

ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Wednesday 26 April 2023
CONFIDENTIAL AGENDA BUSINESS ITEM

Item: 18.1

Responsible Officer: Peter Bice
Director Infrastructure and Operations
Infrastructure and Operations

Subject: Amy Gillett Bikeway - Stage 4 Agreement

For: Decision

1. Amy Gillett Bikeway - Stage 4 Agreement – Exclusion of the Public

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except:

- Acting Chief Executive Officer, David Waters
- Acting Director Community Capacity, Rebecca Shepherd
- Acting Director Corporate Services, Karen Cummings
- Director Development & Regulatory Services, Natalie Armstrong
- Director Infrastructure & Operations, Peter Bice
- Executive Manager Governance & Performance, Lachlan Miller
- ICT Support Officer, Mike O’Donnell
- Systems Analyst Information Systems, Tom Portas
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 18.1: (Amy Gillett Bikeway - Stage 4 Agreement) in confidence.

The Council is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified above, be excluded to enable Council to consider the report at the meeting on the following grounds:

- (j) Section 90(3)(j) of the *Local Government Act 1999*, the information to be received, discussed, or considered in relation to this Agenda Item is information the disclosure of which –
- (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and
 - (ii) would, on balance, be contrary to the public interest.

Accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

2. Amy Gillett Bikeway - Stage 4 Agreement– Confidential Item

SUMMARY

Council has been advocating for the completion of Stage 4 (Mount Torrens to Birdwood) and Stage 5 (Birdwood to Mount Pleasant) of the Amy Gillett Bikeway since the completion of Stage 3 by the State Government in 2014.

Following strong community support and advocacy from the Federal Member for Mayo Rebekha Sharkie MP, in 2020 the Federal Government allocated \$2.6m in the Federal Budget to complete Stage 4 (Mount Torrens to Birdwood) under the then Community Development Grants Program.

Provision of funding is dependent on the preparation and execution by Adelaide Hills Council and the S.A. Department for Infrastructure and Transport (the “DIT”) of the funding agreement that sets out the terms and conditions under which the funding is provided, including confirmation of project cost estimates, final designs and confirmation of how any cost over-runs will be funded.

Following concept design and cost estimates prepared by DIT, it became clear that the funding was not going to be able to deliver the intended outcome.

The Federal Government has extended the deadline for completion of the funding agreement on a number of occasions and has recently advised of a firm deadline of 28 April 2023. Should a funding agreement not be executed by that date, the funding will be withdrawn.

This report seeks the necessary Council resolutions required to enable staff to confirm the Council’s participation in the funding agreement.

It should be noted that at the time of writing this report, the State Government was yet to make any formal commitment toward funding the project, with a revised cost estimate of \$7.9m (and further reductions possible), the State Government believe that it can secure the additional funding required to make up the shortfall once including the \$2.6m and a \$500k Council Contribution.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted.**
- 2. To commit to provide up to \$500,000 toward the cost of Stage 4 of the Amy Gillett Bikeway (Mt Torrens to Birdwood) and that, if possible, the Council’s contribution be spread over a number of years via arrangement with the State Government.**
- 3. To note that Stage 4 of the Bikeway may be constructed to an unsealed (compacted roadbase/rubble/gravel) standard, with the ability to seal (bitumen/asphalt) in future.**
- 4. To authorise the Chief Executive Officer or delegate to:**
 - a. finalise arrangements concerning the Council’s financial contribution;**
 - b. negotiate aspects of the design and construction of the Bikeway;**
 - c. enter into a “Deed of Agreement” with the Federal Department of Infrastructure, Transport, Regional Development and Communications on behalf of the Council, subject to the State Government committing to deliver the project;**
 - d. enter into any other agreements or contracts required to finalise the matter.**

5. If required for the purpose of executing any agreement associated with this matter, to authorise the Mayor and Chief Executive Officer to affix the Council’s common seal.

1. BACKGROUND

The Amy Gillett Bikeway is named in honour of Adelaide cyclist Amy Gillett, who was tragically killed in 2005 during a training ride with the Australian Women’s Cycling Team.

Stage 1 of the Amy Gillett Bikeway from Oakbank to Woodside was built by the State Government in 2010 on a former rail corridor.

