

Membership:	The Lord Mayor 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum:	3
Presiding Member	Mr David Powell
Members	The Right Honourable the Lord Mayor [Sandy Verschoor] Ms Paula Davies Councillor Hyde Mr John Oliver Mr Simon Rodger
Proxy Members	<i>Councillor Knoll [proxy for the Lord Mayor]</i> <i>Councillor Couros (Deputy Lord Mayor) [proxy for Councillor Hyde].</i>

1. Acknowledgement of Country

'The Audit and Risk Committee acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.'

2. Confirmation of Minutes – 8/10/2021

That the Minutes of the meeting of the City of Adelaide Audit Committee held on 8 October 2021 be taken as read and be confirmed as an accurate record of proceedings.

3. Presiding Member Reports

4. Presentations

4.1. Climate Change Risk Adaptation Action Plan 2021-2026 [2019/01119] [Page 3]

4.2. Future Fund & Investment Policy [2021/00122] [Page 15]

5. Reports

5.1. Draft Climate Change Risk Adaptation Action Plan [2021/150263] [Page 28]

5.2. Q1 2021-22 Consultants Report [2021/00122] [Page 72]

5.3. 2021-2022 Quarter 1 Finance Report [2021/00122] [Page 76]

5.4. Internal Audit Progress Update [2021/00982] [Page 95]

6. Emerging Key Risks

7. Independent Member Discussion

8. Other Business

9. Item Seeking Exclusion of the Public

9.1. Exclusion of the Public to Consider [2018/04291] [Page 99]:

For the following items seeking consideration in confidence:

10.1 Activities of the Strategic Risk and Internal Audit Group Meetings [s 90(3) (i)]

10. Confidential Item

10.1. Activities of the Strategic Risk and Internal Audit Group Meetings [2020/01604] [Page 102]

11. Closure

Climate Change Risk Adaptation Action Plan 2021-2026

Audit and Risk Committee
29 October 2021



Introduction

Climate Change is identified within the CoA Strategic Risk and Opportunity Register

- Risk: The climate is changing and will continue to change in ways that will increasingly impact operations, infrastructure, services and the community at large.
- Opportunity: That the City of Adelaide (CoA) understands climate risks and integrates climate adaptation and mitigation opportunities across CoA operations.

In August 2019, Council endorsed “that the CoA consider and address climate change risks in its own operations and service delivery; with a report on progress and implementation to be provided to the CoA Audit Committee for its review and assurance to Council.”

A Climate Change Risk Assessment was undertaken, analysing corporate physical, transition and governance risks.

August/Sept 2020 - Audit Committee and then Council noted the CoA Corporate Climate Change Risk Assessment Report with next steps being:

- Develop a Climate Change Adaptation Action plan
- Establish a cross-program steering group to oversee implementation



**Project delivered by
Edge Environment**

**Presenter:
Dr Mark Siebentritt**





Context

- The international and national drivers behind the need to disclose climate risk continue to grow
- Expectations on public and private entities to disclose continues to increase
- The City of Adelaide's approach to addressing physical and transition risk positions it as one of SA's leading councils in responding to climate change



The Plan aligns with Council's Risk Management Operating Guidelines and follows the endorsed Risk Management Framework

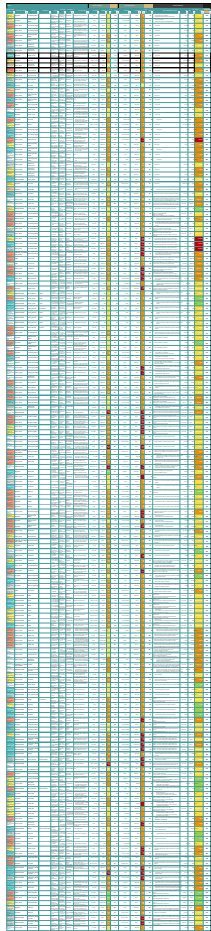
Representatives from the Governance & Risk team have been involved in the PSG to ensure alignment with relevant processes





Climate risk assessment

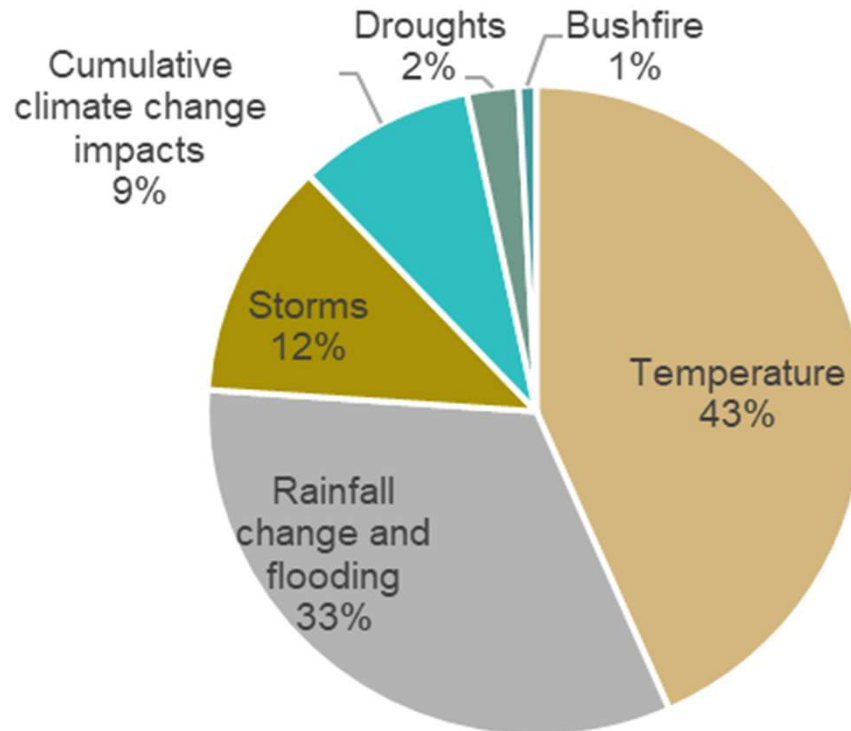
283 risks
(119 extreme and high)



8 Key areas of decision making



Type	Asset/service	What is important?	What is the response?	How will this be impacted by climate change?	The key area of decision making:
Key Sites	Key sites (general risk)	Services from Council's key sites	Maintain	Hot days and heatwaves will make buildings and key site spaces uncomfortable for occupants and visitors, and increasingly expensive to operate	How can we manage and maintain key sites and community centres that will be affected by increased hot days and heatwaves making buildings and key site spaces uncomfortable for staff and visitors, and increasingly expensive to operate under increased service demand?
Key sites	Town Hall	Town Hall operations	Maintain	Hot days and heatwaves will make Town Hall uncomfortable for visitors and increasingly expensive to operate, as well as vulnerable to blackouts	
Key Sites	Aquatic Centre	Safe provision of the aquatic centre facilities	Manage	Hot days and heatwaves will put aquatic centre users and staff at risk	
Service group	Community centres	Maintain appropriate thermal comfort for community centre visitors and staff	Maintain	Increased temperatures will increase patronage and therefore cooling requirements for community centres, leading to increased costs for cooling	How can we manage Rundle Mall retail operations and maintain local business continuity that will be affected by increased hot days, heat waves, and other cumulative climate change impacts, leading to a reduction in patronage and attractiveness of Adelaide for commercial activities?
Service group	Library services	Maintaining the diverse services offered by the library	Maintain	Temperature related impacts will reduce the ability for the library to hold events, reduce thermal comfort within the library and increase operating costs due to increased cooling requirements.	
Key Sites	Rundle Mall	Rundle Mall operations as a safe retail site	Manage	Hot days and heatwaves reducing patronage and leading to health risks to visitors and businesses	
Service group	Community programs	Local business continuity	Maintain	Cumulative climate impacts leading to reduction in patronage and other business impacts that reduce Adelaide's attractiveness for commercial activities	How can we enhance and maintain infrastructure service life (e.g. roads, drainage, bridges, footpaths) that will be impacted by extreme rainfall events and increased heat, leading to increased damage, reduced service life, and decreased reputational and user safety?
Key Sites	Key sites (general risk)	Services from Council's key sites	Manage and maintain	Extreme rainfall events and storms leading to flash flooding, wind-related damage to assets and water ingress into key sites, leading to increased maintenance and repair costs.	
Infrastructure	Council infrastructure	Maintaining the service life of infrastructure elements (roads, kerbs, drainage, bridges, footpaths)	Enhance	Cumulative climate change impacts (including temperature and rainfall-related impacts) reducing the service life of new or replacement assets and a lack of data to understand where efforts should be placed	
Infrastructure	Stormwater drainage	Maintaining effective drainage for the City during rainfall events	Enhance	Extreme rainfall events and storms leading to flash flooding and associated property and infrastructure damage, reputational and safety impacts	How can we maintain and enhance thriving productive green spaces for the community, including rainwater resources for open space irrigation, that will be affected by increased heat, heatwaves, and periods of drought?
Infrastructure	Roads	Safe roads	maintain	Heat and rainfall-related impacts on road surfaces leading to safety and cost impacts	
Parkland and open space assets	Green spaces (including horticulture)	Ensuring thriving and productive green spaces for the community	Enhance	Heat-related impacts on green spaces leading to damage to vegetation, leading to increased UHI impacts, increased maintenance and irrigation costs, reduced amenity	
Service group	Horticulture	Maintaining access to rainwater resources	maintain / enhance	Increased periods of drought may reduce water availability for irrigation in parklands	How can we maintain a safe work environment for Council staff working outdoors, that will be affected by heat-related impacts?
Parkland and open space assets	Open space assets	Ensuring a safe work environment for Council staff	Maintain	Heat-related impacts on Council staff and visitors' health and safety to open space assets	
Service group	CoA Events	Holding well attended and successful CoA events in outdoor spaces	manage	Temperature impacts on events may reduce attendance, with revenue and local business impacts	
Service group	Planning and building	Ensuring that approved developments are resilient to the impacts of a changing climate	Enhance	Cumulative climate change impacts may lead to damage to assets that were approved by council (according to current code) but not designed to cope with a changing climate. This is especially important for assets on Council land.	How can we ensure that approved developments are resilient to the cumulative impacts of a changing climate?
Service group	Homeless support	adequate support to homeless population	Maintain	Homeless and other vulnerable people may seek more services from Council due to heat and rainfall-related impacts. Extending services may increase operating costs as more services are required.	How can we maintain adequate support to homeless population that will be affected by heat and rainfall-related impacts?



Proportion of climate risks by climate variable



Key areas of decision making

1. **Key CoA Buildings and Community Spaces** – ensure our buildings and the services provided from them are adapted to the changing climate and help to build community resilience.
2. **Rundle Mall Business Continuity** – strategically plan for a Mall that is fit for purpose in a changing climate and continues to provide exceptional retail and service opportunities for residents and visitors.
3. **Infrastructure Longevity** – investigate, plan and implement best practice climate change adaptation across CoA infrastructure portfolio to ensure built and natural assets continue to support a liveable city.
4. **Green Spaces** – increase the amount of green space across the city, as well as the capture and reuse of water to support these spaces, to shade and cool our city.
5. **Workforce Safety** – support CoA staff health and wellbeing and continue to provide exceptional customer service in a changing climate.
6. **Events** – continue to provide world leading events in a safe and flexible way to adapt to climate change.
7. **Building Development** – ensure city buildings are fit for purpose now and in a changed future climate.
8. **Homelessness Support** – work with partner organisations to ensure CoA's most vulnerable are supported in the more extreme weather predicted for climate change.



Priority Adaptation Actions

The plan includes an implementation schedule for all the KADM adaptation actions

The Implementation Schedule outlines for each adaptation action the primary CoA program lead and a delivery timeframe.

The delivery timeframe is stratified by financial year and indicates the financial year in which the action should commence and finish.

Colors identify the relative priority of each action

An arrow indicates that the action is intended to be ongoing beyond the four year lifetime of this Plan.

Adaptation Action	Program Lead	Implementation Schedule by Financial Year				
		21/22	22/23	23/24	24/25	25/26
opening hours changed or extended to allow for night shopping)						
2.5 Engage with all Rundle Mall businesses to identify business risk during extreme weather conditions and appropriate messaging for shoppers.	AEDA	°	°	→	°	°
2.6 Begin to increase shade and natural cooling in the mall through planting of trees, or establishment of shade structures where trees aren't possible	AEDA	°	°	→	°	°
KADM 3. Infrastructure Longevity						
3.1 Continue to work with industry to identify new/superior products (or new applications) for application in CoA (e.g. bitumen/asphalt)	Infrastructure	°	→	→	→	→+
3.2 Leverage delivery of existing projects to create consolidated drainage models.	Infrastructure	°	°	°	°	°
3.3 Define the level of service (i.e. protection level) provided to the community by Council's drainage system.	Infrastructure	°	°	→	→	→+
3.4 Hold a workshop per asset class when developing assets management plans, demand management and levels of service.	Infrastructure	°	°	→	°	°
3.5 Identify opportunities to implement a regular collaboration and knowledge sharing "event" with other local Councils to share knowledge / trial outcomes of new products or applications.	Infrastructure	°	°	°	°	°



Priority Adaptation Actions

- **Events**
 - Strengthen community engagement and messaging approach regarding CoA events
- **Building Development**
 - Review new Planning and Design Code and discussion papers to identify areas for amendment related to climate change
- **Homelessness support**
 - Partner with the LGA to formalise an approach to people experiencing homelessness and other vulnerable community members affected by heat & rainfall related impacts
- **Buildings and community spaces**
 - Work with external stakeholders/community to identify support refuge/respice centres that may be needed during extreme weather conditions (e.g. churches)
- **Infrastructure**
 - Continue to work with industry to identify new/superior products (or new applications) for application in CoA (e.g. bitumen/asphalt)



Barriers and enablers

- The need for documents and processes pertaining to organisational governance to identify climate change risk as an issue and identify measures to address this.
- Climate change risk should be embedded within the corporate risk system and reported through SRIA and the Audit Committee.
- The need for an internal culture piece to assist staff to understand why and how they need to take action in regard to organisational climate change risk.

Next steps

1. Report to Committee and Council seeking consideration and endorsement of the Climate Change Risk Adaptation Action Plan.

Subject to Council approval:

2. Ongoing monitoring and review of all actions included within the Plan will be managed through CoA's existing control monitoring software system Promapp.
3. Actions will be reviewed monthly by the Executive Strategic Risk & Internal Audit Group (SRIA) and reported quarterly to the Audit and Risk Committee for compliance.

Enabling Priorities

Future Fund & Investment Policy

Finance & Strategic Property
Grace Pelle & Shaun Coulls



Future Fund & Investment Policy

Key Messages

Propose to update policy structure to include:

- Updated Treasury Policy
- Development of New Future Fund & Investment Policy
- Updated Land and Other Assets Acquisition & Disposal Policy

Future Fund & Investment Policy

Background

Resolution of Council 10 November 2020 adopted an updated Treasury Policy to include a Future Fund as follows:

Reserve Funds

Reserves in a financial sense are an allocation of money set aside for specific future purposes in future periods.

Generally, these funds will not have a separate bank account but will be separately identified in the balance sheet as an asset.

Proceeds from the sale of Council assets, (such as from property sales) will be transferred and quarantined to a reserve fund (to be known as Future Fund) for the purpose of funding the future purchase(s) of new income generating assets or to fund new capital projects of a strategic nature.

*The proceeds from the sale of Council assets held in the reserve fund will **not** be used to fund operational expenditure or the renewal of assets.*

*Following the principles of this policy, sale proceeds will be used to reduce overall Council borrowings and interest expenses, which means that funds will be **re-borrowed** when expenditure from the reserve fund is required.*

All requests to utilise funds from the reserve fund will be based on a business case that clearly demonstrates that the financial return to Council outweighs the annual loan funding costs.

Council approval will be required for all requests to use these funds.

Future Fund & Investment Policy Background

Resolution of Council 15 December 2020

- Requested workshops regarding the development of an investment strategy for the City.

18 May meeting of The Committee, Economic and Investment Strategy presentation from BRM Advisory

- Next steps stated the Treasury Policy and Investment Policy would be presented to Council for consideration.

Future Fund & Investment Policy Implications

Implication	Comment
Policy	Update of the Treasury Policy and Land & Assets Acquisition & Disposal Policy. Creation of new Future Fund & Investment Policy.
Consultation	These policies do not require community consultation.
Resource	Not as a result of this presentation.
Risk / Legal / Legislative	The Treasury Policy and Land & Assets Acquisition & Disposal Policy are legislatively required. The Future Fund & Investment Policy will address the risk associated with investment and management of the Future Fund.
Opportunities	Implementation of a Future Fund & Investment policy will provide clarity and principles to ensure the effective management of funds gained from disposal of under-performing assets and future investments.

