	1,703
391,334	Reimbursements	391,334	22,000	6	413,334	366,597
539,374	Other	539,374	(8,900)	7	530,474	125,653
<b>38,848,553</b>	<b>Operating Revenue</b>	<b>39,108,553</b>	<b>596,686</b>		<b>39,705,239</b>	<b>32,446,487</b>
15,218,981	Employee Costs - Salaries & Wages	15,281,538	-		15,281,538	3,890,184
15,454,983	Materials, contracts and other expenses	15,724,362	671,686	8	16,396,048	4,094,270
848,652	Finance Charges	848,652	-		848,652	( 32,708)
7,381,400	Depreciation	7,381,400	143,900	9	7,525,300	1,880,891
( 364,700)	Less full cost attribution - % admin costs capitalised	( 364,700)	-		( 364,700)	-
<b>38,539,316</b>	<b>Less Operating Expenditure</b>	<b>38,871,252</b>	<b>815,586</b>		<b>39,686,838</b>	<b>9,832,637</b>
<b>309,237</b>	<b>= Operating Surplus/(Deficit)</b>	<b>237,301</b>	<b>( 218,900)</b>		<b>18,401</b>	<b>22,613,850</b>
7,381,400	Depreciation	7,381,400	143,900		7,525,300	1,880,891
211,600	Other non-cash provisions	211,600	-		211,600	-
<b>7,593,000</b>	<b>Plus Non-Cash items in Operating Surplus/Deficit</b>	<b>7,593,000</b>	<b>143,900</b>		<b>7,736,900</b>	<b>1,880,891</b>
<b>7,902,237</b>	<b>= Funds Generated from Operating Activities</b>	<b>7,830,301</b>	<b>( 75,000)</b>		<b>7,755,301</b>	<b>24,494,741</b>
1,000,000	Amounts received for new/upgraded assets	1,000,000	-		1,000,000	1,074,980
-	Capital Income - Priority One Initiatives	-	-		-	-
255,420	Proceeds from disposal of assets	2,255,420	-		2,255,420	-
<b>1,255,420</b>	<b>Plus funds sourced from Capital Activities</b>	<b>3,255,420</b>	<b>-</b>		<b>3,255,420</b>	<b>1,074,980</b>
( 4,743,327)	Capital Expenditure-Asset Renewal and Replacement	( 4,782,328)	-		( 4,782,328)	( 299,407)
( 6,442,400)	Capital Expenditure-New and Upgraded Assets	( 7,584,855)	-		( 7,584,855)	( 1,516,660)
( 364,700)	Capital Expenditure-Full Cost Attribution	( 364,700)	-		( 364,700)	-
( 85,000)	Capital Expenditure-Environmental Projects	( 165,266)	-		( 165,266)	-
<b>( 11,635,427)</b>	<b>Less total capital expenditure</b>	<b>( 12,897,149)</b>	<b>-</b>		<b>( 12,897,149)</b>	<b>( 1,816,067)</b>
28,611	Plus: Repayments of loan principal by sporting groups	28,611	-		28,611	-
<b>28,611</b>	<b>Plus/(less) funds provided (used) by Investing Activities</b>	<b>28,611</b>	<b>-</b>		<b>28,611</b>	<b>-</b>
<b>( 2,449,159)</b>	<b>= FUNDING REQUIREMENT</b>	<b>( 1,782,817)</b>	<b>( 75,000)</b>		<b>( 1,857,817)</b>	<b>23,753,654</b>
<b>Funded by:</b>						
( 733,329)	Increase/(Decrease) in cash and cash equivalents	( 66,987)	( 75,000)	10	( 141,987)	2,586,905
-	Non-cash changes in Net Current Assets	-	-		-	20,740,245
( 3,550,000)	Less: New Borrowings	( 3,550,000)	-		( 3,550,000)	-
<b>1,834,170</b>	<b>Plus: Principal repayments of borrowings</b>	<b>1,834,170</b>	<b>-</b>		<b>1,834,170</b>	<b>426,504</b>
<b>( 2,449,159)</b>		<b>( 1,782,817)</b>	<b>( 75,000)</b>		<b>( 1,857,817)</b>	<b>23,753,654</b>