Stage 2 to Charleston and Stage 3 to Mount Torrens were subsequently constructed, but since 2014 work on the remainder of the planned bikeway has stalled when no further monies were allocated by the State Government.

Stage 4 Mount Torrens to Birdwood currently has a Federal funding commitment of \$2.6m, pending commitments from Adelaide Hills Council and DIT to fully fund any additional costs.

The originally proposed Stage 5 from Birdwood to Mt Pleasant remains unfunded by any tier of government.

Following completion of Stage 3, the State Government put the project into something of a hiatus. Council has continued to advocate for the completion of the Bikeway since that time and has at various times committed its own funding in order to incentivise the State Government to continue the project. The Council has also applied to various government funding programs to obtain further monies to contribute to the project.

It is worth noting that the Bikeway is a State Government asset on State Government land. The project has always been a State Government initiative, albeit the Council has been the primary advocate for its completion and has endeavoured to seek funding contributions to enable the State Government to proceed with the project.

In 2020 the Federal Government allocated \$2.6m to the project following advocacy from Member for Mayo Rebekha Sharkie MP. Given the Council’s primary advocacy role, the Federal Government earmarked the funding to be allocated to the Council rather than directly to the State Government for delivery of the project. While this has added some complexity to the Council’s role in the matter, it remains the case that the State Government is responsible for determining if, when and how the Bikeway is completed.

Subsequent to the Federal Government’s funding promise, DIT undertook further project scoping and design. It soon became apparent that the cost of completing Stage 4 to Birdwood would exceed \$2.6m. No commitment has been made by the State Government, either before or after the 2022 state election, to allocate money to complete the project.

DIT has continued to progress scoping and design work. With further details being finalised, the passage of time, and abnormal construction costs escalation in recent years, the estimated project cost has increased considerably.

The Federal Government has extended the deadline for completion of the funding agreement on a number of occasions and has recently advised of a firm deadline of 28 April 2023. Should a funding agreement not be executed by that date, the funding will be withdrawn.

2. ANALYSIS

➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

Goal	A functional Built Environment
Objective B1	Our district is easily accessible for Community, our businesses and visitors.
Priority B1.1	Increase accessibility to our district through the development and delivery of high priority trails and routes for all cyclists (on-road, off road, commuters, recreational) and pedestrians.
Priority B1.3	Progress state-wide and inter-regional connectivity of cyclist routes by partnering with neighbouring councils.

Trails and Cycling Routes Management Policy

Support Tourism and economic development within the Adelaide Hills Region.
Foster community involvement and stewardship of trails and cycle routes

➤ Legal Implications

The Council would be bound by any deeds or other contracts or agreements entered into in relation to this matter. Of primary importance in relation to this matter is the proposed funding agreement with the Commonwealth Government, which would oblige the recipient, i.e. the Council, to complete the Bikeway from Mount Torrens to Birdwood in return for the \$2.6m funding. Given that the Council is not the project or asset owner, it is not reasonable for the Council to make this commitment in the absence of a complementary agreement with the State Government for it to complete the project.

➤ Risk Management Implications

Entering into the necessary agreements with the Department for Infrastructure and Transport and with the Federal Government will mitigate the risk of

The funding commitment from the Federal Government being withdrawn and Stage 4 not progressing.

Inherent Risk	Residual Risk	Target Risk
Medium (1A)	Low (1C)	Low (1C)

➤ Financial and Resource Implications

See commentary in Additional Analysis.

➤ **Customer Service and Community/Cultural Implications**

The community response to surveying in the development of previous Annual Business Plans and Long Term Financial Plans indicate support for the completion of the Amy Gillett Bikeway.

➤ **Sustainability Implications**

Based on the experiences shared on construction of the first 3 stages and potential broader connections to trails, it is forecast that the Amy Gillett Bikeway would generate sustained positive impacts both economically and socially.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Not applicable
<i>Council Workshops:</i>	October 2019 Workshop – Adelaide Wine Capital Trail Ongoing CEO progress updates
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Federal Department of Infrastructure, Transport, Regional Development and Communications South Australian Department of Infrastructure and Transport
<i>Community:</i>	2016-17 Annual Business Plan Development

➤ **Additional Analysis**

To date, the feedback from businesses and community on the success and impact of the existing Amy Gillett Stages (1-3) has been positive. The support from residents and community has become apparent through consultations on the topic, including a specific question relating to whether or not AHC should explore the completion of Stages 4 and 5 of the bikeway, as well as willingness around financial investment from AHC to do so in the 2016-17 ABP Consultation.