Future Fund & Investment Policy

Budget/Financial Implications

Implication	Comment
21/22 Budget Allocation	Not as a result of this presentation.
21/22 Budget Reconsideration (if applicable)	Not as a result of this presentation.
Proposed 22/23 Budget Allocation	Not as a result of this presentation.
Ongoing Costs (eg maintenance cost)	Not as a result of this presentation.
Other Funding Sources	Not as a result of this presentation.

Future Fund & Investment Policy

Current Policy Positions

	Treasury Policy	Land and Asset Acquisition & Disposal Policy
Why	Mandatory Policy	Legislatively Required
Purpose	Dictates the management of cash and borrowings for CoA Manages liquidity risk	How and why we buy and sell land and assets
Issues	Current includes Future Fund with insufficient clarity regarding use and purpose	Large focus on infrastructure assets and developer gifted assets which are not required by legislation
	Doesn't deal with any investments other than to state speculative investments disallowed	

Future Fund & Investment Policy

Proposed Policy Positions

	Treasury Policy
Proposed Change/ Purpose	<ul style="list-style-type: none"> • Leave to borrowings and mention the ability to create cash reserves and then point to FF&I policy • Remove reserves and definition of FF from this policy
Principles	<ul style="list-style-type: none"> • Stay true to Policy purpose of cash management and liquidity risk

Future Fund & Investment Policy

Proposed Policy Positions

	Land and Asset Acquisition & Disposal Policy
Proposed Change/ Purpose	<ul style="list-style-type: none"> • Remove infrastructure focus • Reference Future Fund & Investment Policy • Ensure policy aligns to Strategic Property Review criteria • Re-introduce previous site acquisition and land banking policy sections. • Update associated guidelines to ensure alignment with FF&I policy
Principles	<ul style="list-style-type: none"> • Clear, transparent process to acquire and dispose of land and assets • Criteria for direct commercial negotiation of asset disposal • Criteria and process to acquire strategic land holdings • Strengthening criteria for direct negotiation

Future Fund & Investment Policy

Proposed Policy Positions

	Future Fund & Investment Policy
Proposed Change/ Purpose	<ul style="list-style-type: none"> • Deal with how the FF works and will be created, maintained and accessed • References LAA&D policy • Describe what investment is • Describe what income generating assets are • Develop associated guidelines that describe process to evaluate 'performing vs non-performing' ie via financial criteria such as NPV, ROI, BCR etc and non-financial criteria • Guidelines to describe risk assessment approach as well
Principles	<ul style="list-style-type: none"> • FF must be built through sale of non-performing assets • FF must be maintained through income generated from investment in income generating assets ie returns are put back into the fund (excluding rates revenue) • Investments would exclude those that qualify for strategic projects funding. • Investments are income generating ideas and must meet return requirements per guidelines • Investments from FF should be able to be funded in full ie no partial funding

Proposed Future Fund & Investment Policy & Guideline

Definition

- Future Fund to be established & maintained through sale of non-performing assets and returns from income generating assets.
- Fund is not an asset but a “reserve” (equity) ie *Reserves for future expenditure arise as a result of a formal resolution by Council to set aside a portion of its resources for a specified future purpose.*
- Not allowed to be negative *No individual reserve is permitted to disclose a negative balance*
- Non-performing definition
- Income generating definition
- Not only property eg commercial operations would be included
- Cannot be for services based initiatives Council would otherwise fund

Key Factors

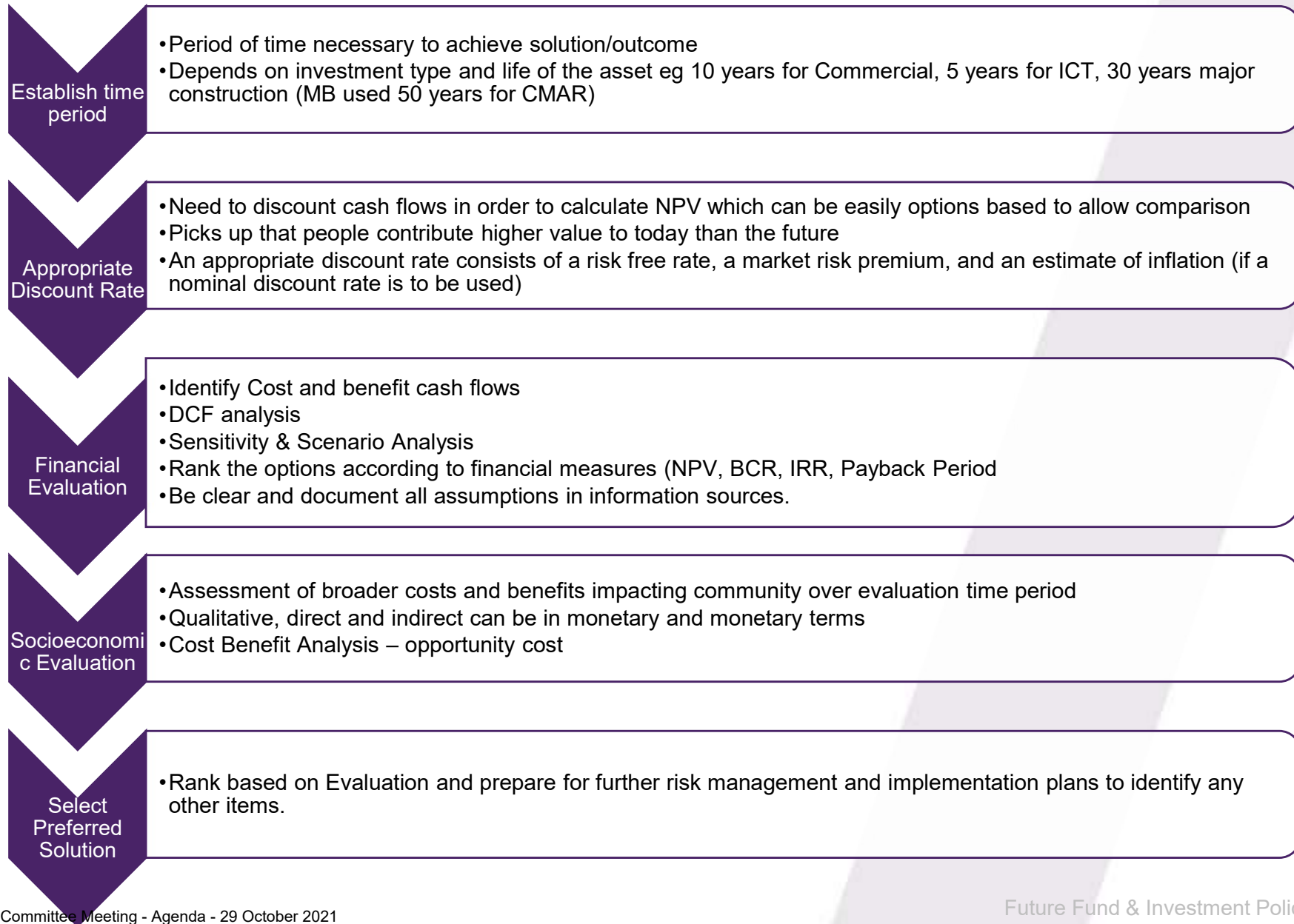
- Financial considerations
- Delivery against Strategic Plan/ development of City Objectives
- Risk assessment
- Prudential review requirements
- Return into the Future Fund
- Roles & Responsibilities – for internal purposes to ensure appropriate resource allocation

Evaluation Process

- The evaluation period
- The appropriate discount rate(s)
- The financial evaluation
- The socioeconomic evaluation
- Selection of the preferred solution

Future Fund & Investment Policy

Evaluation Process



Future Fund & Investment Policy

Next Steps

- Report to Council with the following in December
 - Revised Treasury Policy
 - New Future Fund & Investment Policy
 - Revised Land and Asset Acquisition & Disposal Policy

Draft Climate Change Risk Adaptation Action Plan

ITEM 5.1 29/10/2021
Audit and Risk Committee

Strategic Alignment - Environmental Leadership

Program Contact:

Lara Daddow, Acting Associate Director, Park Lands, Policy & Sustainability 8203 7884

2021/150263
Public

Approving Officer:

Tom McCready, Acting Director City Shaping

EXECUTIVE SUMMARY

The City of Adelaide (CoA) has undertaken organisation-wide corporate climate risk adaptation planning.

The CoA corporate *Climate Change Risk Assessment Report* (Assessment Report) was supported in September 2020. This Assessment Report included a review and analysis of corporate risks resulting from climate change, in relation to governance, physical risks to assets and services and transition risks and opportunities.

To address the risks identified in the Assessment Report, a corporate draft *Climate Change Risk Adaptation Action Plan* (Plan) has been developed. This process considered the recommended governance improvements and the highest physical risks that were identified in the Assessment Report. The development process involved a multi-disciplinary Project Steering Group (including Governance and Risk staff), eight multi-disciplinary workshops, an opportunities and barriers workshop with the Executive Leadership Team, a multicriteria assessment based on capacity and budget for implementation and multiple consultations on drafts of the Plan.

The Plan contains eight governance and ninety physical actions that have been sequenced through time to allow adequate timing, scheduling and budget. Monitoring and review of actions within the Plan will be managed through CoA's existing control monitoring software system Promapp. Actions will be reviewed monthly by the Executive Strategic Risk and Internal Audit Group and reported quarterly to the Audit and Risk Committee for compliance.

The intention is that the Plan will be actioned over the next 5 years, overseen by a multi-disciplinary Project Steering Group, with formal requests being made for any works that require additional budget through the CoA budget process and external funding sources. This proactive approach to assessing and addressing climate risk will position CoA as one of SA's leading organisations in responding to climate change.

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the draft Climate Change Risk Adaptation Action Plan 2021-2026, which enables the City of Adelaide to meet its strategic objectives and transition to become a climate ready organisation.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Environmental Leadership The City of Adelaide (CoA) 2020-2024 Strategic Plan includes an objective to be a ‘climate ready organisation and community’.
Policy	Actioning the draft <i>Climate Change Risk Adaptation Action Plan 2021-2026 (Plan)</i> will require ensuring the CoA has appropriate climate change policy and including climate change risk into a number of governance tools including financial management, asset management and emergency planning in order to address corporate risk.
Consultation	Internal consultation has been undertaken on the Plan in the form of oversight by a multi-disciplinary Project Steering Group, eight multi-disciplinary workshops attended by 37 staff, an opportunities and barriers workshop with ELT, a multicriteria assessment based on capacity and budget for implementation and multiple consultations on drafts.
Resource	Resources will be required over time to implement the Plan. Actions have been sequenced over time in such a way so that the no/low cost actions are to be completed in the near future and others in a 4-5 year timeframe to allow additional capacity/budget to be appropriately sought through CoA budget processes and through seeking external funding opportunities.
Risk / Legal / Legislative	CoA exposure to corporate climate change risk, governance, physical and transition risks is identified in the <i>Climate Change Risk Assessment Report</i> . Actioning this Plan will reduce this exposure.
Opportunities	The Plan includes actions for CoA to take opportunities to more fully integrate climate risk into governance documents and processes, facility planning and management and service provision, to future proof our organisation against climate change and facilitate creating a liveable, climate ready city.
21/22 Budget Allocation	All 21/22 actions within the Plan can be completed within existing capacity and budget.
Proposed 22/23 Budget Allocation	Many of the 22/23 actions within the Plan can be completed within existing capacity and budget. Requests will be made for any works that require additional budget through the CoA budget process, and external State and Federal funding applied for wherever possible.
Life of Project, Service, Initiative or (Expectancy of) Asset	The Plan will be actioned throughout 2021-26 and be reviewed after this timeframe.
21/22 Budget Reconsideration (if applicable)	Not as a result of this report.
Ongoing Costs (e.g., maintenance cost)	Any individual actions with ongoing maintenance costs will only be undertaken after considered costing and appropriate budget sought and applied for.
Other Funding Sources	A principle of implementation within the Plan is that “funding from external sources will be actively sought to support the implementation of actions”. This could include State and Federal greening, water sensitive, research, place making, disaster resilience and infrastructure funding programs.

DISCUSSION

Background

1. The City of Adelaide (CoA) has considered the risk implications of climate change since 2009, when it participated in the LGA Mutual Liability Scheme's Local Government Climate Change Adaptation Program. This work included the development of a climate risk register which later informed the development of the CoA's *Climate Change Adaptation Action Plan 2011-2013* and the updated *Climate Change Adaptation Action Plan 2013-15*.
2. More recently, the CoA has focused predominantly on community climate risk exposure and adaptation, through its participation and coordination of the Resilient East Project, a collaboration with seven other eastern Adelaide metropolitan councils and the State Government. This collaboration resulted in the development of the *Resilient East Integrated Vulnerability Assessment Report* and *Regional Climate Change Adaptation Plan*.
3. The CoA has also been working on the implementation of climate adaptation priority areas, such as community resilience workshops and programs, water sensitive urban design, urban greening, reducing urban heat (heat mapping and Cool Road Adelaide trial) and planning submissions.
4. In 2019, the Audit Committee and Council supported a corporate climate change risk assessment being undertaken.
5. The [Climate Change Risk and Governance Assessment](#) was undertaken in 2019/2020. It was one of the most comprehensive assessments of climate risk undertaken by a South Australian council at the time, involving:
 - 5.1. an analysis of the corporate physical, transition and governance risks associated with climate change
 - 5.2. utilising an established governance risk assessment tool (Informed.City™), which had been used by over 350 councils across Australia, as well as the Task Force on Climate Related Financial Disclosures (TCFD), updated ISO 13001 and AS 5334—2013 (Climate change adaptation for settlements and infrastructure—A risk-based approach) frameworks
 - 5.3. a document review of publicly available policies, planning documents and strategies, over 250 staff surveys, 10 workshops and 28 team leader and manager interviews.
6. The *Climate Change Risk Assessment Report* found that while CoA has a strong track record in relation to responding to climate change there was still significant work required to address current and emerging risks with:
 - 6.1. Seven of the 10 governance risk identifiers receiving an intermediate or lower score (Figure 1) e.g., #3 no publicly available risk register OR risk disclosure documents were found.
 - 6.2. 283 individual physical climate risks identified, arising from the physical effects of climate change (primarily increasing temperatures and changed rainfall patterns) on operations, workforce, infrastructure, assets and services (Table 2) e.g., increase in frequency of very hot days influencing the Central Markets HVAC system to maintain internal comfort and the reputational impacts due to dissatisfied tenants.

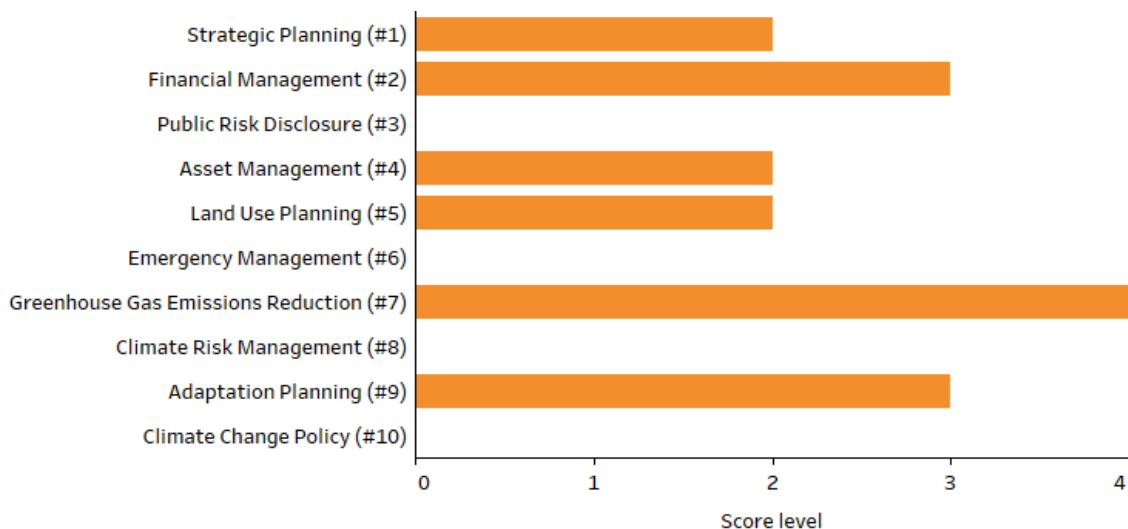


Figure1 Governance indicator scores (0 being non-existent, to 4 being advanced)

Asset or service grouping	Risk ratings				2030				2090				Total
	L	M	H	E	L	M	H	E	L	M	H	E	
Service group	15	48	53	1	4	28	65	20	117				
Key sites	30	40	32	0	17	36	42	7	104				
Infrastructure	12	21	22	4	8	10	29	12	60				
Buildings	3	1	0	0	2	2	0	0	4				
Parkland and open space assets	0	4	4	0	0	4	3	1	8				
Other	5	1	1	0	0	5	2	0	7				
Total	65	115	112	5	31	85	141	40					

Table 1. Total number of physical risks by asset or service grouping and risk rating across two timescales.