**CITY OF HOLDFAST BAY  
FINANCIAL STATEMENTS  
2013/14 BUDGET FUNDING STATEMENT - ALWYNDOR**

<u>ORIGINAL FULL YEAR BUDGET</u> \$		<u>CURRENT FULL YEAR FORECAST</u> \$	<u>PROPOSED FORECAST VARIANCE</u> \$	<u>PROPOSED FULL YEAR FORECAST</u> \$	<u>ACTUAL TO 30 SEPT.</u> \$
5,262,719	User Charges	5,262,719		5,262,719	864,547
9,759,143	Operating Grants & Subsidies	9,759,143	-	9,759,143	2,382,166
485,207	Investment Income	485,207	-	485,207	53,658
355,098	Reimbursements	355,098	-	355,098	7,001
594,906	Other	594,906	-	594,906	106,805
<u>16,457,073</u>	<b>Operating Revenue</b>	<u>16,457,073</u>	-	<u>16,457,073</u>	<u>3,414,177</u>
12,277,273	Employee Costs - Salaries & Wages	12,277,273		12,277,273	2,224,899
3,000,053	Materials, contracts and other expenses	3,000,053	-	3,000,053	813,338
568,116	Depreciation	568,116	-	568,116	-
<u>15,845,442</u>	<b>Less Operating Expenditure</b>	<u>15,845,442</u>	-	<u>15,845,442</u>	<u>3,038,237</u>
<u>611,631</u>	<b>= Operating Surplus/(Deficit)</b>	<u>611,631</u>	-	<u>611,631</u>	<u>375,940</u>
568,116	Depreciation	568,116	-	568,116	-
187,488	Other non-cash provisions	187,488	-	187,488	-
<u>755,604</u>	<b>Plus Non-Cash items in Operating Surplus/Deficit</b>	<u>755,604</u>	-	<u>755,604</u>	<u>-</u>
<u>1,367,235</u>	<b>= Funds Generated from Operating Activities</b>	<u>1,367,235</u>	-	<u>1,367,235</u>	<u>375,940</u>
-	Proceeds from disposal of assets	-		-	9,091
-	<b>Plus funds sourced from Capital Activities</b>	-	-	-	<u>9,091</u>
( 388,290)	Capital Expenditure-Asset Renewal and Replacement	( 388,290)	-	( 388,290)	-
( 2,242,716)	Capital Expenditure-New and Upgraded Assets	( 2,242,716)	-	( 2,242,716)	( 971,184)
<u>( 2,631,006)</u>	<b>Less total capital expenditure</b>	<u>( 2,631,006)</u>	-	<u>( 2,631,006)</u>	<u>( 971,184)</u>
<u>( 1,263,771)</u>	<b>= FUNDING REQUIREMENT</b>	<u>( 1,263,771)</u>	-	<u>( 1,263,771)</u>	<u>( 586,153)</u>
<b>Funded by:</b>					
( 1,263,771)	Increase/(Decrease) in cash and cash equivalents	( 1,263,771)	-	( 1,263,771)	( 1,018,749)
-	Non-cash changes in Net Current Assets	-		-	432,596
<u>( 1,263,771)</u>		<u>( 1,263,771)</u>	-	<u>( 1,263,771)</u>	<u>( 586,153)</u>

