

## ITEM NUMBER: 18.1

### CONFIDENTIAL REPORT

### HOARDING FEE RELIEF REQUEST

*Pursuant to Section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:*

- d. **commercial information of a confidential nature (not being a trade secret) the disclosure of which –**
  - i. **could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and**
  - ii. **would, on balance, be contrary to the public interest.**

**Recommendation – Exclusion of the Public – Section 90(3)(d) Order**

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 98/25 Hoarding Fee Relief Request in confidence.
  2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 98/25 Hoarding Fee Relief Request on the following grounds:
    - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information in that the financial position of Lucy Commercial would be divulged.

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 the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
  3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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**Item No:** 18.1

**Subject:** HOARDING FEE RELIEF REQUEST

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## Summary

At its meeting held on 27 October 2023 the State Commission Assessment Panel granted approval for the construction of a 13-level residential flat building containing 10 apartments, basement carparking and a rooftop terrace on land at 19 St Johns Row, Glenelg.

This report seeks Council's consideration of a reduction in hoarding fees for Lucy Commercial due to extenuating financial circumstances related to their ongoing development project at 19 St Johns Row, Glenelg.

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## Recommendation

1. **That Council accede to the request made by Lucy Commercial in communication dated 4 March 2025 for a reduction in the payment of hoarding fees associated with the multi-storey apartment development occurring at 19 St Johns Row, Glenelg on the basis that:**
  - a) **the hoarding fee payable to Council for the six-month period from 1 March 2025 to 31 August 2025 is \$66,805.28 (incl. GST); and**
  - b) **the fee reduction ends on 31 August 2025, after which time the hoarding fees payable shall be in line with Council's Fees and Charges schedule published at the time.**

### RETAIN IN CONFIDENCE - Section 91(7) Order

2. **That having considered Agenda Item 18.1 98/25 Hoarding Fee Relief Request in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report, attachment and minutes be retained in confidence for a period of 12 months.**
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## Background

At its meeting held on 27 October 2023 the State Commission Assessment Panel granted approval for the construction of a 13-level residential flat building containing 10 apartments, basement carparking and a rooftop terrace on land at 19 St Johns Row, Glenelg. The development is currently under construction, requiring the placement of hoardings and the decommissioning of street carparking along St Johns Row, the estimated cost of which is \$10,000 per month. This estimate was calculated by Council Administration and subsequently used as the basis for the contractual agreement between the site owner and Lucy Commercial, who have been engaged to undertake the construction.

Lucy Commercial has now made a formal request to have these fees reduced for reasons outlined in the body of this report. It should be noted that a similar dispensation from the payment of hoarding fees was also granted by Council at its meeting held on 12 October 2021 (Resolution No. C121021/2517) to the Taplin Group's hotel and retail development located on the corner of Jetty Road and Colley Terrace, Glenelg, and by resolution on 25 January 2022 (Resolution No. C250122/2532) to the Karidis Corporation for its construction of the Avista Retirement Apartments on Durham Street, occurring immediately opposite the Taplin Group's development site.

## Report

In 2024, Council adopted a new fee structure, which applies a charge of \$60 per day per unmarked parking space. An initial hoarding permit was issued in October 2024 to assist with site setup. As part of the approved Traffic Management Plan, Council requested the removal of several parking spaces to accommodate traffic flow, improve neighbouring property access, and ensure uninterrupted waste collection services. These removed spaces were initially charged at the standard road occupation rate, rather than the updated parking space rate.

Due to an administrative oversight, this discrepancy was not corrected until February 2025, at which time Lucy Commercial was formally notified that the fees would be adjusted to the correct rate of \$60 per space per day, effectively doubling the monthly hoarding fee to approximately \$19,000 per month rather than the previous estimate of \$10,000. Lucy Commercial has since written to Council advising that this increase was not budgeted for and has formally requested a concession on the hoarding fees, as provided in Attachment 1 of this report.