7. The *Climate Change Risk Assessment Report* was presented to, and noted by, the Audit Committee in August 2020, and subsequently Council in September 2020. The endorsed next steps to respond to the findings of the Assessment Report were:
 - 7.1. Develop a Climate Change Adaptation Action Plan to address identified governance (e.g. public disclosure), priority climate risks, associated adaptation measures (e.g. risk and action register) and timing of implementation.
 - 7.2. Establish a cross-program steering group to oversee the implementation of the Climate Change Adaptation Action Plan.

City of Adelaide Climate Change Risk Adaptation Planning

8. In August 2020, Climate Change was added to the Strategic Issues Register and updates have been provided to Executive Strategic Risk and Internal Audit Group (SRIA) and the Audit Committee accordingly.
9. In September 2020, in response to points raised through the Assessment Report, the Strategic Risk and Opportunity Register was published on the CoA web site.
10. Between July 2020 and August 2021, a corporate climate change risk adaptation action planning process was undertaken using the following method (further details can be found in the [Consultation and Engagement Process for the Development of the Climate Change Risk Adaptation Action Plan, Implementation Schedule and Budget](#)):
 - 10.1. A multi-disciplinary Project Steering Group (PSG) was established, involving 15 CoA staff, to oversee the process. Representatives from the Governance and Risk Team were included in the PSG to ensure alignment with relevant processes. This assisted in ensuring that the final Plan aligns with CoA's *Risk Management Operating Guidelines* and follows the endorsed *Risk Management Framework*.
 - 10.2. The highest physical climate change risks identified through the Report were analysed and grouped into common themes. These themed risks were then developed into eight Key Areas of Decision Making (KADM) in order to focus the adaptation action planning.
 - 10.3. A gap analysis was conducted of current CoA policies and procedures. The PSG considered this analysis, and the initial actions recommended in the Assessment Report, and began constructing actions related to each KADM.
 - 10.4. Workshops were conducted to refine and focus the adaptation actions, add responsible programs and predicted timelines for delivery and budgets.
 - 10.5. A workshop was held with ELT to consider the barriers and enablers to implementing adaptation actions, which highlighted the need to include governance actions.
 - 10.6. Key staff and the PSG revised the actions and added detail pertaining to skills needed, ideal year for commencement, timeframe to completion, monitoring frequency and estimated budget for each action. This detail was used in a multi-criteria assessment to prioritise actions based on capacity and budget to implement, with those needing no or minimal extra capacity and budget scheduled first in the final implementation schedule.

11. The corporate draft *Climate Change Risk Adaptation Action Plan 2021-2026* (Plan) (**Attachment A**) is provided for Audit Committee for noting.
 - 11.1. The Plan contains eight actions pertaining to the governance risk assessment to be implemented within the next 5 years. These actions cover the topics of strategic planning, financial, asset and emergency and climate risk management, adaptation planning and climate change policy. For example, 'Action 5. Consider including reference to climate change within the Emergency Management Plan and associated policies and documents.'
 - 11.2. The Plan contains 90 actions in response to the physical risks under the themes of key CoA buildings and community spaces, Rundle Mall business continuity, infrastructure longevity, green spaces, workforce safety, events, building development and support for those experiencing homelessness. For example, 'Action 1.2 Complete an audit of key sites relating to energy efficiency and building thermal efficiency improvements, including active and passive cooling'. These actions were workshopped with relevant teams in relation to staff capacity and budget required and consequently scheduled through time over the next 5 years.

Next Steps

12. The proactive approach of assessing and addressing climate risk will position CoA as one of SA's leading organisations at responding to climate change.
13. Once considered and if endorsed by Council, next steps include:
 - 13.1. Implement the Plan, specifically the Governance Risk Adaptation Actions, and Physical Risk Adaptation Actions as set out in the Implementation Schedule.
 - 13.2. Maintain a multi-disciplinary PSG to oversee implementation.
 - 13.3. Develop and implement an internal organisation communication and engagement plan.
 - 13.4. Ensure actions are delivered through the Service Delivery Model.
 - 13.5. Make formal requests for any actions that require additional capacity and budget and seek external funding where appropriate.
 - 13.6. Monitor and review actions within the Plan through CoA's existing control monitoring software system Promapp.
 - 13.7. Review actions monthly via SRIA and report quarterly to the Audit and Risk Committee.
 - 13.8. Review the Plan in 2026.

DATA AND SUPPORTING INFORMATION

Link 1 – Climate Change Risk Assessment Report

Link 2 – Consultation and Engagement Process for the Development of the Climate Change Risk Adaptation Action Plan, Implementation Schedule and Budget

ATTACHMENTS

Attachment A - Climate Change Risk Adaptation Action Plan 2021-2026

- END OF REPORT -

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

Item 5.1 - Attachment A



ACKNOWLEDGEMENT OF COUNTRY

The City of Adelaide acknowledges that we are located on the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past, present and emerging.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We also extend that respect to visitors of other Aboriginal Language Groups and other First Nations.

DOCUMENT PROPERTIES

Contact for enquiries and proposed changes

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Version	Revision Date	Revised By	Revision Description
V1	08/08/21	Edge Environment	Final var2
V2	30/09/21	TR &MZ	CoA Final

EXECUTIVE SUMMARY

This Climate Change Risk Adaptation Action Plan (Plan) articulates City of Adelaide's (CoA) response to the recommendations from the CoA's *Climate Change Risk Assessment Report* (Report), endorsed in September 2020.

The Report delivered one of the most comprehensive assessments of climate risk for a South Australian council at the time. It analysed governance, physical and transitional risk through approaches aligned to ISO31000 and AS5334 *Climate change adaptation for settlements and infrastructure*. The Report made a series of recommendations in relation to governance, and identified 283 individual physical risks, including five extreme risks for 2030, and 39 extreme risks for 2090.

CoA has been undertaking action to address climate change for over two decades. Recently, the need to mitigate and adapt to climate change has been further highlighted by the release of the Intergovernmental Panel on Climate Change's Sixth Assessment Report (IPCC Report). The IPCC Report contains the most up-to-date understanding of the physical impacts of the climate system and climate change. It describes how human-induced climate change is already affecting many weather and climate extremes in every region across the globe. Importantly, it concludes that at least 1.5-2°C of warming is already locked in by mid-century regardless of how future emissions change, necessitating adaptation, and that action to reduce emissions across the globe in the coming decade is critical for human and other species' survival. Cities are especially vulnerable to climate change impacts particularly extreme heat and flooding.

This Plan guides how CoA will build resilience to future climate change through good governance, addressing the highest (119 extreme and high) physical risks identified in the Report, and strategically staging actions over the next five years. The governance actions aim to ensure CoA considers climate change risks in overarching policies and procedures related to:

- Strategic Planning
- Financial Management
- Asset Management
- Emergency Management
- Climate Risk Management & Adaptation Planning
- Climate Change Policy

Through extensive internal consultation during 2021, eight key areas of decision making (KADM) have been established to address the physical climate risks for CoA and coordinate the related 90 adaptation actions.

1. **Key CoA Buildings and Community Spaces** – ensure our buildings and the services provided from them are adapted to the changing climate and help to build community resilience.
2. **Rundle Mall Business Continuity** – strategically plan for a Mall that is fit for purpose in a changing climate and continues to provide exceptional retail and service opportunities for residents and visitors.
3. **Infrastructure Longevity** – investigate, plan and implement best practice climate change adaptation across CoA infrastructure portfolio to ensure built and natural assets continue to support a liveable city.
4. **Green Spaces** – increase the amount of green space across the city, as well as the capture and reuse of water to support these spaces, to shade and cool our city.
5. **Workforce Safety** – support CoA staff health and wellbeing and continue to provide exceptional customer service in a changing climate.
6. **Events** – continue to provide world leading events in a safe and flexible way to adapt to climate change.
7. **Building Development** – ensure city buildings are fit for purpose now and in a changed future climate.
8. **Homelessness Support** – work with partner organisations to ensure CoA's most vulnerable are supported in the more extreme weather predicted for climate change.

The actions, program leads, and implementation schedules are detailed in Sections 4 and 5.

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1. INTRODUCTION

1.1 Background

The need to act on climate change is highlighted in the Intergovernmental Panel on Climate Change's Sixth Assessment Report¹ (IPCC Report) released in August 2021. This IPCC Report contains the most up-to-date understanding of the physical impacts of the climate system and climate change, produced by the world's leading climate scientists. It brings together the latest advances in climate science, and combines multiple lines of evidence from paleoclimate, observations, process understanding, and global and regional climate simulations. The IPCC Report describes how human-induced climate change is already affecting weather systems and climate extremes in every region across the globe.

Some of the key findings of the IPCC Report include:

- Evidence of observed changes in extremes such as heatwaves, heavy precipitation, droughts, and tropical cyclones, and, in particular, their attribution to human influence, has strengthened.
- Each of the last four decades has been successively warmer than any decade that preceded it since 1850. The likely range of total human-caused global surface temperature increase from 1850–1900 to 2010–2019 is 0.8°C to 1.3°C.
- Climate change is already affecting every inhabited region across the globe with human influence contributing to many observed changes in weather and climate extremes. For example, an increase in hot extremes has been observed in 41 of the 45 modelled regions across the world, including those that cover Australia.
- Global surface temperature will continue to increase until at least the mid-century under all emissions scenarios considered. Global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO₂) and other greenhouse gas emissions occur in the coming decades. Based on the current rate of global emissions, the average temperature increase will be over 2°C by mid-century, and 3–4°C by the end of the century.
- Many changes due to past and future greenhouse gas emissions are irreversible for centuries to millennia, especially changes in the ocean, ice sheets and global sea level.
- Cities are especially vulnerable to climate change impacts, particularly from increased heat and flooding impacts.

Noting this broader context, climate change is now well understood to be impacting all aspects of life in Australia.

In South Australia this will be experienced through a range of changes, including warmer and drier conditions on average, increased periods of extreme heat and drought, more intense rainfall, and greater fire risk, all of which will have consequences for the community, economy and environment.

The impact of a changing climate has already been demonstrated in Adelaide. For example, in September 2016 an intense storm event brought down major power transmission lines, leading to a collapse in the operation of the energy distribution network, combined with damaging winds and flooding. This event effectively shut down Adelaide for a period of 24 hours. More recently, over the 2019/2020 Summer, Adelaide experienced an unprecedented 17 days over 40 degrees. The extreme heat across the city and damaging bushfires in the

¹ <https://www.ipcc.ch/report/sixth-assessment-report-working-group-i/>

peri-urban areas during this summer directly impacted health and well-being across the community and resulted in reduced trade and visitors in the City.

The need for local government to act on climate change is significant given its role in providing services for the community and managing extensive and diverse portfolios of assets that provide vital support services, including transport, waste and water management. Furthermore, the design life of large council assets is often at least 50-80 years meaning that the longer-term impacts of climate change on the useful life of many assets need to be factored into present day long term financial decision making.

1.2 The City of Adelaide's Response to Climate Change

The potential impacts of climate change for Adelaide and its community are significant and the City of Adelaide (CoA) has a track record of leading action on mitigating and adapting to climate change. The CoA Strategic Plan 2020-2025 has a key outcome of "Environmental Leadership", requiring the CoA to be climate ready and a leader in climate action. As an example, CoA committed to 100 per cent renewable electricity as part of a power purchase agreement from 1 July 2020 for all CoA's operations and achieved Carbon Neutrality in 2020.

CoA has led on climate change adaptation actions including:

- Supporting the SA LG Climate Change and Greenhouse Emission Reduction Sector agreement in 2008
- Participating in the LGA Mutual Liability Scheme's Local Government Climate Change Adaptation Program in 2009
- Developing a Climate Change Adaptation Action Plan 2011-2013, updated in 2013-15
- Joining seven other Councils and State Government in 2014 to form Resilient East Regional Climate Change Adaptation Partnership
- Declaring that climate change poses a serious risk to the people of Adelaide, and it should be treated as a national emergency in 2019.

As the science becomes more defined, so too do the strategic, legal and risk mitigation drivers for CoA to adapt to climate change (

Figure 1).

By leading on climate change risk adaptation, CoA is acting consistently with many governments and large companies around the world. For example, the United Kingdom and New Zealand are now moving toward mandatory climate risk disclosure reporting by businesses following the introduction of strong climate change legislation. With respect to corporates, the Taskforce on Climate Related Financial Disclosures² has now seen over 2,000 companies actively disclose their response to physical and transition climate change risks and opportunities, including some of Australia's largest publicly listed companies (e.g., Commonwealth Bank, ANZ and Coles Group).

In June 2020, CoA continued its leading action, by assessing the risks from climate change to the organisation's assets, operations and services. This assessment considered governance, physical and transitional risks and provided one of the most comprehensive assessments of climate risk undertaken for a South Australian council at the time. The CoA *Climate Change Risk Assessment Report* (Report) identified:

- 283 individual risks
- Climate changes to temperature and rainfall accounted for two-thirds of all risks (Figure 2), and
- Five extreme risks for 2030, and 39 extreme risks for 2090.

² <https://www.fsb-tcfd.org/>

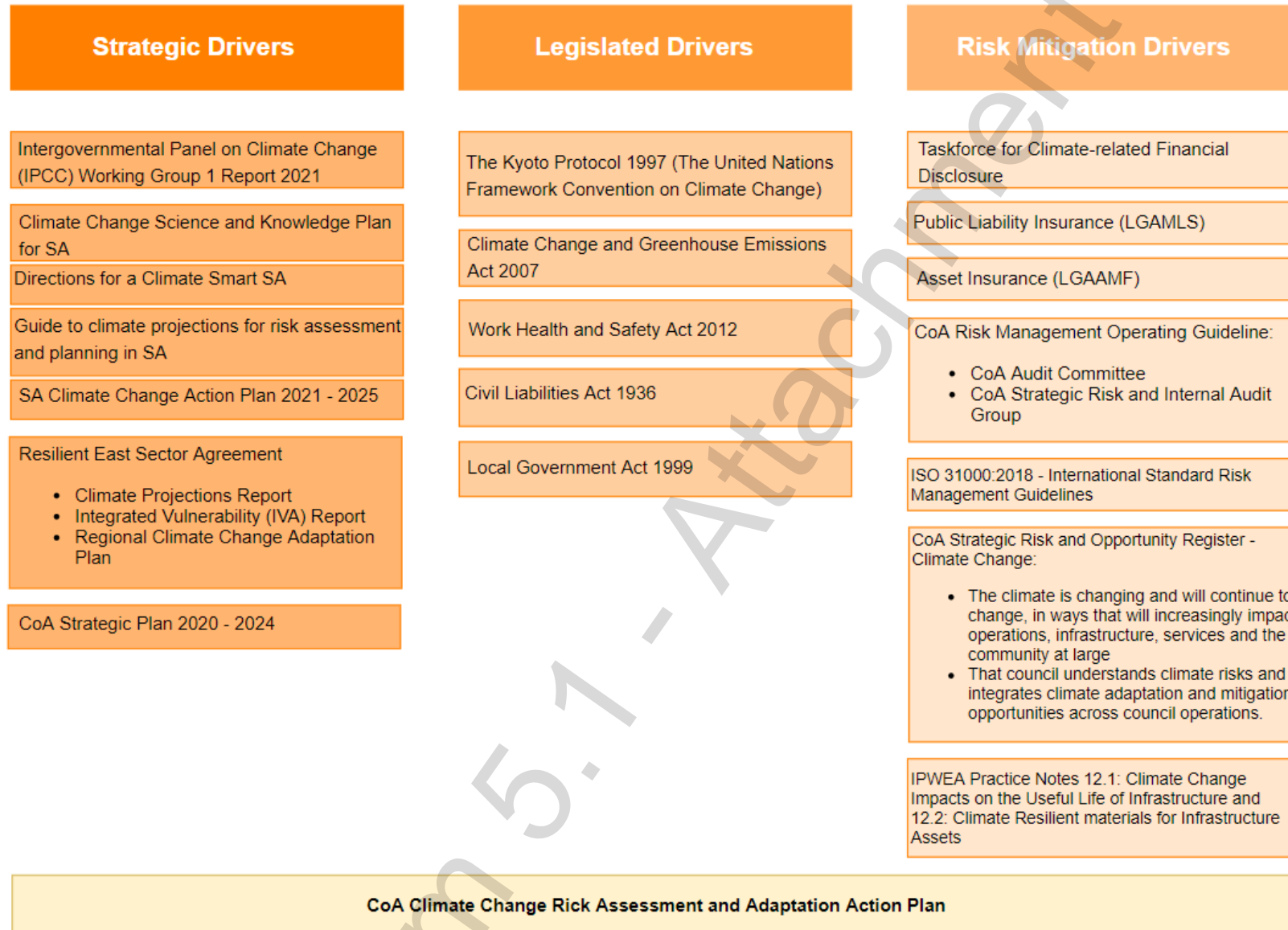


Figure 1. Drivers for CoA Climate Change Risk Adaptation Action Planning

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

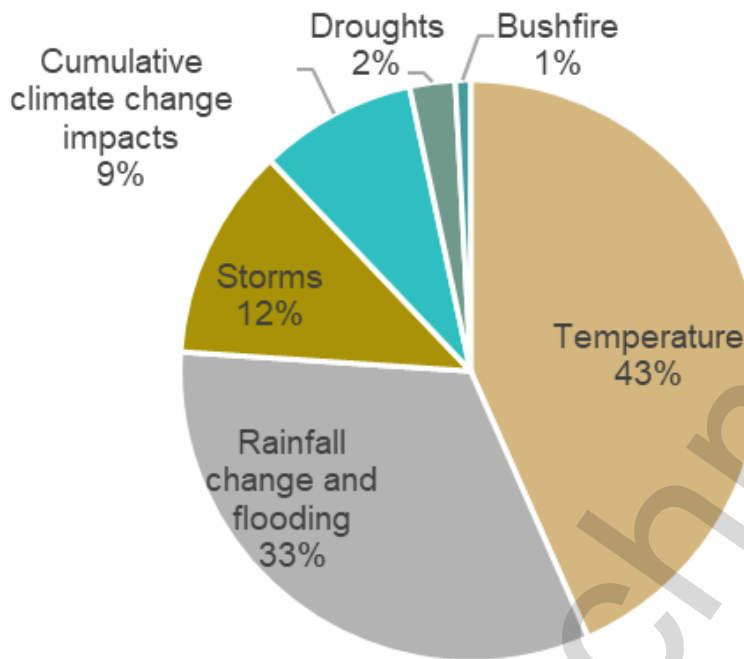


Figure 2. Proportion of climate risks by climate variable [Taken from CoA Climate Change Risk Assessment Report].