**CITY OF HOLDFAST BAY  
FINANCIAL STATEMENTS**

**2013/14 BUDGET FUNDING STATEMENT - CONSOLIDATED**

<b>ORIGINAL FULL YEAR BUDGET</b>		<b>CURRENT FULL YEAR FORECAST</b>	<b>PROPOSED FORECAST VARIANCE</b>	<b>PROPOSED FULL YEAR FORECAST</b>	<b>ACTUAL TO 30 SEPT.</b>
\$		\$	\$	\$	\$
28,397,800	Rates - General	28,397,800	2,000	28,399,800	28,359,101
535,124	Rates - Jetty Road Glenelg	535,124	-	535,124	535,121
49,125	Rates - Patawalonga Marina	49,125	-	49,125	49,123
978,669	Rates - NRM Levy	978,669	-	978,669	978,665
2,393,667	Statutory Charges	2,393,667	6,000	2,399,667	709,522
7,705,107	User Charges	7,705,107	610,757	8,315,864	1,230,168
12,677,215	Operating Grants & Subsidies	12,937,215	7,829	12,945,044	3,337,547
688,207	Investment Income	688,207	( 43,000)	645,207	55,361
746,432	Reimbursements	746,432	22,000	768,432	373,598
1,134,280	Other	1,134,280	( 8,900)	1,125,380	232,458
<b>55,305,626</b>	<b>Operating Revenue</b>	<b>55,565,626</b>	<b>596,686</b>	<b>56,162,312</b>	<b>35,860,664</b>
27,496,254	Employee Costs - Salaries & Wages	27,558,811	-	27,558,811	6,115,083
18,455,036	Materials, contracts and other expenses	18,724,415	671,686	19,396,101	4,907,608
848,652	Finance Charges	848,652	-	848,652	( 32,708)
7,949,516	Depreciation	7,949,516	143,900	8,093,416	1,880,891
( 364,700)	Less full cost attribution - % admin costs capitalised	( 364,700)	-	( 364,700)	-
<b>54,384,758</b>	<b>Less Operating Expenditure</b>	<b>54,716,694</b>	<b>815,586</b>	<b>55,532,280</b>	<b>12,870,874</b>
<b>920,868</b>	<b>= Operating Surplus/(Deficit)</b>	<b>848,932</b>	<b>( 218,900)</b>	<b>630,032</b>	<b>22,989,790</b>
7,949,516	Depreciation	7,949,516	143,900	8,093,416	1,880,891
399,088	Other non-cash provisions	399,088	-	399,088	-
<b>8,348,604</b>	<b>Plus Non-Cash items in Operating Surplus/Deficit</b>	<b>8,348,604</b>	<b>143,900</b>	<b>8,492,504</b>	<b>1,880,891</b>
<b>9,269,472</b>	<b>= Funds Generated from Operating Activities</b>	<b>9,197,536</b>	<b>( 75,000)</b>	<b>9,122,536</b>	<b>24,870,681</b>
1,000,000	Amounts received for new/upgraded assets	1,000,000	-	1,000,000	1,074,980
255,420	Proceeds from disposal of assets	2,255,420	-	2,255,420	9,091
<b>1,255,420</b>	<b>Plus funds sourced from Capital Activities</b>	<b>3,255,420</b>	<b>-</b>	<b>3,255,420</b>	<b>1,084,071</b>
( 5,131,617)	Capital Expenditure-Asset Renewal and Replacement	( 5,170,618)	-	( 5,170,618)	( 299,407)
( 8,685,116)	Capital Expenditure-New and Upgraded Assets	( 9,827,571)	-	( 9,827,571)	( 2,487,844)
( 364,700)	Capital Expenditure-Full Cost Attribution	( 364,700)	-	( 364,700)	-
( 85,000)	Capital Expenditure-Environmental Projects	( 165,266)	-	( 165,266)	-
<b>( 14,266,433)</b>	<b>Less total capital expenditure</b>	<b>( 15,528,155)</b>	<b>-</b>	<b>( 15,528,155)</b>	<b>( 2,787,251)</b>
28,611	Plus: Repayments of loan principal by sporting groups	28,611	-	28,611	-
<b>28,611</b>	<b>Plus/(less) funds provided (used) by Investing Activities</b>	<b>28,611</b>	<b>-</b>	<b>28,611</b>	<b>-</b>
<b>( 3,712,930)</b>	<b>= FUNDING REQUIREMENT</b>	<b>( 3,046,588)</b>	<b>( 75,000)</b>	<b>( 3,121,588)</b>	<b>23,167,501</b>
<b>Funded by:</b>					
( 1,997,100)	Increase/(Decrease) in cash and cash equivalents	( 1,330,758)	( 75,000)	( 1,405,758)	1,568,156
-	Non-cash changes in Net Current Assets	-	-	-	21,172,841
( 3,550,000)	Less: New Borrowings	( 3,550,000)	-	( 3,550,000)	-
1,834,170	Plus: Principal repayments of borrowings	1,834,170	-	1,834,170	426,504
<b>( 3,712,930)</b>		<b>( 3,046,588)</b>	<b>( 75,000)</b>	<b>( 3,121,588)</b>	<b>23,167,501</b>

Item No: **14.2**

Subject: **FORMER BRIGHTON TOWN HALL FACADE**

Date: 22 October 2013

Written By: General Manager

General Manager: City Assets, Mr S Hodge

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### **SUMMARY**

Administration was recently notified of a dangerous situation in regard to the brick wall façade attached to the former Brighton Town Hall site at 388 Brighton Road, Brighton.

