

22 July 2022

Mayor Karen Redman
Town of Gawler
PO Box 130
GAWLER SA 5118

By email: mayor@gawler.sa.gov.au

Dear Mayor Redman

Town of Gawler Boundary Change Proposal – Cost Estimate

I refer to the meeting with yourself, Mr Henry Inat, myself and Mr Peter Ilee on Monday 18 July 2022 and your letter dated 31 May 2022 regarding the cost estimate for the inquiry into the Town of Gawler's (the Council's) General Boundary Change Proposal (the Proposal).

Following discussions at our meeting, the Commission considered the response provided in your letter of 31 May 2022 regarding the cost estimate for the Proposal, along with feedback from our meeting on 18 July at its meeting on 20 July 2022.

The Commission is of the view that the cost estimate provided to the Council for the Proposal provides a reasonable basis upon which the Council could decide to proceed with an inquiry, if it chooses to do so. To assist with the Council's consideration of this matter, I am writing to confirm the basis of the cost estimate.

As you are aware, the Commission undertook a wide-ranging Request for Information (RFI) process in line with State Government procurement policy to identify suitably qualified firms that have the capacity to undertake an inquiry into a significant boundary change general proposal in accordance with section 31 of the *Local Government Act 1999*. This process, together with the Inquiry Plan for the Proposal, informed the Commission's cost estimate advice.

The RFI process involved providing a generic, detailed inquiry plan that outlined all matters that would be expected to be considered in an inquiry into a significant general proposal to potential investigators. This exercise allowed the Commission to determine the capacity and capabilities of the supply market to undertake investigations into these proposals. The Commission received 11 submissions from a wide range of consultants with relevant experience, which addressed these matters against the scope of the generic inquiry plan.

The Commission then requested a specific cost estimate for all of or parts of the inquiry plan into the Town of Gawler's Proposal. You may recall that all affected councils were requested to comment on this inquiry plan, to ensure that all relevant matters were included to maximise the accuracy of the cost estimates requested.

Estimates were provided from a range of the stakeholders identified in the RFI process. Consultants provided cost estimates for specific elements of the inquiry plan or the entire inquiry plan, based on the skill sets that were represented in the information provided through the RFI.

Cost estimates for either specific elements or the entire inquiry plan were largely consistent across the submissions made. The Commission assessed both the skill sets, and the cost estimates to develop the cost estimate provided to the Council for this Proposal, to ensure that this estimate represented the appropriate skill set from the consultants and reasonable value for money.

In relation to procurement processes more generally, the Commission is of the view that the publication of information relating to its cost estimate for the Proposal does not compromise a procurement process. The availability of cost estimate information on the Commission's web page provides a general scope for potential proponents and significant variations in formal quotes submitted would be addressed during the assessment of tenders.

The Commission's view is that similar information about the scope of value for proposed projects are also available for proponents tendering for council projects by examining council budgets, which are also available from council web sites.

On this basis, the Commission is of the view that the cost estimate of \$379,500 ex GST (including a 15% contingency for unforeseen circumstances) provides a fair and reasonable estimate of the cost of an inquiry into the Proposal and requests that Council provide a response to the Commission as to whether or not it wishes to proceed with the Inquiry by **Friday 12 August 2022**.

I trust this information assists the Council with its deliberations on the Proposal. Please include a formal reference to the Council's decision on this matter with your response.

If you have further questions, please contact the Commission on 7109 7164 or boundaries.commission@sa.gov.au.

Yours sincerely



Rob Donaldson

CHAIR

SOUTH AUSTRALIAN LOCAL GOVERNMENT BOUNDARIES COMMISSION