One of the recommendations from the Report was the development of an adaptation roadmap to guide implementation of adaptation measures and communicate how the CoA is building resilience to climate change.

This CoA Climate Change Risk Adaptation Action Plan (Plan) delivers on that recommendation.

The Plan focuses on the essential governance actions and the highest priority (119 extreme and high) physical risks from the Report, recognising the need to strategically stage adaptation actions through time, with CoA's capacity to undertake the actions underpinning the prioritisation of actions.

2. CREATING THIS PLAN

The Plan was created using a staged approach (Figure 3).

Initially, a multi-disciplinary Project Steering Group (PSG) was established, involving 15 CoA staff, to oversee the process. The highest physical climate change risks identified through the Report were analysed and grouped into common themes. These themed risks were then developed into eight Key Areas of Decision Making (KADM) in order to focus the adaptation action planning. KADM's are:

KADM 1: Key CoA Buildings and Community Spaces – how can we manage and maintain key sites that are affected by increased hot days and heatwaves, ensure they are comfortable for staff and visitors and operate efficiently under increased demand?

KADM 2: Rundle Mall Business Continuity - how can we manage Rundle Mall retail operations and maintain local business continuity that will be affected by increased hot days, heat waves, and other cumulative climate change impacts, leading to a reduction in patronage and attractiveness of Adelaide for commercial activities?

KADM 3: Infrastructure Longevity - how can we enhance and maintain infrastructure service life (e.g., roads, drainage, bridges, footpaths) that will be impacted by extreme rainfall events and increased heat, leading to increased damage, reduced service life, and decreased reputation and user safety?

KADM 4: Green Spaces - how can we maintain and enhance thriving productive green spaces for the community, including rainwater resources for open space irrigation, that will be affected by increased heat, heatwaves, and periods of drought?

KADM 5: Workforce Safety - how can we maintain a safe work environment for CoA staff working outdoors, that will be affected by heat-related impacts?

KADM 6: Events - how can we continue to hold well-attended CoA events in outdoor spaces that will be affected by increased temperature impacts?

KADM 7: Building Development - how can we ensure that approved developments are resilient to the cumulative impacts of a changing climate?

KADM 8: Homelessness Support - how can we maintain adequate support to people experiencing homelessness that will be affected by heat and rainfall-related impacts?

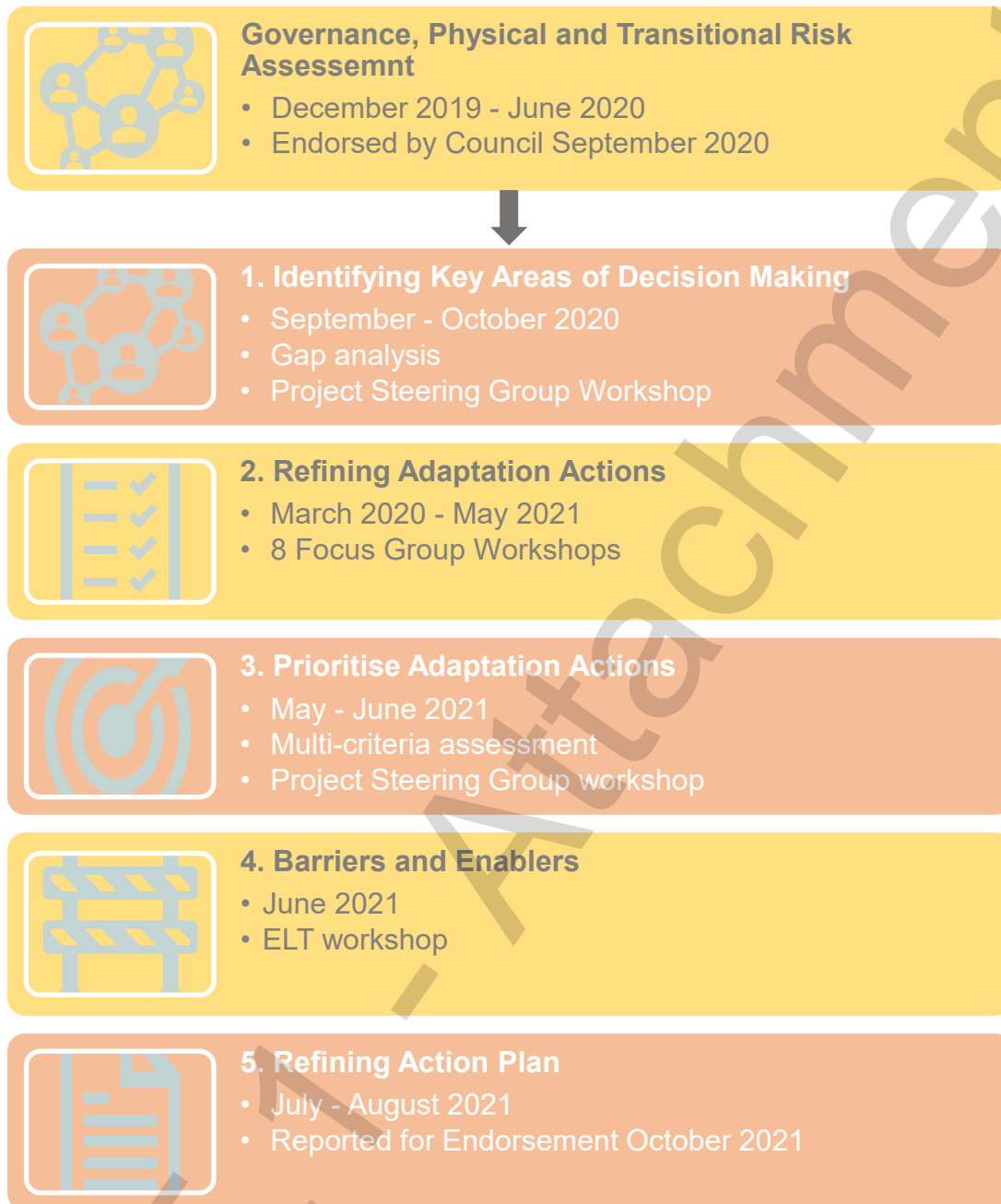


Figure 3. Staged approach to developing the Plan

A gap analysis was conducted of current CoA policies and procedures. The PSG considered this analysis and the initial actions recommended in the Report to begin listing actions related to each KADM.

Next a series of eight multi-disciplinary workshops were held with 37 CoA staff (some attending more than one workshop) to refine and focus the adaptation actions, add responsible programs and predicted timelines and budgets. A workshop was held with ELT to consider the barriers and enablers to implementing adaptation actions which highlighted the need to include governance actions.

Key staff and the PSG revised the actions and undertook a multi-criteria assessment to prioritise actions based on capacity and budget to implement. The Plan aligns with CoA's

Risk Management Operating Guidelines and follows the endorsed Risk Management Framework. Representatives from the Governance & Risk team have been involved in the PSG to ensure alignment with relevant processes.

The final Plan was reported for endorsement in October 2021. Further details about the approach taken in each stage of development can be found in the *Development of CoA's Climate Change Risk Adaptation Action Plan*.

Moving forward, ongoing monitoring and review of all actions included within the Plan will be managed through Councils existing control monitoring software system Promapp. Actions will be reviewed monthly by the Executive Strategic Risk & Internal Audit Group (SRIA) and reported quarterly to the Audit Committee, for compliance.

Item 5.1 - Attachment A

3. GOVERNANCE RISK ADAPTATION ACTIONS

The need for strong organisational governance to underpin CoA's climate change risk response was highlighted in the Report and was a key finding of the consultation workshops during the development of this Plan. The following eight actions relate directly to recommendations in the Report and will be undertaken over the next 5 years to ensure CoA's strategies, policies, procedures and processes enable continued leadership and focus, to the organisational approach to climate change adaptation.

Strategic Planning

1. Consider including climate change adaptation actions within the next iteration of the CoA's Strategic Plan, with this spanning more than one Portfolio, to ensure cross organisational responsibility and resources allocated to staff capacity and action implementation.

Financial Management

2. Consider including statements regarding CoA's divestment from fossil fuels, energy transition and carbon price in adaptation decisions within financial planning documents.
3. Consider how changes to insurance has consequences for rateable values, asset operating and capital expenditure issues and how other direct and indirect issues associated with climate change can be given regard within financial systems and planning documents.

Asset Management

4. Consider incorporating known climate risks and impacts on the useful life of exposed assets into asset management planning documents and policies.

Emergency Management

5. Consider including a reference to climate change within the Emergency Management Plan and associated policies and documents.

Climate Risk Management

6. Consider making relevant reports related to CoA's climate risk management publicly available.

Adaption Planning

7. Endorse a Climate Risk Adaptation Action Plan and integrate risks into existing CoA governance risk management processes.

Climate Change Policy

8. Consider the development of a Climate Change Policy.

Other approaches to be applied across all adaptation actions for both governance and physical risk are:

- For actions that involve a survey of assets (e.g., drainage) or developing a strategy or guideline, a request to Council will be prepared if additional annual budget or changes to the LTFP are required for implementation.
- Funding from external sources will be actively sought to support the implementation of actions.
- Governance actions that apply across all KADM's will be implemented in an integrated, coordinated manner.
- Adaptation actions will be monitored, and progress reported annually

4. PHYSICAL RISK ADAPTATION ACTIONS

In response to the highest physical risks identified in the Report, 90 adaptation actions have been identified, grouped under the eight KADMs. The following is a summary of each KADM, the related actions in order of implementation priority and which CoA staff programs will implement them. The full implementation schedule detailing actions, programs and timelines for the Plan, is shown in Section 5.

KADM 1: KEY COA BUILDINGS AND COMMUNITY SPACES

How can we manage and maintain key sites that are affected by **increased hot days and heatwaves**, ensure they are comfortable for staff and visitors and operate efficiently under increased demand?

Background

CoA are the custodians of 174 building assets and lease eight buildings, which provide accommodation for civic, corporate, commercial, and community sporting and recreational uses, as well as accommodating the public realm operational staff and the provision of public toilets. Those buildings, and services operated from them, assessed as most at risk during the Climate Change Physical Risk Assessment included the Adelaide Aquatic Centre, Community Centres and Libraries and Adelaide Central Market. The projected increase in the frequency and intensity of hot days and heatwaves will make buildings and key site spaces uncomfortable for staff and visitors, and increasingly expensive to operate under increased service demand. Therefore, these building assets have been the focus through the adaptation planning process.

- The Adelaide Aquatic Centre, first constructed as an outdoor facility in 1969, underwent a major conversion to become an indoor centre in 1985 and since then has received a range of upgrades, such as improving pools, HVAC and filtration equipment. There are approximately 725,000 visitors each year. The future strategy for the centre is not defined, with several options being considered with stakeholders.
- CoA provides a number of community centres and libraries from both CoA owned buildings and lease arrangements, including the City Library, on level 3, Rundle Place and the North Adelaide Community Centre and Library in the State Heritage listed North Adelaide Institute building. There are also three smaller libraries and community centres within the CBD. With around 490,000 visitors per annum, CoA libraries provide access to information, activities and programs, innovative technology and a range of resources which support lifelong learning. CoA community centres attract more than 50,000 visitors and host a diverse range of events, activities and groups each year.
- The Adelaide Central Market, opened in 1869, is one of the largest undercover fresh produce markets in the Southern Hemisphere. With over 70 traders under one roof, the Market attracts millions of visitors each year. The Central Market Arcade (Easter Building) is due to be re-developed by 2024 which includes Offices and Hotel (owned by the developer) and 2 floors of retail (to be handed back to CoA).

The relative severity of individual climate change risks across these buildings and spaces is shown below.

Number of Climate Change Risks and Ratings relative to this KADM

Component	2030				2090			
	Low	Medium	High	Extreme	Low	Medium	High	Extreme
Aquatic Centre	1	3	3	0	1	1	3	2
Community Centres	3	4	3	0	2	1	5	2
Library Services	0	3	8	0	0	2	7	2
Customer Service	0	3	0	0	0	0	3	0
Adelaide Central Market	4	5	2	0	1	3	5	2

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

Adaptation Actions

- 1.1 Work with external stakeholders/community to identify support refuge/respice centres that may be needed during extreme weather conditions (e.g., churches).
- 1.2 Complete an audit of key sites relating to energy efficiency and building thermal efficiency improvements, including active and passive cooling measures.
- 1.3 Investigate increasing the availability of online community services during extreme events.
- 1.4 Investigate developing an extreme weather policy that allows for extended operating hours of key sites during extreme weather events.
- 1.5 Adopt a planning principle that optimises passive cooling in new CoA builds.
- 1.6 Integrate actions from the Plan into the Resource Allocation Strategy (RAS) and explore how to embed climate change into building asset management planning, particularly articulating how the financial impact of climate change is being factored into the long-term financial plan.
- 1.7 Investigate methods to decrease heat load from the Central Market carpark, such as improved carpark ventilation (utilising CO2 sensors) and insulation of the slab.
- 1.8 Investigate standards for Central Market tenants that require minimal impact refrigerants (e.g., CO2 based refrigerants) and efficiency standards for fit outs and electrical equipment.
- 1.9 Review and revise any available reports that assess risk for specific key sites to ensure that they adequately consider climate change.
- 1.10 Agree on a process by which high priority projects, especially new large-scale building projects, are subject to climate risk assessments prior to approval.
- 1.11 Investigate the availability and establishment of temporary fans and/or misting systems at key site spaces, during extreme heat events.
- 1.12 Investigate ways to decrease heat load within the central market stalls zone, such as the heat created from refrigeration compressors.
- 1.13 Upgrade the drainage system at the Aquatic Centre to help prevent flooding of the site during extreme rainfall events*.
- 1.14 Include the findings of the key sites audit (Action 1.2) for energy efficiency and building thermal efficiency in the Buildings Asset Management Plan and commence related upgrades.
- 1.15 Upgrade the Aquatic Centre facility so that heat is reflected from the external roof and walls and building insulation is installed*.

*This action will only apply assuming the Aquatic Centre remains in operation after 30 June 2022.

CoA Project Lead/s for KADM 1

Project Lead	Number of Actions Prioritised			
	Very High	High	Medium	Low
ACMA	0	1	1	0
City Culture	1	2	2	1
Infrastructure	0	2	0	0
Strategic Property and Commercial	0	4	0	0

KADM 2: RUNDLE MALL BUSINESS CONTINUITY

How can we manage Rundle Mall retail operations and maintain local business continuity that will be affected by **increased hot days, heat waves, and other cumulative climate change impacts**, leading to a reduction in patronage and attractiveness of Adelaide for commercial activities?

Background

Rundle Mall is South Australia's premier retail destination and the heart of the Adelaide CBD. As the state's most popular attraction, Rundle Mall sees more than 400,000 visitors and locals each week and is home to more than 1,000 retailers, businesses and services. It is one of the longest and busiest outdoor malls in Australia, with 15 arcades and centres leading off the main open strip which leaves visitors and infrastructure exposed to the elements.

Through the Report, Rundle Mall operations were identified as being at particular risk to increased hot days, heat waves and other cumulative climate change impacts which will negatively impact on patronage and attractiveness of Adelaide for commercial activities. The relative severity of the individual risks is depicted below.