Whilst attempting to remove graffiti from the wall it was noticed that the structure was physically moving from the vibration of trucks using Brighton Road and would obviously be further exacerbated with the reintroduction of the City to Noarlunga train service.

Administration immediately fenced off the area and commissioned a report from a Structural Engineer to evaluate the situation and offer some recommendation for rectification of this issue.

On this basis it is recommended that the total façade be removed back to the original building line.

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### **RECOMMENDATION**

**That Council demolish the facade of the building back to the original building alignment as per the option nominated in Figure 9 of the adopted Conservation Management Plan.**

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### **COMMUNITY PLAN**

A Place that is Safe and Secure  
A Place that is Well Planned

### **COUNCIL POLICY**

Not Applicable

**STATUTORY PROVISIONS**

Not Applicable

**REPORT**

Following concerns regarding movement in the external wall of the building when vehicles were passing along Brighton Road the area was quarantined and a report was commissioned from a Structural Engineer CC&L Consultants.

*Refer Attachment 1*

The property is the former Brighton Town Hall, located on Brighton Road. A detailed Conservation Management Plan was undertaken by Flightpath Architects in August 2009. Information obtained from this report indicates that the former Town Hall was constructed in 1869 with further extension work following from 1919 through to the 1970s. This was to all sides of the building. The subject wall was constructed as an extension to the front western elevation. This required a section of the front that was added in 1919 to be demolished. The construction is nominated as brick and is marked as a construction of minimal significance. A further small room was added to the north of the extension at a later date and has been nominated as being of no significance. The preferred approach nominated in the report is to retain only the buildings that were constructed in the 1900s ie the original Town Hall. It is anticipated that this western extension is to be demolished in the future.

The walls are double leaf with the external leaf constructed from standard clay bricks with blockwork at ground level. The other leaf of the roof side forming the parapet is typically constructed from blockwork for the 1950s extension and clay bricks for the northern later addition. The parapet wall to the 1950s section is in the order of 215mm overall thickness with the northern end 230mm. A horizontal loading was applied to the parapet by pushing onto a section of the wall over the window north of the main entry. This resulted in significant lateral movement being generated with the little force being applied. The load was applied at the top of the parapet. A horizontal crack is visible on the line of the bed joint two courses below the capping at the northern end of the 1950s extension, adjacent the vertical joint. It would also appear that there are no high level wall ties in the vertical joint (or they were no longer working) between the 1950s construction and the northern most extension as movement between the 1950s section of wall appeared not to be transferred into the northern section. Extensive flashing at the junction of the parapet wall and the roof appears to be silicon sealed to the wall for the 1950's section and recessed into the horizontal bed joints for the northern extension. It was unclear whether the silicon sealed section of wall also has the flashing recessed into the bed joint. If this is the case then the walls capacity to carry lateral load would be reduced because of the reduction in bond across the bed joint. A 40mm thick continuous capping black seals off the cavity at the top of the parapet walls. The walls showed significant cracking, more so over the entry and adjacent and over the window south of the entry and on the southern elevation (refer accompanying drawing marked SK1). We noticed that some of the lintels supporting brickwork over openings appeared to show excessive deflection. These lintels/arch bars would have been designed only to pick up a triangular section of brick. With the cracking of brickwork to the sides

of openings, the lintels are being forced to pick up more load than they were originally designed for.

In regard to stability of the top of the wall, there are significant sections of all that are too high for the wind loading they carry, (walls have been designed for an outdated code) let alone having the capacity to be able to resist earthquake effects. This capacity has been further reduced due to wall cracking and a reduction in bond width at locations where flashings have been installed into the bed joints.

*Refer Attachment 2*

Options for rectification are as follows:

1. Stabilise the tops of the wall by installation of a number of steel triangulated braced frames fixed off the parapet wall and secured back to the roof purlins.
2. Cut back the parapet wall. This may also require the removal of flashings and replacement with new. Alternatively the wall could be cut back slightly higher with a new capping block installed or additional flashing provided over the top of the parapet. The height should be suitable to take the lateral loads in accordance with the latest design codes.
3. Demolish this section of the building as per the option nominated in Figure 9 in the Conservation Management Plan. Refer Figure 9 which has been enclosed.