The responses to two of the relevant questions from the 2016-17 Annual Business Plan development consultation are detailed below, with the complete consultation outcomes report relating to the Amy Gillett Questions included in **Appendix 1**.

In response to the question:

Are you supportive of extending the Amy Gillett Bikeway 6.2km between Mt Torrens and Birdwood (Stage 4)?

The responses were as follows (responses from 218 people):

RESPONSE	NUMBER	PERCENTAGE
YES	210	(96.3%)
NO	5	(2.3%)
Unsure	3	(1.4%)
TOTAL	218	100%

In response to the question:

If yes, what contribution level do you feel Council should provide (excluding ongoing maintenance/depreciation)?

The responses were as follows (responses from 200 people):

RESPONSE	NUMBER	PERCENTAGE
\$250,000	16	8%
\$500,000	20	10%
\$750,000	16	8%
\$1.33 million	148	74%
TOTAL	200	100%

The Council made provision of a contribution of \$500,000 toward State 4 (Mt Torrens to Birdwood) and another \$500,000 toward Stage 5 (Birdwood to Mt Pleasant) in its Long Term Financial Plan (LTFP). However these were subsequently removed when, at the time, neither level of government committed funding.

In light of subsequent project estimate increases and to again incentivise the State Government to commit to the project, Council reinstated \$100,000 of funding toward the project and this is in the Council's current budget.

On 31 March 2023, the Mayor and Acting Chief Executive Officer met with the Minister for Infrastructure and Transport, Hon Tom Koutsantonis MP, and senior DIT staff to advocate for the project and to draw the Minister's attention to the looming Federal Government deadline. The Minister advised that the State Government still considered the Bikeway to be an important project but that funding was subject to consideration among other state priorities. It was apparent that a significant part of the challenge was the significant increase in the project cost estimate and, in support of the Council's suggestion, the Minister requested a review of the design parameters and scope in order to bring the costs down.

The Minister also asked about the Council's funding contribution to the project. It was, and is, apparent that a significant Council contribution will assist in leveraging State Government funding. The Mayor and Acting CEO advised the Minister of the Council's current budget allocation (\$100,000) but undertook that Council would again consider its ability to contribute should the State Government wish to progress the project. To that end, the Council should consider its position on funding.

All parties are aware of the Council’s previous provision of \$500,000 (for each of the two remaining stages). It is apparent that the \$100,000 current commitment may not be sufficient to leverage the State Government allocating upwards of \$4m to complete the project.

Clearly, the higher the Council contribution, the less funding the State Government would need to allocate and, therefore, the more likely the State Government is to commit to the project.

The Administration is of the view that the Council should consider a contribution of up to \$500,000, being the amount allocated prior to 2020, for the Mt Torrens to Birdwood stage. This is in line with community support previously demonstrated and would amount to around 6% of the likely total project cost.

Senior State Government staff have indicated than an option available to the Council is for the State Government to essentially ‘forward fund’ the project and to accept the Council’s contribution progressively over a (to be defined) number of years. This approach would mitigate, to some degree, the impact on the Council’s operating budget, noting that contributions to infrastructure projects owned by others cannot be capitalised, i.e. spread over the life of the asset via depreciation and must be recognised as an operating spend in the year it is paid.

Work on reviewing the scope of the project has progressed, with a proposal now to construct the stage as an unsealed bikeway, similar to Riesling Trail in the Clare Valley and many like trails around Australia. It could be sealed in future. This change, along with some changes to alignment and structures have resulted in the total estimated cost reducing from \$11.7m to \$7.5m - \$7.9m.

A hypothetical funding breakdown could be:

Commonwealth:	\$2,600,000 (35%)
State:	\$4,400,000 (59%)
AHC:	\$500,000 (6%)
TOTAL:	\$7,500,000

On-going ownership and maintenance of the Stage 4 infrastructure of the Bikeway has required ongoing discussion with the State Government. At times, the State Government has sought Council’s interest in taking over responsibility for that stage of the project, and/or the entire Bikeway. At this point in negotiation, the State Government has reaffirmed its commitment to the asset and is not seeking Council to manage either the project or the maintenance and operation of the asset going forward.