Number of Climate Change Risks and Ratings relative to this KADM

Component	2030				2090			
	Low	Medium	High	Extreme	Low	Medium	High	Extreme
Rundle Mall	5	5	3	0	0	5	7	1

Adaptation Actions

- 2.1 Develop and implement promotion/campaign centred on the Rundle Mall as a cool refuge during heat wave events (e.g., "we're still cool" campaign).
- 2.2 Implement options for cooling current seating which gets too hot during hot days.
- 2.3 Prepare a cost-benefit analysis of cooling options installation, management, and economic impacts of encouraging people into the Mall on hot days.
- 2.4 Develop a strategy to deal with extreme heat days separate to direct cooling (e.g., opening hours changed or extended to allow for night shopping).
- 2.5 Engage with all Rundle Mall businesses to identify business risk during extreme weather conditions and appropriate messaging for shoppers.
- 2.6 Begin to increase shade and natural cooling in the mall through planting of trees, or establishment of shade structures where trees aren't possible.

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

CoA Project Lead/s for KADM 1

Project Lead	Number of Actions Prioritised			
	Very High	High	Medium	Low
AEDA	0	6	0	0

KADM 3: INFRASTRUCTURE LONGEVITY

How can we enhance and maintain infrastructure service life (e.g., roads, drainage, bridges, footpaths) that will be impacted by **extreme rainfall events and increased heat**, leading to increased damage, reduced service life, and decreased reputation and user safety?

Background

CoA owns and maintains a diverse portfolio of infrastructure including roads, footpaths, bridges, weirs, buildings, toilets, public outdoor spaces and urban elements, such as park benches and water fountains. This infrastructure supports a functioning, liveable city and holds a value of approximately \$2B. To continue to provide exceptional community services it needs to be planned, designed, built, safety checked, maintained, and renewed or decommissioned as part of a sustainable life-cycle.

The relative severity of individual climate change risks relative to each asset class is depicted below.

Number of Climate Change Risks and Ratings relative to this KADM

Component	2030				2090			
	Low	Medium	High	Extreme	Low	Medium	High	Extreme
Roads	0	0	7	0	0	0	7	0
Bridges	1	2	2	0	1	1	3	0
Footpaths	0	4	4	0	0	4	4	0
Kerb & Water Table	0	2	0	0	0	0	2	0
Stormwater Drainage Network	2	1	8	1	2	1	1	8
Traffic signals	0	5	0	0	0	0	5	0
Lighting and Electrical	5	0	0	0	5	0	0	0
Urban elements	4	7	1	0	0	4	7	1

Adaptation Actions

- 3.1 Continue to work with industry to identify new/superior products (or new applications) for use in CoA (e.g., bitumen/asphalt).
- 3.2 Leverage delivery of existing projects to create consolidated drainage models.
- 3.3 Define the level of service (i.e., protection level) provided to the community by CoA's stormwater drainage network.
- 3.4 Hold a workshop per asset class to determine risk when developing asset management plans, demand management and levels of service.

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

- 3.5 Identify opportunities to regularly collaborate and share knowledge with other local councils about new products and processes.
- 3.6 Continue to work with industry to develop new products for trialling by CoA (e.g., bitumen/asphalt).
- 3.7 Incorporate climate risk into asset management plans and long-term financial plans.
- 3.8 Engage a climate scientist/expert to provide a technical workshop for CoA staff to better understand in detail the impacts and implications of climate change to specific CoA assets.
- 3.9 Agree on a process by which future high priority projects, especially new large-scale CoA infrastructure projects or developments, are subject to climate risk assessments prior to approval.
- 3.10 Review and revise any available reports that assess risk for infrastructure to ensure that they adequately consider climate change.
- 3.11 Formalise a process and implement, water sensitive urban design (e.g., wetlands, rain gardens, kerb inlets) as standard practice to reduce heat, help manage runoff and protect watercourses.
- 3.12 Update existing assets inventory and condition audit process to identify risks from climate change (e.g., flooding, extreme heat).
- 3.13 Undertake a survey of CoA's stormwater drainage network to determine the current condition of the system and the need for future replacement/upgrade.
- 3.14 Develop a base model for stormwater infrastructure load / flow rate.
- 3.15 Develop a flexible, spatial query layer of flood modelling for CoA based on existing AS datasets.
- 3.16 Based on the findings of the drainage system survey (Action 3.13) commence upgrades to the drainage system when necessary to ensure it meets the Australian Standard for flood protection and agreed level of service (Action 3.3).

CoA Project Lead/s for KADM 3

Project Lead	Number of Actions Prioritised			
	Very High	High	Medium	Low
Infrastructure	1	8	5	1
Park Lands Policy and Sustainability	0	1	0	0

KADM 4: GREEN SPACES

How can we maintain and enhance thriving productive green spaces for the community, including rainwater resources for open space irrigation, that will be affected by **increased heat, heatwaves, and periods of drought?**

Background

CoA is the custodian of, enhances and maintains 7,600,000 m² (1,878 acres) of Park Lands and squares, as well as 94,045 m² of road verges, medians and streetscapes, which include lawns, gardens and trees. Plants offer one of the best ways to cool an urban environment as they provide shade and natural air-conditioning through transpiration processes.

Under increased heat, heatwaves, and periods of drought however, the health and condition of green spaces will be under greater pressure. CoA will need to implement more water sensitive urban design features to capture and keep rainfall within our landscape, to provide water for plants and increase canopy cover in contested, urban streets. The relative severity of the individual climate change risks to our green space services is shown below.

Number of Climate Change Risks and Ratings relative to this KADM

Component	2030				2090			
	Low	Medium	High	Extreme	Low	Medium	High	Extreme
Community Gardens	0	8	0	0	0	0	8	0
Horticulture	0	1	3	0	0	1	1	2

Adaptation Actions

- 4.1 Review current species planting list and revise to ensure a more climate resilient species mix.
- 4.2 Develop and endorse an Urban Forest / Urban Greening Strategy, with the aim of increasing canopy cover and the diversity and resilience of plantings.
- 4.3 Develop a targeted community engagement and education program relating to increasing canopy cover and plantings diversity selected within the CoA area.
- 4.4 Develop a streetscape designs guideline which will provide details of how streets within the City can be designed and planted to increase greening and cooling, without compromising on function and operation.
- 4.5 Develop and endorse an Urban Cooling Strategy, with a focus on planning for vegetation in hot spots, and other options to increase cooling.
- 4.6 Complete a full audit of trees and species planted in the public spaces within the City and its Park Lands.
- 4.7 Fund and implement the Water Sensitive City Action Plan, with a focus on WSUD and identifying alternative water sources for plantings and irrigation.

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

CoA Project Lead/s for KADM 4

Project Lead	<i>Number of Actions Prioritised</i>			
	Very High	High	Medium	Low
City Operations	0	1	0	0
Customer and Marketing	0	0	1	0
Infrastructure	0	0	2	0
Park Lands Policy and Sustainability	0	0	3	0

KADM 5: WORKFORCE SAFETY

How can we maintain a safe work environment for CoA staff working outdoors, that will be affected by **heat-related impacts**?

Background

CoA has 800 employees providing a diverse mix of roles including front desk customer service, gym instructing, gardening, building assessment, community event coordination and policy and strategy. Keeping all staff safe is one of the highest priorities and the CoA uses an integrated Safety Management System to do this.

The relative severity of individual climate change risks to outdoor staff safety is shown below.

Number of Climate Change Risks and Ratings relative to this KADM

Component	2030				2090			
	Low	Medium	High	Extreme	Low	Medium	High	Extreme
People (HR)	0	4	4	0	0	0	8	0

Adaptation Actions

- 5.1 Commence implementation of the Safety and Wellbeing research (currently underway) into workplace heat management.
- 5.2 Complete a review and update of the current policies regarding operating hours under extreme heat conditions.
- 5.3 Endorse and implement the plan/protocol for reallocating outdoor staff during extreme heat conditions.
- 5.4 Investigate feasibility of a more flexible shift pattern to accommodate different work hours under extreme conditions.
- 5.5 Review the safe work heat policy and explore how it is implemented for individual work groups.
- 5.6 All CoA cool refuge areas within the City are to be clearly identified and, where active works are happening, dedicated for outdoor CoA workers during periods of extreme heat.
- 5.7 Produce a validated work zone map indicating high/medium/low risk areas for heat exposure and a matrix which can be used for the allocation and prioritisation of activities during forecast heatwaves/extreme heat events.
- 5.8 Develop an extreme heat and health monitoring training program that must be attended by all CoA staff before the start of summer each year.
- 5.9 Develop a protocol by which all staff working outdoors are required to undertake regular health monitoring during summer and extreme heat periods.

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

- 5.10 Create partially shaded environments for gardening and organise times to avoid the worst heat of the day and extreme weather events.
- 5.11 Develop and begin implementing a plan for expanding the network of cool refuges available across the City for outdoor workers to access during extreme weather conditions.
- 5.12 Analyse and prepare a report of the social, health, and economic impacts of extreme heat on work hours.
- 5.13 Develop and implement a protocol for reviewing current temperature recording locations for suitability in capturing local hotspots where outdoor staff work.

CoA Project Lead/s for KADM 5

Project Lead	Number of Actions Prioritised			
	Very High	High	Medium	Low
People	1	11	3	0

KADM 6: EVENTS

How can we continue to hold well-attended CoA events in outdoor spaces that will be affected by **increased temperature** impacts?

Background

Each year, the CoA hosts approximately 750 events, over 100 of which are CoA led events. These are vital to a vibrant active city life, bringing interstate and overseas acts and visitors and add to the rich texture that makes Adelaide one of the most liveable cities in the world.

The relative severity of the individual climate change risks to CoA events is shown below.

Number of Climate Change Risks and Ratings relative to this KADM

Component	2030				2090			
	Low	Medium	High	Extreme	Low	Medium	High	Extreme
CoA Events	0	3	5	0	0	0	4	4

Adaptation Actions

- 6.1 Investigate strengthening the existing community engagement and messaging approach regarding CoA events affected by increased temperature, to improve the speed and community reach.
- 6.2 Investigate options for purchasing equipment that may be in high demand to improve CoA capacity (e.g., misting tents, water stations).
- 6.3 Establish and implement a protocol for regular monitoring, internal analysis and communication of long-term weather and climate projections.
- 6.4 Strengthen the collaborative approach with Assets, Public Realm and Events teams to identify strategic tree planting locations in key open spaces that will benefit CoA outdoor events.
- 6.5 Work with relevant teams as part of the review of the Adelaide Park Lands Event Management Plan/City Event Management Strategy to ensure climate change adaptation options are adequately included.
- 6.6 Review the Event Risk Assessment and Risk Management Planning spreadsheets and system to strengthen consideration of climate change related extreme weather conditions.
- 6.7 Consider whether the mechanism for tolerance for changes to event times during extreme weather events (e.g., date can't be moved, but time of day event is run can) can be more flexible (i.e., as part of Adelaide Park Lands Event Management Plan/City Event Management Strategy review).
- 6.8 Establish average temperature trend thresholds (e.g., when average weather predicted to change from 17 days over 35 to 30 days over 35) that will trigger standard additional resourcing/expenditure, to improve CoA capacity to continue to hold uninterrupted outdoor events.

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

- 6.9 Continue to ensure ongoing flexibility in CoA event dates to help minimise the impact of extreme events.

CoA Project Lead/s for KADM 6

Project Lead	<i>Number of Actions Prioritised</i>			
	Very High	High	Medium	Low
City Culture	6	0	0	0
City Operations	1	0	0	0
Governance	1	0	0	0
Park Lands Policy and Sustainability	1	0	0	0

KADM 7: BUILDING DEVELOPMENT

How can we ensure that approved developments are resilient to the **cumulative impacts** of a changing climate?

Background

CoA approves around 1,000 development applications a year, with a total development investment per year of around \$1.17 billion. These approvals cover all types of developments including new and alterations and additions to commercial, mixed use, multi-storey buildings, residential dwellings, signs, fit outs and more. With approximate lifespans of up to 50 years for new builds, these need to be fit-for-purpose now, built with as little impact on the natural environment as possible and able to perform for the future under the cumulative impacts of climate change.

South Australia's planning system has recently undergone the most significant modernisation in over 20 years and development is now assessed against the state-wide Planning and Design Code. CoA is committed to working with the new planning system to get the best results for our community and will work with the State to resolve any challenges so we can continue to serve our City.

The relative severity of the individual climate change risks to development resilience is shown below.

Number of Climate Change Risks and Ratings relative to this KADM

Component	2030				2090			
	Low	Medium	High	Extreme	Low	Medium	High	Extreme
Planning and building	3	9	4	1	2	8	4	3

Adaptation Actions

- 7.1 Continue to seek ongoing influence on planning requirements related to improved resilience and sustainability outcomes.
- 7.2 Continue to advocate for better quality design in developments through the pre-lodgement process through an educative (not adversarial) approach.
- 7.3 Review new Planning and Design Code and discussion papers to identify areas for amendment related to climate change.
- 7.4 If performance-based compliance inspections are introduced within the Practice Directions, investigate and determine how performance checks of new developments can be best undertaken by CoA.
- 7.5 Partner with other local Councils and Resilient East to submit recommended amendments to the new State Planning Policy to State Government.
- 7.6 Develop a set of principles, based on global best-practice, to position CoA as a leader in setting the standard for resilient developments.
- 7.7 Agree on a process by which high priority projects, especially new large-scale infrastructure projects, are subject to climate risk assessments prior to approval.

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

- 7.8 Investigate options for an incentives scheme that encourages developers to incorporate additional green elements than what is required as standard practice (e.g., green walls/roofs).
- 7.9 Advocate to the relevant Minister for performance-based compliance inspections and proof of compliance (e.g., a certificate of compliance).
- 7.10 Review building codes and provide recommendations for updating them to incorporate specific requirements for resilient developments and align with current best practice.
- 7.11 Establish and commence training sessions for CoA staff in interpreting Planning and Design Code and implication for climate change adaptation.
- 7.12 Develop and implement a monitoring protocol which will ensure developments on CoA land meet resilience requirements for future climate.
- 7.13 Complete and implement City Plan ensuring climate change and climate change adaptation and mitigation is included as a strategic chapter in the Plan.

CoA Project Lead/s for KADM 6

Project Lead	Number of Actions Prioritised			
	Very High	High	Medium	Low
Park Lands Policy and Sustainability	4	7	0	0
Regulatory Services	2	1	0	0

KADM 8: HOMELESSNESS SUPPORT

How can we maintain adequate support to people experiencing homelessness that will be affected by **heat and rainfall-related impacts**?

Background

CoA has a diverse community, which includes people experiencing homelessness. There are approximately 206 in this position within our city and CoA delivers and supports initiatives for many vulnerable people, including people experiencing homelessness. Strategies to connect with the homelessness sector and support their activities include neighbourhood development, provision of community infrastructure, community grant funding and support referrals to specialist homelessness service providers.

The relative severity of individual climate change risks pertaining to homelessness support is shown below.

Number of Climate Change Risks and Ratings relative to this KADM

Component	2030				2090			
	Low	Medium	High	Extreme	Low	Medium	High	Extreme
Homeless Support	1	0	4	0	0	1	0	4
Community Grants	0	1	4	0	0	1	1	3
Community Programs	0	2	3	0	0	0	4	1

Adaptation Actions

- 8.1 Approach the State Government to request CoA be involved in extreme weather planning.
- 8.2 Raise with State Government the current codes and the need to capture extreme rain / flooding conditions as a specific new code (e.g., code aqua).
- 8.3 Partner with the LGA to formalise an approach to people experiencing homelessness and other vulnerable community members.
- 8.4 Approach digital screen providers (e.g., Ooh!) to donate communications support during extreme weather conditions (code red/blue).
- 8.5 Investigate broader and novel communications pathways with people experiencing homelessness, relating to extreme heat events.
- 8.6 Develop and implement (with CoA Marketing Team) a formalised process for communication signs (e.g., within CoA breezeway) during extreme weather conditions.
- 8.7 Begin Investigating opportunities within Community Impact Grants and Strategic Partnerships program to seek activities that specifically target climate change impacts and adaptation.

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

- 8.8 Enhance communication approaches and community reach regarding existing multifunctional refugia programs (offered by State Government) that can be utilised by people experiencing homelessness during extreme weather conditions (e.g., cool spaces and dry spaces).

CoA Project Lead/s for KADM 6

Project Lead	Number of Actions Prioritised			
	Very High	High	Medium	Low
Customer and Marketing	1	0	0	0
Park Lands Policy and Sustainability	5	0	1	0

5. PHYSICAL RISK ADAPTATION ACTIONS IMPLEMENTATION SCHEDULE

The following outlines the Implementation Schedule for all the KADM adaptation actions **Error! Reference source not found.** The Implementation Schedule outlines for each adaptation action the primary CoA program lead and a delivery timeframe. The delivery timeframe is stratified by financial year and indicates the financial year in which the action should commence and finish. Colours shown in the table identify the relative priority of each action, and an arrow indicates where the action is intended to be ongoing beyond the five-year lifetime of this Plan. A “+” at the end of an arrow indicates action beyond the timeframe included here.