In regard to the first two options, the roof and attachments would still have to be investigated with a high possibility that additional strengthening for lateral support will be required. Further, a close inspection of the flashings will be required if option 2 is proposed. In regard to the cracking of brickwork, underpinning is an option which will help to stabilise walls from further major movement and cracking. Repair, replacement and re-pointing of sections of brickwork are required and it is also anticipated that the lintels/arch bars will need to be replaced with new.

In conclusion if it is anticipated in the future that this section of the building is to be demolished, it may be prudent to look at this being the preferred option as this solution may be the most cost effective for the long term vision for the site.

Members may be aware of a recent incident in Melbourne where a wall adjacent to a public footpath collapsed and killed 3 pedestrians accessing the footpath at the time.

See attached media article.

*Refer Attachment 3*

## **BUDGET**

It is anticipated that demolition and making good the remaining frontage would be in the order of \$10,000 and could be funded from recurrent building maintenance budgets.

**LIFE CYCLE COSTS**

There is no ongoing life cycle costs for this aspect of the operation.

17 September 2013

City of Holdfast Bay  
Brighton Civic Centre  
24 Jetty Road,  
Brighton SA 5048

Attention: Mathew Walsh, Coordinator Buildings

Dear Mathew,

**REPORT ON FRONT WALL TO FORMER BRIGHTON TOWN HALL,  
388 BRIGHTON ROAD, HOVE**

At your request, the site was visited on Thursday 12 September 2013 to gather information on the structural integrity of the front western entry wall. Movement of this wall was reported to Council by a person who had accessed the roof and had noticed the movement when a truck had passed on Brighton Road. At the time of our visit the front section of the building had been blocked off from access by temporary fencing.

The property is the former Brighton Town Hall, located on Brighton Road. A detailed Conservation Management Plan was undertaken by Flightpath Architects in August 2009 for the Council. Information obtained from this report indicates that the former Town Hall building was constructed in 1869 with a further extension added at its eastern end in 1874. These sections of the building are heritage listed. Further extension work followed from 1919 through to the 1970's. This was to all sides of the building. The wall we have been asked to review was constructed as an extension to the front western elevation. This required a section of the front that was added in 1919 to be demolished. The construction is nominated as brick and is marked as a construction of minimal significance. A further small room was added on to the north of this extension at a later date and has been nominated as being of no significance. The preferred approach nominated in the report is to retain only the buildings that were constructed in the 1900's i.e. the original Town Hall. It is anticipated that this western extension is to be demolished in the future.

Access to the roof was provided by a ladder. While there, we were able to examine the parapet walls. The walls are double leaf with the external leaf constructed out of standard clay bricks with blockwork at ground level. The other leaf on the roof side forming the parapet is typically constructed out of blockwork for the 1950's extension and clay bricks for the northern later addition. The parapet wall to the 1950's section is in the order of 215mm overall thickness with the northern end 230mm. A horizontal loading was applied to the parapet by pushing onto a section of the wall over the window north of the main entry. This resulted in significant lateral movement being generated with little force being applied. The load was applied at the top of the parapet. A horizontal crack is visible on the line of the bed joint two courses below the capping at the northern end of the 1950's extension, adjacent the vertical joint. It would also appear that there are no high level wall ties in the vertical joint (or they were no longer working) between the 1950's construction and the northern most extension as movement between the 1950's section of wall appeared not to be transferred into the northern section. Extensive flashing at the junction of the parapet wall and the roof sheeting appears to be silicon sealed to the wall for the 1950's section and recessed into the horizontal bed joints for the northern extension. It was unclear whether the silicon sealed section of wall also had the flashing recessed into the bed joint. If this was the case then the walls capacity to carry lateral load would be reduced because of the reduction in bond across this bed joint. A 40mm thick continuous capping block seals off the cavity at the top of the parapet walls. We were also able to view the walls from ground level behind the fence barrier. The walls showed significant cracking, more so over the entry



and adjacent and over the window south of the entry and on the southern elevation (refer accompanying drawing marked SK1). We noticed that some of the lintels supporting brickwork over openings appeared to show excessive deflection. These lintels/arch bars would have been designed only to pick up a triangular section of brick. With the cracking of brickwork to the sides of openings, the lintels are being forced to pick up more load than they were originally designed for. We did not enter inside or review the condition and suitability of the 1950's designed roof structure for vertical roof support and horizontal lateral wall support.