The future of the Amy Gillett Bikeway is now at a critical juncture. The Federal Government has indicated a firm deadline of 28 April 2023 for commitments to the project, otherwise the funding will be withdrawn.

Should the Federal Government funding be withdrawn, the viability of completing either or both of the remaining stages of the Bikeway is unclear.

At the time of writing this report, DIT is actively seeking to finalise the project scope and cost estimates and is making final representations to enable Government to determine whether or not to fund the project.

The latest updates on the likelihood of a State Government commitment to the project will be provided at the Council Meeting.

3. OPTIONS

Council has the following options:

- I. To authorise that the CEO or his delegate enter into a funding “Deed of Agreement” with the Federal Department of Infrastructure, Transport, Regional Development and Communications (Recommended)

4. APPENDIX

- (1) *Amy Gillett Consultation Outcomes Report 2016-17*

Appendix 1

Amy Gillett Consultation Outcomes Report 2016-17

Project Report

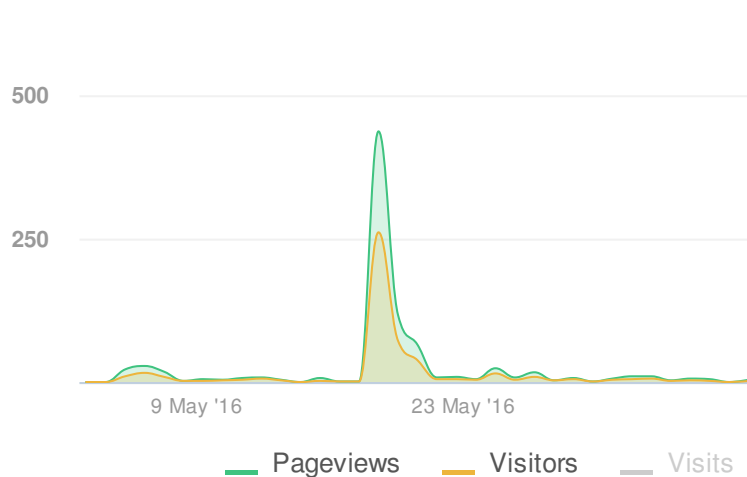
4 May 2016 to 3 June 2016

Adelaide Hills Council

Annual Business Plan Consultation

Amy Gillett Bikeway

Visitors Summary

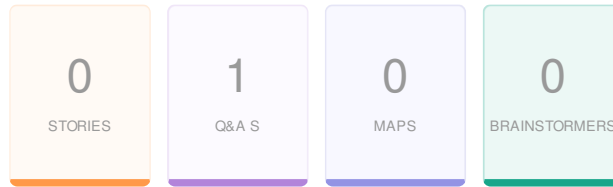
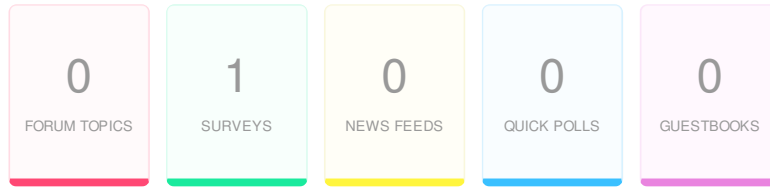


Highlights

TOTAL VISITS	522	MAXIMUM SINGLE DAY VISITORS	268
ENGAGED VISITORS	219	INFORMED VISITORS	230
		AWARE VISITORS	472

Aware Participants		472	Engaged			219
Aware Actions Performed	Participants		Engaged Actions Performed	Registered	Unverified	Anonymous
Visited a Project or Tool Page	472		Contributed on Forums	0	0	0
Informed Participants	230		Participated in Surveys	32	185	2
Informed Actions Performed	Participants		Contributed to Newsfeeds	0	0	0
Viewed a video	0		Participated in Quick Polls	0	0	0
Viewed a photo	0		Posted on Guestbooks	0	0	0
Downloaded a document	0		Contributed to Stories	0	0	0
Visited the Key Dates page	0		Asked Questions	0	0	0
Visited an FAQ list Page	0		Placed Pins on Maps	0	0	0
Visited Instagram Page	0		Contributed to Brainstormers	0	0	0
Visited Multiple Project Pages	13					
Contributed to a tool (engaged)	219					