Adaptation Action	Program Lead	Implementation Schedule by Financial Year				
		21/22	22/23	23/24	24/25	25/26
KADM 1. Key CoA Buildings and Community Spaces						
1.1	Work with external stakeholders/community to identify support refuge/respice centres that may be needed during extreme weather conditions (e.g., churches)	City Culture				
1.2	Complete an audit of the key sites relating to energy efficiency and building thermal efficiency improvements, including active and passive cooling measures.	Strategic Property and Commercial				
1.3	Investigate increasing the availability of online community services during extreme events.	City Culture				
1.4	Investigate developing an extreme weather policy that allows for extended operating hours of key sites during extreme weather events.	City Culture				
1.5	Adopt a planning principle that optimises passive cooling in new CoA builds.	Infrastructure			→	
1.6	Integrate actions from the Plan into the Resource Allocation Strategy (RAS) and explore how to embed climate change into building asset management planning, particularly articulating how the financial impact of climate change is being factored into the long term financial plan.	Infrastructure				
1.7	Investigate methods to decrease heat load from the Central Market carpark, such as improved carpark ventilation (utilising CO2 sensors) and insulation of the slab.	Strategic Property and Commercial				
1.8	Investigate standards for Central Market tenants that require minimal impact refrigerants (e.g., CO2 based refrigerants) and efficiency standards for fit outs and electrical equipment	ACMA				

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

Adaptation Action		Program Lead	Implementation Schedule by Financial Year				
			21/22	22/23	23/24	24/25	25/26
1.9	Review and revise any available reports that assess risk for specific key sites to ensure that they adequately consider climate change.	Strategic Property and Commercial					
1.10	Agree on a process by which high priority projects, especially new large-scale building projects, are subject to climate risk assessments prior to approval	Strategic Property and Commercial					
1.11	Investigate the availability and establishment of temporary fans and/or misting systems at key site spaces, during extreme heat events	City Culture					
1.12	Investigate ways to decrease heat load within the central market stalls zone, such as the heat created from refrigeration compressors.	ACMA					
1.13	Upgrade the drainage system at the Aquatic Centre to help prevent flooding of the site during extreme rainfall events.*	City Culture					
1.14	Include the findings of the key sites audit (Action 1.2) for energy efficiency and building thermal efficiency in the Buildings Asset Management Plan and commence related upgrades.	Strategic Property and Commercial					
1.15	Upgrade the Aquatic Centre facility so that heat is reflected from the external roof and walls and building insulation is installed.* <i>*This action will only apply assuming the Aquatic Centre remains in operation after 30 June 2022.</i>	City Culture					
KADM 2. Rundle Mall Business Continuity							
2.1	Develop and implement promotion/campaign centred on the Rundle Mall as a cool refuge during heat wave events (e.g., "we're still cool" campaign).	AEDA					
2.2	Implement options for cooling current seating which gets too hot during hot days.	AEDA					
2.3	Prepare a cost-benefit analysis of cooling options installation, management, and economic impacts of encouraging people into the Mall on hot days.	AEDA					
2.4	Develop a strategy to deal with extreme heat days separate to direct cooling (e.g., opening hours changed or extended to allow for night shopping)	AEDA					
2.5	Engage with all Rundle Mall businesses to identify business risk during extreme weather conditions and appropriate messaging for shoppers.	AEDA					

Adaptation Action	Program Lead	Implementation Schedule by Financial Year					
		21/22	22/23	23/24	24/25	25/26	
2.6	Begin to increase shade and natural cooling in the mall through planting of trees, or establishment of shade structures where trees aren't possible	AEDA					
KADM 3. Infrastructure Longevity							
3.1	Continue to work with industry to identify new/superior products (or new applications) for application in CoA (e.g., bitumen/asphalt)	Infrastructure					
3.2	Leverage delivery of existing projects to create consolidated drainage models.	Infrastructure					
3.3	Define the level of service (i.e., protection level) provided to the community by CoA's stormwater drainage network.	Infrastructure					
3.4	Hold a workshop per asset class when developing asset management plans, demand management and levels of service.	Infrastructure					
3.5	Identify opportunities to regularly collaborate and share knowledge with other local councils about new products and processes.	Infrastructure					
3.6	Continue to work with industry to develop new products for trialling by CoA (e.g., bitumen/asphalt)	Infrastructure					
3.7	Incorporate climate risk into assets management plans and long term financial plans.	Infrastructure					
3.8	Engage a climate scientist/expert to provide a technical workshop for CoA staff to better understand in detail the impacts and implications of climate change to specific CoA assets.	Sustainability					
3.9	Agree on a process by which future high priority projects, especially new large-scale CoA infrastructure projects or developments, are subject to climate risk assessments prior to approval.	Infrastructure					
3.10	Review and revise any available reports that assess risk for infrastructure to ensure that they adequately consider climate change.	Infrastructure					
3.11	Formalise a process, and implement, water sensitive urban design (e.g., wetlands, rain gardens, kerb inlets) as standard practice, to reduce heat, help manage runoff, and protect watercourses.	Infrastructure					
3.12	Update existing assets inventory and condition audit process to identify risks from climate change (e.g., flooding, extreme heat).	Infrastructure					

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

Adaptation Action		Program Lead	Implementation Schedule by Financial Year				
			21/22	22/23	23/24	24/25	25/26
3.13	Undertake a survey of CoA's drainage system to determine the current condition of the system and the need for future replacement/upgrade.	Infrastructure			→		
3.14	Develop a base model for stormwater infrastructure load / flow rate.	Infrastructure			→		
3.15	Develop a flexible, spatial query layer of flood modelling for CoA based on existing AS datasets	Infrastructure			→		
3.16	Based on the findings of the drainage system survey (action 3.13) commence upgrades to the drainage system when necessary to ensure it meets the Australian Standard for flood protection and agreed level of service (action 3.3).	Infrastructure					→+
KADM 4. Green Spaces							
4.1	Review current species planting list and revise to ensure a more climate resilient species mix.	City Operations					
4.2	Develop and endorse an Urban Forest / Urban Greening Strategy, with the aim of increasing canopy cover, and the diversity and resilience of plantings.	Infrastructure					
4.3	Develop a targeted community engagement and education program relating to increasing canopy cover and plantings diversity selected within the CoA area.	Customer and Marketing			→		
4.4	Develop a streetscape designs guideline which will provide details of how streets within the City can be designed and planted to increase greening and cooling, without compromising on function and operation.	Park Lands Policy and Sustainability			→		
4.5	Develop and endorse an Urban Cooling Strategy, with a focus on planning, vegetation plantings in hot spots, and other cooling mechanisms.	Park Lands Policy and Sustainability			→		
4.6	Complete a full audit of trees and species planted in the public spaces within the City and its Park Lands	Infrastructure			→		
4.7	Fund and implement the Water Sensitive City Action Plan, with a focus on WSUD and identifying alternative water sources for plantings and irrigation.	Park Lands Policy and Sustainability			→		
KADM 5. Workforce Safety							
5.1	Commence implementation of the Safety and Wellbeing research (currently underway) into workplace heat management.	People					
5.2	Complete a review and update of the current policies regarding operating hours under extreme heat conditions.	People					

Adaptation Action		Program Lead	Implementation Schedule by Financial Year				
			21/22	22/23	23/24	24/25	25/26
5.3	Endorse and implement the plan/protocol for reallocating outdoor staff during extreme heat conditions.	People					
5.4	Investigate feasibility of a more flexible shift pattern to accommodate different work hours under extreme conditions.	People					
5.5	Review the safe work heat policy and explore how it is implemented for individual work groups.	People					
5.6	All CoA cool refuge areas within the City are to be clearly identified and, where active works are happening, dedicated for outdoor Council workers during periods of extreme heat.	People			→		
5.7	Produce a validated work zone map indicating high/medium/low risk areas for heat exposure and a matrix which can be used for the allocation and prioritisation of activities during forecast heatwaves/extreme heat events.	People			→		
5.8	Develop an extreme heat and health monitoring training program that must be attended by all CoA staff before the start of summer each year.	People					
5.9	Develop a protocol by which all staff working outdoors are required to undertake regular health monitoring during summer and extreme heat periods.	People			→		
5.10	Create partially shaded environments for gardening and organise times to avoid the worst heat of the day and extreme weather events.	People			→		
5.11	Develop and begin implementing a plan for expanding the network of cool refuges available across the City for outdoor workers to access during extreme weather conditions.	People			→		
5.12	Analyse and prepare a report of the social, health, and economic impacts of extreme heat on work hours.	People			→		
5.13	Develop and implement a protocol for reviewing current temperature recording locations for suitability in capturing local hotspots where outdoor staff work.	People				→	
KADM 6. Events							
6.1	Investigate strengthening the existing community engagement and messaging approach regarding CoA events affected by increased temperature, to improve the speed and community reach.	City Culture				→	

Adaptation Action	Program Lead	Implementation Schedule by Financial Year				
		21/22	22/23	23/24	24/25	25/26
7.3	Review new Planning and Design Code and discussion papers to identify areas for amendment related to climate change.	Park Lands Policy and Sustainability				
7.4	If performance-based compliance inspections are introduced within the Practice Directions, investigate and determine how performance checks of new developments can be best undertaken by CoA.	Regulatory Services				
7.5	Partner with other local Councils and Resilient East to submit recommended amendments to the new State Planning Policy to State Government.	Park Lands Policy and Sustainability				
7.6	Develop a set of principles, based on global best-practice, to position CoA as a leader in setting the standard for resilient developments.	Park Lands Policy and Sustainability				
7.7	Agree on a process by which high priority projects, especially new large-scale infrastructure projects, are subject to climate risk assessments prior to approval.	Regulatory Services				
7.8	Investigate options for an incentives scheme that encourages developers to incorporate additional green elements than what is required as standard practice (e.g., green walls/roofs)	Park Lands Policy and Sustainability				
7.9	Advocate to the relevant Minister for performance-based compliance inspections and proof of compliance (e.g., a certificate of compliance).	Park Lands Policy and Sustainability				
7.10	Review building codes and provide recommendations for updating them to incorporate specific requirements for resilient developments and align with current best practice.	Park Lands Policy and Sustainability				
7.11	Establish and commence training sessions for CoA staff in interpreting Planning and Design Code and implication for climate change adaptation.	Park Lands Policy and Sustainability				
7.12	Develop and implement a monitoring protocol which will ensure developments on Council land meet resilience requirements for future climate.	Park Lands Policy and Sustainability				
7.13	Complete and implement City Plan ensuring climate change and climate change adaptation and mitigation is included as a strategic chapter in the Plan.	Park Lands Policy and Sustainability				

CLIMATE CHANGE RISK ADAPTATION ACTION PLAN 2021-2026

Adaptation Action	Program Lead	Implementation Schedule by Financial Year				
		21/22	22/23	23/24	24/25	25/26
KADM 8. Homelessness Support						
8.1	Approach the State Government to request CoA be involved in extreme weather planning.	Park Lands Policy and Sustainability	■	➔		
8.2	Raise with State Government the current codes and the need to capture extreme rain / flooding conditions as a specific new code (e.g., code aqua).	Park Lands Policy and Sustainability		■		
8.3	Partner with the LGA to formalise an approach to people experiencing homelessness and other vulnerable community members	Park Lands Policy and Sustainability	■	➔		
8.4	Approach digital screen providers (e.g., Ooh!) to donate communications support during extreme weather conditions (code red/blue).	Customer and Marketing	■	➔		
8.5	Investigate broader and novel communications pathways with people experiencing homelessness, relating to extreme heat events.	Park Lands Policy and Sustainability		■		
8.6	Develop and implement (with CoA Marketing Team) a formalised process for communication signs (e.g., within CoA breezeway) during extreme weather conditions.	Park Lands Policy and Sustainability	■	➔		
8.7	Begin investigating opportunities within the Community Impact Grants and Strategic Partnerships program to seek activities that specifically target climate change impacts and adaptation.	City Culture		■		
8.8	Enhance communication approaches and community reach regarding existing multifunctional refugia programs (offered by State Government) that can be utilised by people experiencing homelessness during extreme weather conditions (e.g., cool spaces and dry spaces).	Park Lands Policy and Sustainability	■	➔		

Q1 2021-22 Consultants Report

ITEM 5.2 29/10/2021
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:
Grace Pelle, Manager, Finance &
Procurement 8203 7343

2021/00122
Public

Approving Officer:
Amanda McIlroy, Chief Operating
Officer

EXECUTIVE SUMMARY

Council at its meeting on 13 April 2021 resolved to bring a quarterly report to the Audit Committee regarding consultant spend.

The decision also called for an alteration of procurement thresholds with regards to consultants expenditure in order to increase transparency. The Procurement Contract and Approvals Guidelines have been updated to reflect this decision.

The consultants report is included in **Attachment A** to this report.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the quarterly consultants report per Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 29 October 2021.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities Procurement practices are a key element to providing value for money for Council and support organisational efficiencies.
Policy	The Procurement Contract & Approvals guidelines are in direct support of the Council approved Procurement Policy.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Not as a result of this report
21/22 Budget Allocation	The budget for consultants expenditure is spread across all areas of the organisation and all expenditure in the report cannot be initiated without confirming approved budget in accordance with the Procurement Policy.
Proposed 22/23 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
21/22 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. On 13 April 2021, Council decided the following:
 1. *Requests the CEO amend current delegations that exist within the Administration for the engagement of consultants and that those delegations are as follows:*
 - a. *The approval to engage a consultant where the contracted work is to the value up to \$49,999 will rest with an Associate Director level staff member, or higher; and,*
 - b. *The approval to engage a consultant where the contracted work is to the value of \$50,000 or greater will rest with a Director level staff member, or higher.*
 2. *Resolves that all engagements of consultants that are of a value greater than \$10,000 are recorded and provided to the Audit Committee quarterly, and that the report will include for each record:*
 - a. *The name of the consultant*
 - b. *The dollar value of the contracted works*
 - c. *The purpose for their engagement*
 - d. *The team or department the engaged consultant was assisting*
 - e. *The contracts approving officer*
 - f. *Whether the work was openly tendered and/or whether competing quotes for the work were sought, and if so, how many.*
2. On 8 June 2021, Council adopted the Procurement Policy. The Procurement Contract and Approvals Guidelines (the Guidelines) exist to support both the Procurement Policy as well as the financial delegations issued to the Chief Executive Officer by Council.
3. As a result of part 1 of the Council decision the guidelines required updating for threshold expenditure for consultants spend. While reviewing the guidelines other improvements were made to increase efficiency of the procurement process. A summary of changes to the guidelines are:
 - 3.1 Altering consultants threshold spend to limit Associated Directors to spend up to \$50,000 per Council decision.
 - 3.2 Altering the spend limit for the CEO to \$4m to align with the Procurement Policy approved by Council.
 - 3.3 Removing the process of 'calling-in' procurements from the forward procurement plan.
4. The updated Guidelines will undergo a final governance review to enable approval by the CEO and will be provided to Council in December 2021 to provide full transparency of the updated Guidelines.
5. The second part of the Council decision refers to the generation of a quarterly report for the review of Audit Committee with regards to consultants spend. The report is included in **Attachment A**.
6. Consultant engagement contracts are a particular defined type of procurement contract and the report consists of all contracted consultants spend in the first quarter of the 2021-22 financial year.
7. It is worth noting, that the procurement policy has a threshold of \$150,000 for procurement to be offered in the open market, while the guidelines have all spend over \$50,000 being under contract even if not sought via open market offerings.
8. It is therefore expected that some consultants can be engaged outside of contract. A further review of all 'off-contract' expenditure is being undertaken, however as noted in the response to the motion on notice to generate this level of information for all consultants spend over \$10,000 requires substantial administrative effort to ensure the data is quality reviewed and meets the definition of consultants. It is anticipated that this report will expand as we work to improve systems to generate this information more efficiently.

ATTACHMENTS

Attachment A – Consultants Report Q1 2021-22

- END OF REPORT -

Consultant Spend 2021 Calendar Year to Date - July to September 2021
Showing only consultant spend under contract arrangements.