In regard to stability of the top section of the wall, there are significant sections of wall that are too high for the wind loading they carry, (walls have been designed for an outdated code) let alone having the capacity to be able to resist earthquake effects. This capacity has been further reduced due to wall cracking and a reduction in bond width at locations where flashings have been installed into the bed joints.

Options for rectification are as follows:

1. Stabilise the tops of the wall by the installation of a number of steel triangulated braced frames fixed off the parapet wall and secured back to the roof purlins.
2. Cut back the parapet wall. This may also require the removal of flashings and replacement with new. Alternatively the wall could be cut back slightly higher with a new capping block installed or additional flashing provided over the top of the parapet. The height should be suitable to take the lateral loads in accordance with the latest design codes.
3. Demolish this section of the building as per the option nominated in Figure 9 in the Conservation Management Plan. Refer Figure 9 which has been enclosed.

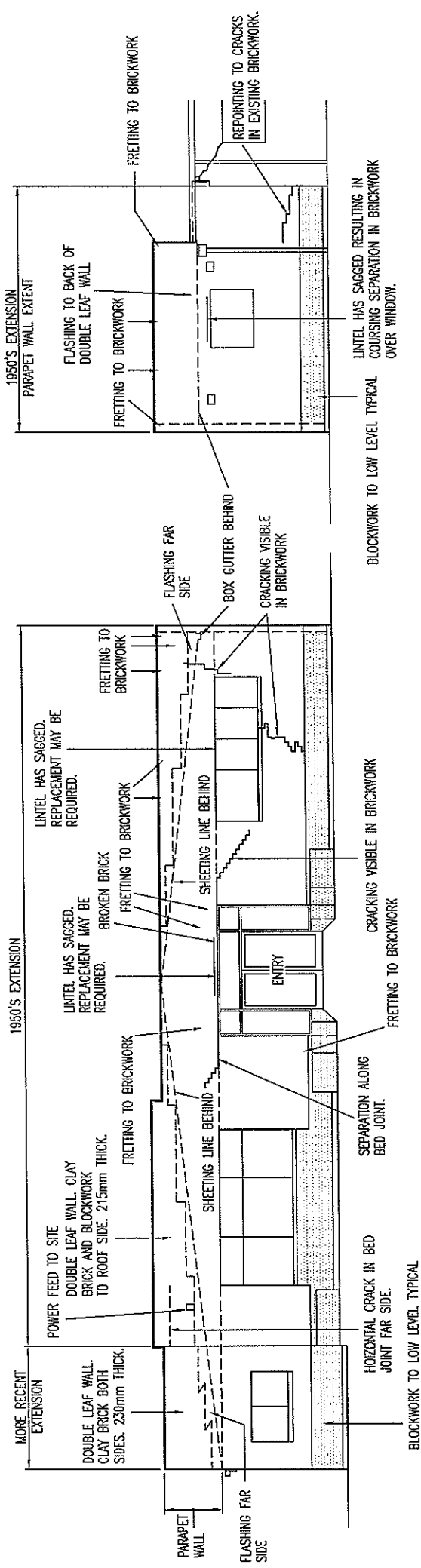
In regard to the first two options, the roof and attachments would still have to be investigated with a high possibility that additional strengthening for lateral support will be required. Further, a close inspection of the flashings will be required if option 2 is proposed. In regard to the cracking of brickwork, underpinning is an option which will help to stabilise walls from further major movement and cracking. Repair, replacement and re-pointing of sections of brickwork are required and it is also anticipated that the lintels/arch bars will need to be replaced with new.

In conclusion if it is anticipated in the future that this section of the building is to be demolished, it may be prudent to look at this as being the preferred option as this solution may be the most cost effective for the long term vision for the site.

