

**CITY OF MARION  
GENERAL COUNCIL MEETING  
24 JANUARY 2017**

**CONFIDENTIAL REPORT**

**Corporate Manager:** Jaimie Thwaites, Acting Manager Corporate Governance  
**General Manager:** Vincent Mifsud, General Manager Corporate Services  
**Chief Executive Officer:** Adrian Skull  
**Subject:** Finance and Audit Committee Confidential Minutes  
**Reference No:** GC240117F01

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If the Council so determines, this matter may be considered in confidence under Section 90(2) and (3)(d) of the *Local Government Act 1999* on the grounds that the report contains information relating to commercial information of a commercial nature (not being a trade secret) the disclosure of which (i) could reasonably be expected to prejudice the commercial position of a 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.



**Adrian Skull**  
Chief Executive Officer

**RECOMMENDATION**

1. That pursuant to Section 90(2) and (3)(e) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Adrian Skull Chief Executive Officer; Vincent Mifsud, General Manager Corporate Services; Abby Dickson, General Manager City Development; Tony Lines General Manager Operations; Jaimie Thwaites, Acting Manager Corporate Governance; Yvette Zaric, Governance Officer, be excluded from the meeting as the Council receives and considers the confidential minutes of the Finance and Audit Committee, upon the basis it is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential on the grounds that the report contains information relating to commercial information of a commercial nature (not being a trade secret) the disclosure of which (i) could reasonably be expected to prejudice the commercial position of a 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.

**DISCUSSION:**

The purpose of this report is to receive the confidential minutes from the 15 December 2016 Finance and Audit Committee relating to the City of Marion Outdoor Swim Centre Service Review 2016 (Report Reference: FAC151216F01) and the Internal Audit Contract (Report Reference: FAC151216F02).

The confidential minutes are attached in Appendix 1.

**RECOMMENDATIONS****DUE DATES****That Council:**

1. **Receives and notes the confidential minutes of the Finance and Audit Committee meeting of 15 December 2016 (Appendix 1)** Jan 2017
2. **In accordance with Section 91(7) and (9) of the Local Government Act 1999 orders that this report and Appendix 1 having been considered in confidence under Section 90(2) and (3)(d) of the Act be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2017.** Jan 2017

**MINUTES OF**  
**CONFIDENTIAL ITEM**

**Organisational Service Reviews Qtr 1 2016/17**

**Reference No: FAC151216F01**

**Marion Outdoor Pool**

**Moved Councillor Telfer, Seconded Mr Owens** that pursuant to Section 90(2) and (3)(d) of the *Local Government Act 1999*, the Finance & Audit Committee orders that all persons present, with the exception of: Adrian Skull Chief Executive Officer, Vincent Mifsud General Manager Corporate Services, Abby Dickson General Manager City Development, Tony Lines General Manager Operations, Ray Barnwell Manager Finance, Kate McKenzie Manager Corporate Governance, Carol Hampton, Manager City Property, David Harman Financial Accountant, Deborah Horton Unit Manager Performance & Improvement, Melissa Nottle-Justice Business Improvement Officer be excluded from leaving the meeting as the Committee receives and considers information relating to the City of Marion Outdoor Swim Centre, upon the basis it is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential on the grounds that the report contains information relating to commercial information of a commercial nature (not being a trade secret) the disclosure of which (i) could reasonably be expected to prejudice the commercial position of a 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.

**Carried**

**4.58 pm the meeting went into confidence**

The General Manager City Development provided an overview of the report highlighting to the Committee that a number of reviews had already been undertaken regarding the Marion Outdoor Pool. BDO completed a review in 2014/15 and the outcomes had been progressed. These included reduction in staff costs, development of a marketing plan, improved management of facilities and commercial operations. The review also recognized that the pool is over 40 years old with no major redevelopment being undertaken to this point. It is therefore at a point where Council needs to decide if it wants to invest in capital to improve the facility or not. Council has endorsed the development of a master plan that will be presented at a General Council Meeting early 2017.