Purpose of Engagement	Consultant	Team or Department the consultant was assisting		Contract Approving Officer	Dollar value of Consultant	Market Approach	Contract Form
Contract Title	Supplier	Program	Team	Approver	Contract Sum		Contract Form
Energy Assessment Program Support	dsquared	PARKLANDS POLICY SUSTAINABILITY	LOW CARBON - CIRCULAR ECONOMY	Associate Director, Park Lands, Policy & Sustainability	\$0*	Non-Tendered	Schedule of Rates - Fixed price
Provision of Real Estate Services - Pirie Street, Adelaide	JLL	STRATEGY PROPERTY AND COMMERCIAL	COMMERCIAL	Associate Director, Strategic Property & Commercial	\$48,000.00	Open Market - SA Tenders	Lump Sum - Fixed price
Provision of Recruitment Services for the CEO position	Morton Philips	PEOPLE	PEOPLE	COO	\$27,000.00	Select Quote - SA Tenders	Lump Sum - Fixed price
Development of Adelaide 5G Enablement Strategy	GravelRoad Group Pty Ltd	STRATEGY PROPERTY AND COMMERCIAL	COMMERCIAL	Associate Director, Park Lands, Policy & Sustainability	\$23,250.00	Non-Tendered	Lump Sum - Fixed price
Provision of Consultancy services for Contestability Work Packages	KPMG Australia	STRATEGY AND INSIGHTS	STRATEGY AND INSIGHTS	CEO	\$0*	Select Quote	Schedule of Rates - Fixed Price
Regional Community Aquatic and Recreation Facility Feasibility Study	Warren Green Consulting	CITY LIFESTYLE	CITY LIFESTYLE	CEO	\$49,150.00	Non-Tendered	Lump Sum - Fixed price
Construction Management Advisor for the Central Market Arcade Redevelopment	Turner & Townsend Thinc Pty Ltd	STRATEGY PROPERTY AND COMMERCIAL	PROPERTY DEVELOPMENT	Director, City Shaping	\$305,000.00	Select Tender - SA Tenders	Lump Sum - Fixed price
Total					\$ 452,400.00		
* Contract Sum does not exist for contracts based on a schedule of rates due to the nature of the engagement							

2021-2022 Quarter 1 Finance Report

ITEM 5.3 29/10/2021
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:
Grace Pelle, Manager, Finance &
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2021/00122
Public

Approving Officer:
Amanda McIlroy, Chief Operating
Officer

EXECUTIVE SUMMARY

In accordance with *Regulation 9 of the Local Government (Financial Management) Regulations 2011*, Council must reconsider its budget at least two times throughout the year, between 30 September and 31 May, restating the impact in the Uniform Presentation of Finances.

This is the first major budget reconsideration by Council for the 2021/22 financial year. The purpose of this review is to adjust the budget for any changes in circumstances and priorities since the adoption of the Budget in June 2021 and present the year-to-date financial performance for the quarter ended 30 September 2021.

Following endorsement of this Budget Review all changes will be incorporated into the revised end of month reporting documents for 2021/22. The impacts of the proposed changes on the operating and capital budgets are presented in the revised Uniform Presentation of Finances Statement, **Attachment A**.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE:

1. Notes the First Budget Review for 2021/22 incorporating the Uniform Presentation of Finances as presented in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 29 October 2021, noting that the revised budget consists of:
 - 1.1. Total estimated operating income of \$203.689 million
 - 1.2. Total estimated operating expenditure (including depreciation) of \$203.651 million
 - 1.3. An operating surplus of \$37,000
 - 1.4. Capital expenditure of \$81.413 million
 - 1.5. Grant funding to support capital expenditure on new/upgraded assets of \$1.5 million
 - 1.6. Council's borrowings (debt) ceiling of \$57.7 million
 - 1.7. Offsets across both expenditure and revenue totalling \$1.45 million towards the \$4.75 million savings target.
2. Notes additional operating expenditure for budget reconsideration for representation review process considerations for \$20,000 on the 13 July 2021, that has been included in the revised budget figures in part 1 herein.
3. Notes additional capital funding for budget reconsideration MacKinnon Parade pedestrian refuge for \$40,000 on the 13 July 2021, that has been included in the revised capital expenditure budget figures in part 1 herein.
4. Notes additional operating expenditure for budget reconsideration Adelaide Zero Project Partnership for \$183,000 (\$140,000 in 2021/22) on the 14 September 2021, that has been included in the revised budget figures in part 1 herein.
5. Notes an additional net operating impact for budget consideration Reignite the City for \$1.340 million (\$200,000 of funding for identified support initiatives and support for an estimated \$1.14m in foregone revenue) on the 10 August 2021, that has been included in the revised budget figures in part 1 herein.

6. Notes the ongoing commitment to maintain a surplus operating result, and the short-term nature of these budget amendments have been achievable only due to favourable timing impacts and the receipt of grants.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities
Policy	Not as a result of this report.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	The financial indicators have been included in Attachment A to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long Term Financial Plan.
Opportunities	The quarterly review meets Council's obligations under <i>the Local Government Act 1999</i> and <i>Local Government (Financial Management) Regulations 2011</i> .
21/22 Budget Allocation	Adjustments to the 2021-22 Budget and the year-to-date performance to end of September 2021, are detailed throughout the Report and Attachment A .
Proposed 22/23 Budget Allocation	Not as a result of this report.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report.
21/22 Budget Reconsideration (if applicable)	Adjustments to the 2021-22 Budget and the year-to-date performance to end of September 2021, are detailed throughout the Report and Attachment A .
Ongoing Costs (eg maintenance cost)	Not as a result of this report.
Other Funding Sources	Not as a result of this report.

DISCUSSION

2021-22 Quarter 1 Financial Result

1. The year-to-date financial position for the quarter ended 30 September 2021 is an operating surplus of \$94.9m which is \$2.1m favourable compared to budget of \$92.8.
2. Lower income of \$1m primarily due to the impact of COVID and the July lockdown. Some of this income is expected to return such as from commercial operations, while other areas may not recover such as On Street Parking and Events and as such have been reflected in the budget review.
3. Also contributing to this favourable result is a reduction in spend in contractual services of \$1.6m. This was also impacted by the lockdown in July as it created delay in spend in this area. However, current operations are working to ensure these funds are spent as intended to ensure service levels and delivery to the community are maintained.
4. Other favourable variances are due to vacancy management savings of \$1.5m. These are currently temporary in nature and not expected to be permanent to ensure service delivery is not adversely impacted.

Proposed Budget Review 1

5. The proposed budget review projects an operating surplus of \$37,000 which is \$6,000 favourable compared to budget of \$31,000.
6. Council's borrowings (debt) at 30 June 2022 is forecasted to decrease by \$19.8 million from \$77.5m to \$57.7 million.
7. The Revised Uniform Financial Statements are included as an Appendix to **Attachment A**
8. The variation to the operating result is due to:
 - 8.1. Inclusion of \$1,140,000 in foregone revenue due to COVID and the subsequent Reignite Adelaide program.
 - 8.2. Inclusion of grant income received for an accelerated asset renewal program from State Government Planning and Development Fund and Local Roads funding totalling \$1.5m.
 - 8.3. Inclusion of additional adjustments requested via Council decisions as detailed in the recommendation of \$360,000.
9. Risks and Opportunities for the rest of the financial year include:
 - 9.1. Ongoing risks of COVID-19 from possible lockdowns and reduced activity in the city continues to be a risk to the organisation's revenue targets and delivery of programs for the community.
 - 9.2. Opportunities exist through the sale of underperforming assets to enable the reduction of debt and improve long-term financial position.

Savings targets - Update

10. During the development of the Business Plan and Budget for 2021-22, a budget repair item was introduced to ensure a balanced budget for 2021-22. This has been entered into the draft budget with an even split between revenue and expenses to the value of \$4.75 million.
11. It can be reported that some items to achieve this target can be confirmed, totalling \$1.45m and are detailed in **Attachment A** and included in the revised budget figures.
12. Administration remains committed to achieving this budget repair item in the 2021-22 financial year and will continue to report to Council on the progress of this achievement.

Cash flow from Operations

13. The current years debt collection continues to be better than last year despite lockdown.
 - 13.1. As at the 30 September 2021, 28.5% of payments have been received, an increase from 20.8% last year. There are 129 active accounts in financial hardship (2% of total rates outstanding). There are some delays in collecting prior year debts as we see the effect of deferrals put in place in the height of COVID now impact current cashflows.

Capital Projects - Adjustments

14. Adjustments of \$13.8 million for projects and infrastructure works from 2020-21 are included in the Revised Budget.
15. Adjustments of \$7.7 million for projects and infrastructure works expenditure offset by additional capital income from Grants.

Additional adjustments as requested by Council

16. The decision of Council on 13 July 2021 called for a budget reconsideration for representation review process considerations for an additional expenditure of \$20,000. This item is short-term in nature being for the current representation review. As such this item will not impact future years budgets.
17. The decision of Council on 13 July 2021 called for a budget reconsideration for MacKinnon Parade Pedestrian Refuge for \$40,000. This item is capital in nature and has been included in the increase in capital expenditure.
18. The decision of Council on 14 September 2021 called for a budget reconsideration for the Adelaide Zero Project Partnership for \$140,000. This item is short-term in nature being for a 12 month period. As such this item will not impact future years budgets.
19. The decision of Council on the 10 August 2021 called for a budget reconsideration for the Reignite the City for \$1.34 million comprising of \$200,000 of funding for identified support initiatives and \$1.14m of revenue impacts. This item is short-term in nature being for the re-igniting of the city. As such this item will not impact future years budgets.
20. Given the short-term nature of the operational items these have been able to be funded via other positive movements in the budget due to the receipt of grants. For this reason, the ability to fund these items has been achieved without adversely impacting the overall operating result.

Treasury Report

21. As per the requirements set out in the Treasury and Cash Investment Policy, the borrowing and cash investment performance as at 30 September 2021 is reported in **Attachment A**.
22. Borrowings as at 30 September 2021 were \$22.0 million.

Borrowings Facility	Available	Interest Type	Interest Rate	Borrowing(s) Amount as at 30 September 2021	Change since previous report	Maturity Date	CAD Interest Rate
LGFA CAD 554	\$30m	Variable	1.35%	\$22m	(\$8.0m)	16/12/2023	1.35%
LGFA CAD 555	\$70m	Variable	1.35%	-	(\$4.7m)	15/06/2033	1.35%

* Note CAD facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years.

23. The Prudential Limits as at 30 September 2021 based on borrowings of \$22.0 million are all within approved limits.

Prudential Limit Ratio	Comments	Limits	YTD Actual to September 2021
Interest Expense Ratio	Number of times annual General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	0.6%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy)	Max 1.5 years	0.20
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 25%	7%

Forecast Financial Statements and Long-Term Financial Plan

24. Council's Long Term Financial Plan has been updated to reflect the re-timing adjustments for projects and infrastructure works from 2021-22 financial year, along with revised estimates for interest expense and borrowings.
25. Financial statements and the Long-Term Financial Plan are provided in the appendices to **Attachment A**. These show the forecast operating surplus/(deficit), funding requirement and borrowings in 2021-22 and future years based on the proposed re-timing adjustments.
26. The Financial indicators have been included in **Attachment A** to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long-Term Financial Plan.

ATTACHMENTS

Attachment A – 2021-22 Quarter 1 Finance Report

- END OF REPORT -

City of Adelaide 2021-22 Quarter 1 Finance Report – Attachment A

September 2021

Prepared for the City of Adelaide
by Finance

Contents

Uniform Presentation of Finances

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Glossary

Asset Sustainability Ratio: Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans

Asset Test Ratio: Borrowings as a percentage of total saleable property assets

Debt Service Coverage: Number of times the funding surplus from Operations can fund annual debt (principle and interest) repayments

Leverage Test Ratio: Total borrowings relative to rates revenue (less NRM levy)

Interest Expense Ratio: Proportion of Council's general rate income that is being used to service debt (interest)

Liquidity: Measure of the Council's ability to cover its immediate and short-term debts and obligations

Net Financial Liabilities: Financial liabilities as a percentage of operating surplus

Operating Surplus Ratio: Operating surplus as a percentage of operating revenue

Uniform Presentation of Finances: Annual funding requirement to cover spend on operations and capital

Vacancy Management: Centralisation of vacancies across operations against an annual target of \$2.1m

Uniform Presentation of Finances

Explanation

Uniform Presentation of Finances provides a breakdown of the key variances in operations, net outlays on existing assets and net outlays on new and upgraded assets between the year to date Actuals and Original Budget.

This summary is presented in a format consistent with the Uniform Presentation of Finances.

\$'000s	2021-22 YTD Actuals	2021-22 YTD Budget	Variance	Full Year 2021-22 Budget (Adopted)	2021-22 Budget Review 1	Variance
Income	140,535	141,595	(1,060)	201,923	203,689	1,766
less Expenses	(45,649)	(48,780)	3,131	(201,891)	(203,651)	(1,760)
Operating Surplus / (Deficit) before Capital Amounts	94,886	92,816	2,070	31	37	6
less Net Outlays on Existing Assets						
Net Capital Expenditure on Renewal & Replacement of Existing Assets	(4,490)	(4,135)	(355)	(34,231)	(34,670)	(439)
Add back Depreciation, Amortisation and Impairment	14,890	12,995	(1,895)	52,614	52,614	-
Add back Proceeds from Sale of Replaced Assets	284	22	2	650	650	-
Net Outlays on Existing Assets	10,684	8,671	(1,860)	19,033	18,594	(439)
less Net Outlays on New and Upgraded Assets						
Net Capital Expenditure on New and Upgraded Assets	(2,077)	(3,562)	1,485	(33,451)	(46,743)	(13,293)
less Amounts received specifically for New and Upgraded Assets	300	680	(380)	156	7,877	7,721
less Proceeds from Sale of Assets	-	-	-	2,100	1,384	(716)
Net Outlays on New and Upgraded Assets	(1,777)	(2,882)	1,105	(31,195)	(37,482)	(6,288)
Net Lending / (Borrowing) for the Financial Year	103,793	98,816	4,977	(12,130)	(18,851)	(6,721)

Operating program

Adjustments

Item Explanation	Budget \$'000	Adjustment \$'000	Budget Review 1 \$'000
Grants for Asset renewals Additional funding received from State Government and external parties for the renewal and replacement of assets from various programs such as FAG and LG Infrastructure Participation Program	255	1,506	1,761
Disposal of Plant and Fleet for Renewal Anticipated proceeds from the disposal of Plant and Fleet under the renewals program.	650	-	650
Reignite the City \$200,000 of funding for identified support initiatives and support for an estimated \$1.14m in foregone revenue.	-	(1,340)	(1,340)
Adelaide Zero Entering into a partnership with the Australian Alliance to End Homelessness to the value of \$183,000 (\$140,000 in 2021/22) for the backbone coordination of the Adelaide Zero Project (AZP).	(95)	(140)	(235)
Rep Review Representation review process considerations.	-	(20)	(20)
Adelaide Free Wi-fi (Expenditure) Replacement of the existing Adelaide Free Wi-Fi network with a current "best-of-breed" technology solution that will be available for the next five years.	(900)	(1,400)	(2,300)
Adelaide Free Wi-fi (Revenue) Funding from the Australian Government from the Adelaide City Deal funding commitment for the replacement of the existing Adelaide Free Wi-Fi network with a current "best-of-breed" technology solution that will be available for the next five years.	-	1,400	1,400
Total	260	6	266

Summary of Adjustments

The adjustments on the left reflect changes since Budget 2021-22 to the existing funding allocated to the items listed in the operating program as a result of new funding received from external sources and decisions of Budget Reconsiderations required by Council.

Operating program

Adjustments – offsetting to \$4.75m savings target

Item Explanation	Budget \$'000	Adjustment \$'000	Budget Review 1 \$'000
Rates Following the completion of the valuation process a final return of rates was determined.	121,190	950	122,140
Interest Expenses Reductions as a result of a reduction in borrowings as a result of the 2020/21 financial result.	(1,826)	500	(1,326)
Budget Repair \$4.75m budget repair established in the development of the 2021/22 Business Plan and Budget and LTFP.	4,750	(1,450)	3,300
Total	124,114	0	124,114

Summary of Adjustments

The adjustments on the left reflect changes since Budget 2021-22 to reflect the impacts of savings already achieved in 2021/22 and the existing funding allocations for the sources of the funding strategies.

The budget repair of \$4.75m was set by Council via the adopted budget. The achievement of \$1.45m in Q1 have materialised and further updates on the remaining \$3.3m will be provided in future budget reviews.

Capital program

Adjustments

Item Explanation	Budget \$'000	Adjustment \$'000	Budget Review 1 \$'000
Renewals Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	29.0	3.4	32.4
New and Upgrades Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.	7.4	2.0	9.4
Major Projects Significant works of a capital nature that are over the prudential limit, multi year or have significant grant funding being administered via a contractual deed.	26.2	7.3	33.5
Capital Program Management	6.6	1.1	7.7
Total Capital Expenditure	69.2	13.8	83.0
Capital Write-Off	(1.5)	-	(1.5)
Total Net Capital (per Uniform Presentation of Finances)	67.7	13.8	81.5

Summary of Adjustments

The adjustments on the left reflect changes since Budget 2021-22 to the existing funding allocated to projects.

Financial Indicators

Explanation

The table below provides information about the key indicators of the Council's financial performance and financial position. A range of financial indicators have been included to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long Term Financial Plan.