Regards

Graham Cutts B Eng MIEAust CPEng

Encls: Dwg. SK1 17/09/2013  
Copy of Figure 9 from the Conservation Management Plan



**FRONT ELEVATION—WESTERN**  
1:100

**PART SIDE ELEVATION—SOUTHERN**  
1:100

FRONT WALL TO FORMER  
 BRIGHTON TOWN HALL  
 388 BRIGHTON ROAD, HOVE

SK1 17-9-2013

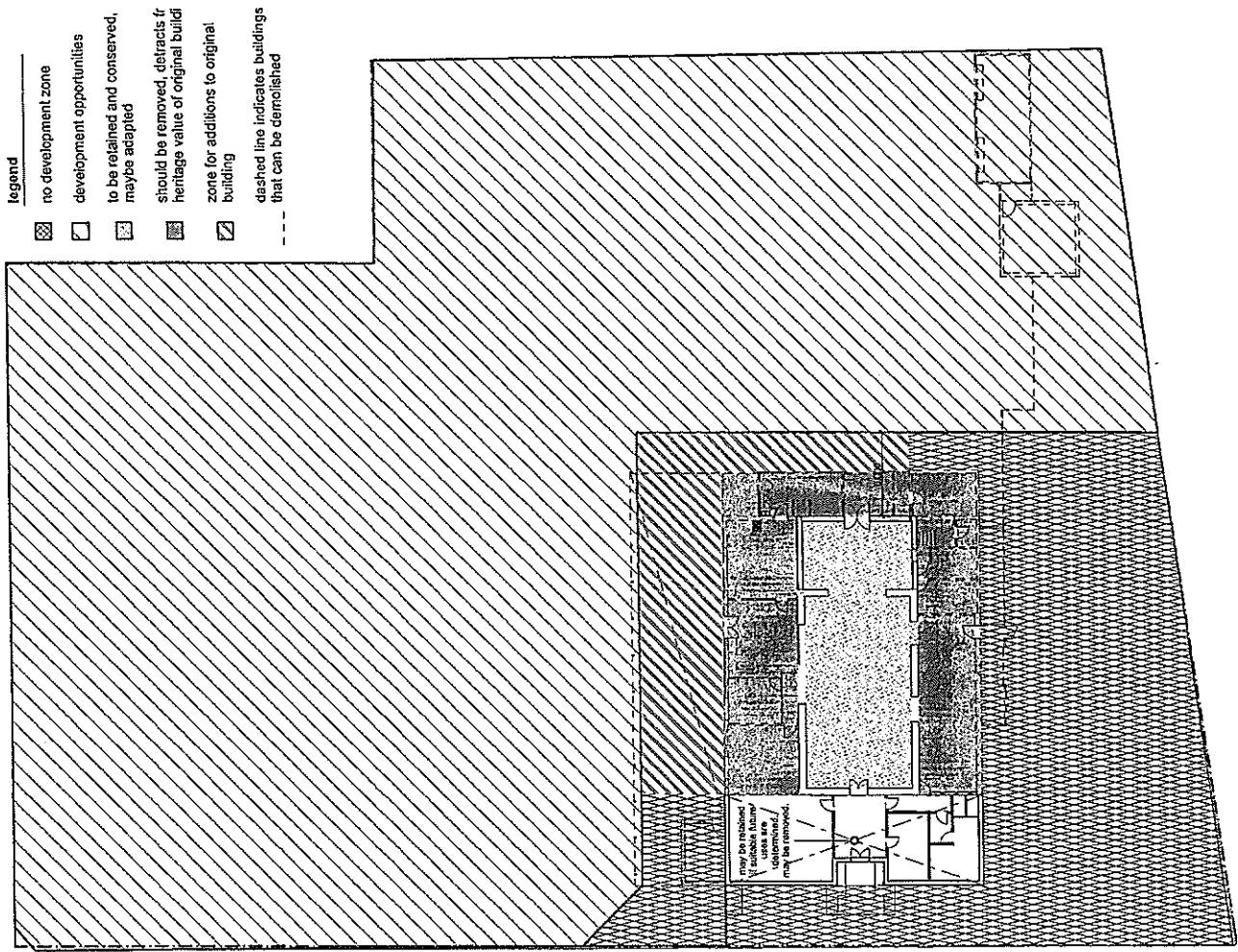


Figure 9 — Development Opportunities & Constraints





# The wall, and why it collapsed

April 3, 2013

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Royce Millar and Deborah Gough

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## Wall collapse sparks statewide audit

As investigators probe the cause of the fatal wall collapse in Carlton, state government has ordered an audit of similar structures across Victoria.

A sign spruiking the latest mega-development for the landmark CUB site on Swanston Street appears to have been a key factor in the collapse of the wall that killed three passers-by last week.

The tragedy is made all the worse by the fact that, like so many grand visions for this bombsite, Daniel Grollo's \$800 million Swanston Square has struggled to get off the ground.