*Refer Attachment 1*

The unexpected cost of the hoarding is exacerbated by extenuating circumstances affecting the construction project, as outlined below:

1. **Unexpected De-watering Costs:**  
Lucy Commercial encountered significant unanticipated costs due to a mismatch between the forecasted and actual site water yield. While the environmental report estimated 0.2 litres per second, the actual yield was 3.0 litres per second, resulting in considerable additional de-watering costs.
2. **Licence Over Sail Negotiations and Legal Expenses:**  
Further financial strain has resulted from negotiations with neighbouring property owners regarding tower crane over sail agreements, which included paying for dilapidation reports, legal fees for multiple parties, and the company's own legal representation.
3. **Neighbour Compensation Requests:**  
Some neighbouring properties have also requested weekly compensation payments due to the presence of the tower crane above their land, placing additional financial stress on the project.
4. **Construction Cost Escalations:**  
Like many businesses in the sector, Lucy Commercial has faced significant labour and material cost increases, further impacting the project's budget.

Cost pressures aside, additional considerations lending support to a hoarding fee reduction include:

- The parking space removals were implemented at the request of council to benefit local residents and ensure service access.
- Lucy Commercial has consistently demonstrated full compliance with all council permit conditions and has engaged constructively with council officers throughout the project.
- All hoarding-related fees have been paid in full and on time up to this point.
- Lucy Commercial is a local, family-run business and an active contributor to the Holdfast Bay community.
- Enforcing the full hoarding fees at the updated rate poses a risk to the financial stability of Lucy Commercial, potentially resulting in an incomplete project and negative impacts on the surrounding community.

Having consideration for the extenuating circumstances involved and the cost estimates that were originally offered to the developer at the time, it is recommended that there are sufficient grounds to accede to the request by Lucy Commercial a reduction to the quantum of hoarding fees otherwise payable based on the Council's schedule of Fees and Charges.

## Budget

The hoarding fee payable to Council for the six-month period from 1 March 2025 to 31 August 2025 is \$66,805.28 (including GST). This amount reflects a reduction of \$49,665.28 from the original fee of \$116,470.56.

## Life Cycle Costs

There are no life cycle costs associated with this report.

## Strategic Plan

Holdfast 2050+ Vision: Protecting our heritage and beautiful coast.

## Council Policy

Hoarding, Scaffolding or Other Equipment and Damage Policy

## Statutory Provisions

*Local Government Act 1999, sections 188 and 221*

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**Written By:** Development Engineer

**A/General Manager:** Assets and Delivery, Mr B Blyth

# Attachment 1

**From:** [Sarah Farcut-Young](#)  
**To:** [Holdfast Mail](#)  
**Cc:** [Florin Lucy Commercial](#)  
**Subject:** Confidential - Exemption Request Lucy Commercial  
**Date:** Tuesday, 4 March 2025 2:58:48 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image008.png](#)  
[image009.png](#)  
[image010.png](#)  
**Importance:** High  
**Sensitivity:** Confidential

**Caution:** This Email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender or know the content is safe.

Dear City of Holdfast Bay CEO,

I hope this email finds you well. I am writing to formally request an exemption from hoarding permit fees for our current project at 19 St Johns Row, Glenelg which was awarded to us late last year.

As a local Holdfast Bay based, family-run building business, we take great pride in contributing to the community where we also reside. However, we recently encountered an unexpected financial challenge. Our contract with the client does not allow us to pass on council permit fees, and unfortunately, we did not anticipate the significant cost of the hoarding fees when preparing our agreement. The invoices received over the past three months have already exceeded our contractual allowance for permits, and moving forward, these fees are being paid directly from our own funds, putting a strain on our business operations.

We acknowledge that different councils have varying fee structures, and in this instance, we overlooked the difference when budgeting for this project. While this was an oversight on our part, we did not anticipate the significant cost difference, which has now placed unexpected financial pressure on our business. Additionally, the increase in fees since the inception of our application has added further stress, making it even more challenging to manage this expense. Given these circumstances, we kindly seek your consideration for an exemption or part exemption from these hoarding permit fees. This would provide significant relief and allow us to continue operating sustainably within the Holdfast Bay community.

We truly believe this project is a landmark and will contribute to the street scape of St Johns Row, the Esplanade and wider coastal look. There will be a four level carpark available for visitors and residences, which can take some pressure of the current street parking.

We greatly appreciate your time and understanding and would appreciate the opportunity to discuss this matter further at your earliest convenience.

Thank you for your consideration.

Kind Regards,



**Sarah Farcut-Young**

Finance & Estimating

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**A:** 3 Brighton Rd, Glenelg SA 5045

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