The Committee noted that the outdoor pool has a point of difference from the State Aquatic Centre and suggested that this could be more thoroughly explained within the report. Further emphasis on the marketing of the pool should focus on what its offering and why it should be chosen over other facilities.

It was noted that the cost of running the pool is around \$[REDACTED] per year. The Committee stated that the question for Council is what is a reasonable cost for providing this service to the community. The only way for Council to know if there is a benefit by outsourcing the service, will be to test the market.

The following points were queried and noted by the Committee:

- Further work with Council should occur regarding the future use of the pool and its strategy - is it a service provided to make revenue or a service to the community. It may be useful for Council to define what the public benefit of the pool is before proceeding.



- The Committee queried if the data obtained can determine what proportion of users are from the City of Marion residents. This data is not captured as an ongoing basis. Previous research demonstrates that the catchment is approximately a 10km radius of the pool and 7 out of 10 are City of Marion residents.
- Council may like to consider what is the tipping point regarding the cost of the service (what is a reasonable cost to Council to provide this type of community facility?)
- It was noted that the City of Marion salaries are the lowest per attendee. This suggests that good improvements have occurred already. The Committee suggested that the Master Planning should focus on items that will bring more attendees/revenue to the pool.
- The Committee queried if corporate sponsorship had been explored as with the right sponsor this could attract more people to the pool. It was noted that this was something Council hadn't explored to date.
- There are some Council that have an external contractor operate their pools (Barossa and Salisbury). The information received from these Councils indicates that the contractor had performed well but Council's need to be conscious of community outcomes and not just commercial operations. It was difficult to obtain information around the contract due to the commercial nature of the contract.

The Committee discussed the options within the report and supported Option B (in-house management with refinements to improve position design and efficiencies). The Committee noted that things are progressing well and Council should better define the product the pool will deliver. Option B would include changes to the staffing structure which would improve position designs, reduce overtime and casual rates and provide improved support for programme planning and marketing during the offseason. The Committee noted that any changes will need to occur in accordance with enterprise agreements for staff.

**Moved Mr Owens, Seconded Ms Presser that:**

1. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that this report, City of Marion Outdoor Swim Centre Service Review 2016, any appendices and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(d) of the Act, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2017.

**Carried**

**5.22 pm the meeting came out of confidence**

**Internal Audit Contract**

**Reference No: FAC151216F02**

1. **Moved Mr Owens, Seconded Councillor Telfer** that pursuant to Section 90(2) and (3)(d) of the Local Government Act 1999 the Committee orders that all persons present, with the exception of the following persons Adrian Skull Chief Executive Officer, Vincent Mifsud General Manager Corporate Services, Kate McKenzie Manager Corporate Governance, Councillor Jason Veliskou, Abby Dickson, General Manager City Development and Tony Lines General Manager Operations be excluded from the meeting as the Committee receives and considers information relating to contract for the provision of Internal Audit Services upon the basis that the Committee is satisfied that

the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates commercial information that could reasonably be expected to prejudice the commercial position of the person who supplied the information.

**Carried**

#### **5.23 pm the meeting went into confidence**

The Committee discussed the work and outcomes of KPMG and feels that the quality has been to a good standard. KPMG have demonstrated that they are doing a good job and are working well within the City of Marion. The report quality is a good standard and the Committee would recommend extending the contract for a further two years.

The Committee discussed the new fee structure and suggested that some negotiation should occur on the figures, particular for the role of Director. The Committee noted that Jared Lawrence had been promoted from Associate Director to Director meaning that his costs had increased by \$55 per hour which is significant.

**Moved Mr Owens, Seconded Councillor Telfer that**

- 1. The Committee recommends that the KPMG contract for Internal Audit services be extended for a further two years until 30 June 2019.**
- 2. That further negotiations occur regarding the fee structure for KPMG and the contract extension be finalised by 30 June 2017.**
- 3. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that this report, the minutes arising from this report and any other information distributed at the meeting having been considered in confidence under Section 90 (2) and (3) (k) of the Act be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the December 2017 Council Meeting.**

**Carried**

#### **5.31 the meeting came out of confidence**