\* The loss of three lives has raised questions about how a prized city site could have been left to wither over almost 30 years - and about the dangers that come with such neglect.



The site of last Thursday's wall collapse, pictured in 2012, has seen a procession of failed developments since being cleared. *Photo: Glenn Wilson*

Anxiety about such issues took root in Spring Street on Tuesday with Planning Minister Matthew Guy announcing an audit of similar structures across the state.

"The government has asked today the Building Commission to write to all councils, and indeed every builder in the state of Victoria, to be a part of identifying any other similar structures that may need to be checked as soon as possible," he told the ABC on Tuesday night.

His announcement came after the French consulate named the third person who died as a result of the wall collapse.

The woman's name is Marie-Faith Fiawoo, 33, a post-doctorate fellow in the engineering faculty at Monash University. Her parents were notified on Friday and are now en route to Melbourne.

Bridget Jones and her brother Alexander, of Melbourne, also died in the incident, which is being investigated by the Coroner as well as by the Melbourne City Council, Worksafe and Victoria Police.

As investigations get under way, it was confirmed that a focus of the inquiries would be the advertising board that had been attached to the wall. It is unclear that the hoarding had any purpose other than advertising Grocon's Swanston Square precinct.

When Grocon bought the site from RMIT University in 2006, chief executive Daniel Grollo said construction would start the following year. Almost seven years later, only demolition and archaeological work has been done. RMIT University has since built a design hub on the south-east corner of the site, which it had retained.

For the investigators, there is growing interest in the advertising board and its sail-like effect in a high wind. On Thursday, a freak and powerful gust of wind hit inner Melbourne around the time of the wall collapse.

Building union officials who occupy a building opposite the site say the board advertising the website [www.SwanstonSquare.com.au](http://www.SwanstonSquare.com.au) was as much as one metre taller than the brick wall, which was about 2.5 metres. Peter Johns, a Carlton architect familiar with the site, estimated the board to be about 45 centimetres taller.



Alexander Jones.



Marie-Faith Fiawoo.



Bridget Jones.

Engineers Australia structural college chairman Richard Eckhaus said that if a hoarding was significantly higher than the wall it was attached to, it could interfere with the wall's safety.

"If you attach something to it to make it significantly higher, then it could lead to a collapse," Mr Eckhaus said.

"If you erect a sign that is higher than the wall it is attached to, it acts exactly like a sail."

What remains unclear is how planning approval was granted for such a hoarding - if it was - and why no checks were made.

Engineer and former Melbourne lord mayor Trevor Huggard has had an association with the site since 1980s, when CUB decided to consolidate its brewery operations in Abbotsford.

He raised doubts about the legality of the brick wall, which appears to have been built in the late 1960s or early 1970s. The wall was not heritage-registered.

Mr Huggard said that a building regulation dating back to the 1930s, but still in place, dictates that such external walls must not be more than 6 feet, or 1.8 metres, high.

The wall was two brick courses thick with a cavity in between, a standard approach for an external building wall.

Mr Huggard has studied the photographs and concluded that the wall had been poorly constructed with a grossly inadequate number of metal ties holding the two courses of bricks together. He said there appeared to be little, if any, buttress or other supports.

"It appears to contravene every rule in the book," he said.

Over three decades the site has been bought and sold like a Monopoly board property, with smart developers and real estate agents making millions along the way.

Visions of casinos, corporate headquarters, bank offices, student housing and even internal winter gardens have come and gone without a brick being laid, while heritage structures such as the Malthouse on Swanston Street and CUB's original bluestone building have deteriorated.

For years councillors and others concerned about the city's fabric have argued that sites such CUB should not be cleared - or, in this case, part cleared - until proposed projects are approved and financed.

The older structures on the site could, and should, have been maintained and made use of.

"I'm quite concerned it would have blossomed and been very attractive to the student community that contributes so much to the life of that area," Mr Huggard said.

He said the problem with such sites was they were cleared as bombsites, and neither developers nor authorities were obliged to ensure they were made use of or kept safe.

"A bombsite is 10 times more dangerous than a finished building."

In recent weeks property industry insiders have raised doubts about Grocon's capacity to realise its vision for the site.

But on Tuesday night Grocon insisted that work on the Swanston Square apartments would begin no later than April 8.

The company said in a statement: "Our thoughts remain with the families of the three young people who died."

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