ENGAGEMENT TOOLS SUMMARY



Tool Type	Engagement Tool Name	Tool Status	Visitors	Contributors		
				Registered	Unverified	Anonymous
Qanda	Q&A - Amy Gillett Bikeway	Published	22	0	0	0
Survey Tool	How do you roll?	Published	292	32	185	2

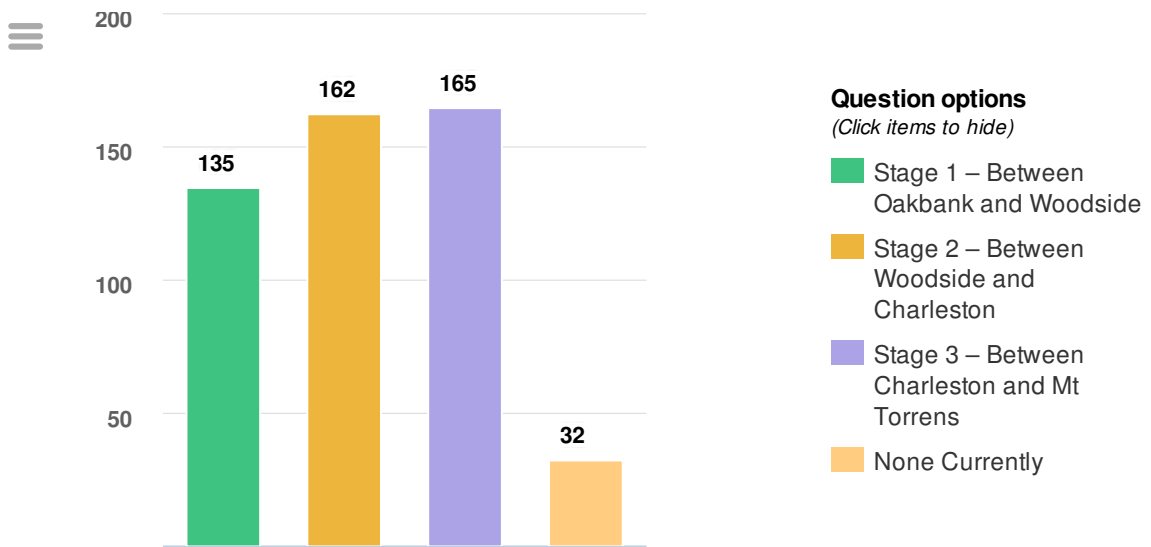
ENGAGEMENT TOOL: SURVEY TOOL

Tool title/name: How do you roll?

VISITORS	292	CONTRIBUTORS	219	CONTRIBUTIONS	220
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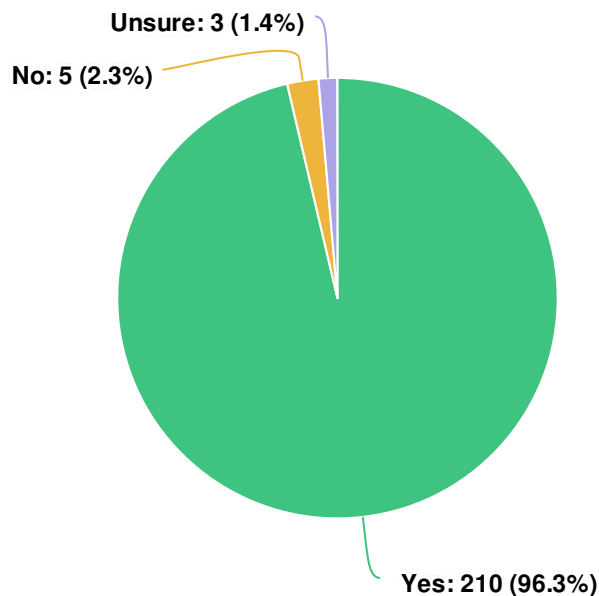
Which sections of the Amy Gillett Bikeway do you currently use (select all that apply)?

Optional question



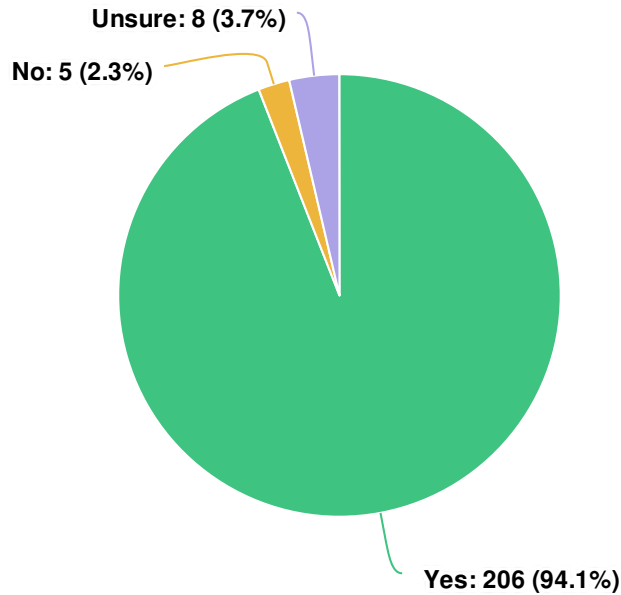
Are you supportive of extending the Amy Gillett Bikeway 6.2km between Mt Torrens and Birdwood (Stage 4)?

Optional question



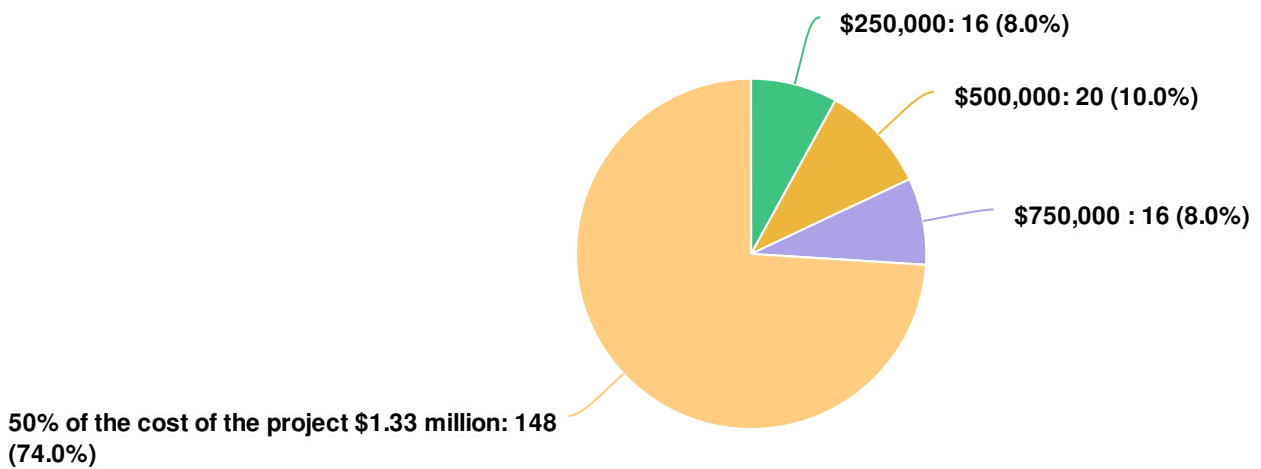
Are you supportive of extending the Amy Gillet Bikeway 8.8km between Birdwood and Mount Pleasant in future years (Stage 5)?

Optional question



If Yes, what contribution level do you feel Council should provide (excluding ongoing maintenance/depreciation)? In order to meet these ongoing costs an increase in rate revenue of between 0.3% and...

Optional question



3. Amy Gillett Bikeway - Stage 4 Agreement – Duration of Confidentiality

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council’s decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 18.1 in confidence under sections 90(2) and 90(3)(j) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* to retain the Items in confidence as detailed in the Duration of Confidentiality Table below:

Item	Duration of Confidentiality NB: Item to be reviewed every 12 months if not released
Report	Until execution of necessary funding deeds and a public announcement of the project by the State Government (whichever is the later), but no later than 26 April 2024.
Related Attachments	Nil
Minutes	Until execution of necessary funding deeds and a public announcement of the project by the State Government (whichever is the later), but no later than 26 April 2024.
Other (presentation, documents, or similar)	Nil

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.