Financial Indicator	Explanation	Target	2021-22	2021-22 BR1
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0%	0%
Net Financial Liabilities	Financial liabilities and a percentage of operating income	Less than 80%	48%	40%
Asset Sustainability Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	60%	71%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	22%	17%
Interest Expense Ratio	Number of times General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	0.9%	0.3%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.6	0.5
Cash Flow fom Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	111%	110%
Borrowings	Total borrowings	Within Prudential Limits	77.5	57.7
			45%	33%
Operating Position	Operating Income less Expenditure	\$2m - \$10m	0.0	0.0
Future Fund	Proceeds from the sale of Council assets to fund new income generating assets or new strategic capital projects	N/A	2.2	2.7

Long Term Financial Plan

Statement of Comprehensive Income

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 1	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Income												
Rates Revenues	118,510	121,190	122,140	125,115	128,535	133,271	137,737	141,703	145,748	149,874	154,083	158,375
Statutory Charges	10,709	11,601	11,601	11,976	12,173	12,373	12,576	12,819	13,068	13,322	13,580	13,852
User Charges	61,250	62,267	61,127	63,423	64,554	71,655	72,916	74,302	75,775	77,278	78,810	80,416
Grants, Subsidies and Contributions	5,432	3,274	6,180	3,579	3,388	3,442	3,498	3,563	3,424	3,436	3,505	3,575
Investment Income	276	20	20	26	26	27	27	28	28	29	29	30
Reimbursements	665	541	541	710	722	735	748	763	778	794	810	826
Other Income	540	3,029	2,079	2,718	2,766	2,814	2,863	2,921	2,979	3,039	3,100	3,162
Total Income	197,382	201,923	203,689	207,547	212,165	224,317	230,365	236,098	241,801	247,771	253,916	260,235
Expenses												
Employee Costs	74,410	73,950	73,950	74,874	76,437	78,032	79,660	81,285	82,943	84,635	86,361	88,133
Materials, Contracts & Other Expenses	71,353	73,501	75,761	76,589	77,208	80,330	81,273	82,886	85,270	90,439	89,663	96,782
Depreciation, Amortisation & Impairment	56,808	52,614	52,614	51,932	53,159	53,778	57,520	53,601	57,082	51,355	57,344	57,729
Finance Costs	1,740	1,826	1,326	2,029	1,915	1,436	995	676	443	353	271	214
Net loss - Equity Accounted Council Businesses	4	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	204,315	201,891	203,651	205,424	208,719	213,576	219,448	218,449	225,738	226,782	233,638	242,859
Operating Surplus / (Deficit)	(6,933)	31	37	2,123	3,446	10,741	10,917	17,649	16,063	20,989	20,278	17,377
Physical Resources Received Free of Charge	450	-	-	-	-	-	-	-	-	-	-	-
Asset Disposal & Fair Value Adjustments	(6,527)	(861)	78	2,090	2,213	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	2,698	156	7,877	1,600	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(10,312)	(674)	7,992	5,813	5,659	10,741	10,917	17,649	16,063	20,989	20,278	17,377
Changes in Revaluation Surplus - I,PP&E	48,206	-	-	-	46,144	-	-	-	-	-	-	-
Net Actuarial Gains/(Loss) on Defined Benefit Plan	203	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	48,409	-	-	-	46,144	-	-	-	-	-	-	-
Total Comprehensive Income	38,097	(674)	7,992	5,813	51,803	10,741	10,917	17,649	16,063	20,989	20,278	17,377

Long Term Financial Plan

Statement of Financial Position

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 1	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
ASSETS												
Current Assets												
Cash and Cash Equivalents	1,912	800	800	800	800	7,968	25,813	46,627	69,315	60,973	86,544	69,903
Trade & Other Receivables	16,299	13,489	16,000	15,980	16,247	17,145	17,603	18,040	18,475	18,930	19,399	19,882
Other Financial Assets	-	41	-	-	-	-	-	-	-	-	-	-
Inventories	506	576	506	506	506	506	506	506	506	506	506	506
Non-Current Assets Held for Sale	958											
Total Current Assets	19,675	14,907	17,306	17,286	17,553	25,619	43,922	65,173	88,296	80,409	106,450	90,291
Non-Current Assets												
Financial Assets	376	249	338	305	274	247	222	200	180	162	146	131
Equity Accounted Investments in Council Businesses	1,119	605	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,439
Investment Property	2,870	2,600	2,899	2,928	2,957	2,987	3,016	3,047	3,077	3,108	3,139	3,170
Infrastructure, Property, Plant & Equipment	1,897,255	1,882,879	1,924,748	1,925,720	1,947,537	1,913,133	1,901,112	1,892,726	1,881,580	1,906,395	1,897,113	1,927,869
Other Non-Current Assets	2,107	2,161	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107
Total Non-Current Assets	1,903,727	1,888,494	1,931,531	1,932,498	1,954,314	1,919,912	1,907,896	1,899,518	1,888,383	1,913,210	1,903,944	1,934,717
TOTAL ASSETS	1,923,402	1,903,400	1,948,837	1,949,784	1,971,867	1,945,531	1,951,818	1,964,691	1,976,679	1,993,620	2,010,393	2,025,008
LIABILITIES												
Current Liabilities												
Trade & Other Payables	24,843	18,837	23,646	23,642	30,756	24,401	24,544	24,657	24,850	24,889	25,019	25,157
Provisions	13,320	12,305	13,586	13,858	14,135	14,418	14,706	15,000	15,300	15,607	15,919	16,237
Borrowings (Lease Liability)	4,690	5,093	4,771	4,877	4,989	5,102	5,224	4,525	4,518	3,989	3,262	3,344
Total Current Liabilities	42,853	36,236	42,003	42,376	49,880	43,920	44,474	44,183	44,668	44,485	44,200	44,738
Non-Current Liabilities												
Trade & Other Payables	1,293	1,293	1,293	7,293	293	293	293	293	293	293	293	293
Borrowings	34,700	77,483	57,727	51,341	26,054	-	-	-	-	-	-	-
Provisions	1,816	1,616	1,852	1,889	1,927	1,966	2,005	2,045	2,086	2,128	2,170	2,214
Borrowings (Lease Liability)	50,463	46,782	45,693	40,803	35,828	30,726	25,502	20,977	16,377	12,470	9,209	5,865
Total Non-Current Liabilities	88,272	127,174	106,565	101,327	64,102	32,985	27,801	23,315	18,756	14,891	11,672	8,371
TOTAL LIABILITIES	131,125	163,410	148,568	143,703	113,982	76,905	72,275	67,498	63,424	59,376	55,872	53,110
Net Assets	1,792,277	1,739,990	1,800,269	1,806,082	1,857,885	1,868,626	1,879,543	1,897,192	1,913,255	1,934,244	1,954,521	1,971,898
EQUITY												
Accumulated Surplus	806,973	802,195	813,581	812,893	793,552	778,794	789,711	807,360	823,422	844,411	864,689	882,065
Asset Revaluation Reserves	982,216	934,010	982,216	982,216	1,028,360	1,028,360	1,028,360	1,028,360	1,028,360	1,028,360	1,028,360	1,028,360
Other Reserves	1,815	1,612	1,815	1,815	1,815	1,815	1,815	1,815	1,815	1,815	1,815	1,815
Future Reserve Fund	1,273	2,173	2,657	9,157	34,157	59,657	59,657	59,657	59,657	59,657	59,657	59,657
Total Council Equity	1,792,277	1,739,990	1,800,269	1,806,082	1,857,885	1,868,626	1,879,543	1,897,192	1,913,255	1,934,244	1,954,521	1,971,898

Long Term Financial Plan

Statement of Changes in Equity

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 1	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Balance at the end of previous reporting period	1,754,180	1,740,664	1,792,277	1,800,269	1,806,082	1,857,885	1,868,626	1,879,543	1,897,192	1,913,255	1,934,244	1,954,521
a. Net Surplus / (Deficit) for Year	(10,312)	(674)	7,992	5,813	5,659	10,741	10,917	17,649	16,063	20,989	20,278	17,377
b. Other Comprehensive Income	48,409				46,144	-						
Total Comprehensive Income	38,097	(674)	7,992	5,813	51,803	10,741	10,917	17,649	16,063	20,989	20,278	17,377
Balance at the end of period	1,792,277	1,739,990	1,800,269	1,806,082	1,857,885	1,868,626	1,879,543	1,897,192	1,913,255	1,934,244	1,954,521	1,971,898

Long Term Financial Plan

Statement of Cash flows

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 1	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Cash Flows from Operating Activities												
Receipts												
Operating Receipts	198,848	202,230	203,987	207,567	211,898	223,419	229,907	235,661	241,366	247,315	253,447	259,752
Payments												
Operating Payments to Suppliers and Employees	(145,970)	(149,070)	(151,569)	(153,197)	(155,116)	(158,834)	(161,462)	(164,409)	(168,220)	(174,970)	(175,824)	(184,646)
Net Cash provided by (or used in) Operating Activities	52,878	53,160	52,419	54,370	56,782	64,585	68,445	71,253	73,146	72,345	77,623	75,106
Cash Flows from Investing Activities												
Receipts												
Amounts Received Specifically for New/Upgraded Assets	2,698	156	7,877	1,600	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	1,405	3,100	1,384	12,500	25,000	18,500	-	-	-	-	-	-
Sale of Replaced Assets	815	650	650	-	-	-	-	-	-	-	-	-
Payments												
Expenditure on Renewal/Replacement of Assets	(23,205)	(34,231)	(34,670)	(44,853)	(51,618)	(44,875)	(45,498)	(45,216)	(45,937)	(76,170)	(48,062)	(88,486)
Expenditure on New/Upgraded Assets	(12,425)	(33,451)	(46,743)	(12,461)	-	-	-	-	-	-	-	-
Net Purchase of Investment Securities	(17)											
Capital Contributed to Equity Accounted Council Businesses	(451)											
Net Cash provided by (or used in) Investing Activities	(31,180)	(63,776)	(71,502)	(43,214)	(26,618)	(26,375)	(45,498)	(45,216)	(45,937)	(76,170)	(48,062)	(88,486)
Cash Flows from Financing Activities												
Receipts												
Proceeds from Borrowings	87,900	15,671	23,027	-	-	-	-	-	-	-	-	-
Proceeds from Bonds and Deposits	1,007											
Payments												
Repayment from Borrowings	(104,800)			(6,386)	(25,288)	(26,054)	-	-	-	-	-	-
Repayment of Lease Liabilities	(4,838)	(5,055)	(5,055)	(4,771)	(4,877)	(4,989)	(5,102)	(5,224)	(4,521)	(4,518)	(3,989)	(3,262)
Net Cash provided by (or used in) Financing Activities	(20,731)	10,616	17,972	(11,156)	(30,164)	(31,042)	(5,102)	(5,224)	(4,521)	(4,518)	(3,989)	(3,262)
Net Increase (Decrease) in Cash Held	967	(0)	(1,112)	0	(0)	7,168	17,845	20,813	22,688	(8,342)	25,571	(16,642)
plus: Cash & Cash Equivalents at beginning of period	945	800	1,912	800	800	800	7,968	25,813	46,627	69,315	60,973	86,544
Cash & Cash Equivalents at end of period	1,912	800	800	800	800	7,968	25,813	46,627	69,315	60,973	86,544	69,903

Long Term Financial Plan

Uniform Presentation of Finances

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 1	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Income	197,382	201,923	203,689	207,547	212,165	224,317	230,365	236,098	241,801	247,771	253,916	260,235
less Expenses	(204,315)	(201,891)	(203,651)	(205,424)	(208,719)	(213,576)	(219,448)	(218,449)	(225,738)	(226,782)	(233,638)	(242,859)
Operating Surplus / (Deficit) before Capital Amounts	(6,933)	31	37	2,123	3,446	10,741	10,917	17,649	16,063	20,989	20,278	17,377
Net Outlays on Existing Assets												
Capital Expenditure on Renewal & Replacement of Existing Assets	(23,205)	(34,231)	(34,670)	(44,853)	(51,618)	(44,875)	(45,498)	(45,216)	(45,937)	(76,170)	(48,062)	(88,486)
add back Depreciation, Amortisation and Impairment	56,808	52,614	52,614	51,932	53,159	53,778	57,520	53,601	57,082	51,355	57,344	57,729
add back Proceeds from Sale of Replaced Assets	815	650	650	-	-	-	-	-	-	-	-	-
Net Outlays on Existing Assets	34,418	19,033	18,594	7,079	1,541	8,904	12,022	8,386	11,145	(24,814)	9,281	(30,756)
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets	(12,425)	(33,451)	(46,743)	(12,461)	-	-	-	-	-	-	-	-
add back Amounts received specifically for New and Upgraded Assets	2,698	156	7,877	1,600	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets	1,405	2,100	1,384	6,500	25,000	25,500	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	(8,322)	(31,195)	(37,482)	(4,361)	25,000	25,500	-	-	-	-	-	-
Net Lending / (Borrowing) for Financial Year	19,163	(12,130)	(18,851)	4,840	29,986	45,145	22,939	26,035	27,208	(3,826)	29,559	(13,380)

Long Term Financial Plan

Financial Indicator	Explanation	Target	2021-22	2021-22 BR1	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0%	0%	1%	2%	5%	5%	7%	7%	8%	8%	7%
Net Financial Liabilities	Financial liabilities and a percentage of operating income	Less than 80%	48%	40%	39%	26%	7%	-	-	-	-	-	-
Asset Sustainability Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	60%	71%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	23%	17%	15%	6%	0%	0%	0%	0%	0%	0%	0%
Interest Expense Ratio	Number of times General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	0.9%	0.3%	0.9%	0.9%	0.5%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.7	0.5	0.4	0.2	-	-	-	-	-	-	-
Cash Flow fom Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	111%	110%	105%	102%	110%	111%	112%	113%	98%	113%	95%
Borrowings	Total borrowings	Within Prudential Limits	78.5	57.7	51.3	26.1	-	-	-	-	-	-	-
			46%	33%	30%	14%	0%	0%	0%	0%	0%	0%	0%
Operating Position	Operating Income less Expenditure	\$2m - \$10m	0.0	0.0	2.1	3.4	10.7	10.9	17.6	16.1	21.0	20.3	17.4
Future Fund	Proceeds from the sale of Council assets to fund new income generating assets or new strategic capital projects	N/A	2.2	2.7	9.2	34.2	59.7	59.7	59.7	59.7	59.7	59.7	59.7

Internal Audit Progress Update

ITEM 5.4 29/10/2021
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:
Mick Petrovski, Manager,
Governance 8203 7119

2021/00982
Public

Approving Officer:
Amanda McIlroy, Chief Operating
Officer

EXECUTIVE SUMMARY

To provide the Audit and Risk Committee with a progress update on the Internal Audit program, findings and recommendations.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Internal Audit Progress Update report.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is to uphold the values of integrity and accountability. To ensure that the Council delivers services to the community as a leader, advocate, and facilitator by maintaining a transparent decision-making process.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The Internal Audit program provides to the Audit and Risk Committee on assurance related activities to meet best practice standards.
21/22 Budget Allocation	\$70,000
Proposed 22/23 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
21/22 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. The role of Internal Audit is to assist Council, Audit and Risk Committee and the Chief Executive Officer in meeting their assurance obligations relating to corporate governance, the system of internal controls and identifying areas for more efficient and effective processes.
2. Pursuant to the Audit and Risk Committee's Terms of Reference, approved by Council on 12 October 2021, the Audit and Risk Committee shall receive reports on all Internal Audit projects and review and monitor management's responsiveness to the findings and recommendations of the Internal Auditors (currently KPMG) and inhouse advice. At the request of the Audit and Risk Committee, full copies of all completed audit reports are included – view [Link 1](#).
3. At its meeting 18 June 2021, the City of Adelaide Audit Committee recommended to Council to approve the Internal Audit Plan (the Plan) 2021/2022. The Plan was approved by Council at its meeting on 13 July 2021. The Audit and Risk Committee can any time consider an amendment to the plan in context of operational needs and priorities.
4. A summary of internal audits, strategic reviews and internal investigations for the period August 2021 to October 2021 is provided below:

Completed projects:	North Adelaide Golf Course Financial Processes
Continuing projects:	-
Projects commenced:	Planning, Development and Infrastructure Act 2016 Implementation Rundle Mall Performance Internal Audit Services

5. Recommendations arising from Internal Audit and Strategic Reviews are reported to the Strategic Risk and Internal Audit Group (SRIA). Associate Directors and Managers are involved (as required) in the review and assist in drafting the management responses, agree on actions, and have overall responsibility of the completion dates.
6. Recommendations, agreed actions, responsibilities and timeframes for implementation are recorded centrally in Council's process mapping software, Promapp. The implementation status of recommendations is tracked and reported to the Audit and Risk Committee.
7. As agreed by SRIA, all extension requests for outstanding actions are to be approved by the Chief Executive Officer. This process will ensure that there is appropriate accountability before a request is granted an extension.
8. Since the last Internal Audit Progress Update reported to the Audit Committee at its meeting on 30 July 2021, 45 internal audit recommendations have been completed and 33 recommendations are in progress – view [Link 2](#), as summarised in the table below:

Risk	Definition	Overdue	In Progress	Total
High	Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives. Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months.	0	3	3
Moderate	Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives. Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months.	2	14	14

Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives. Timeframe for action is subject to competing priorities and cost/benefit analysis, e.g. 9-12 months	0	9	7
	Total	2	26	28
N/A	Improvement Opportunity	0	5	5

DATA AND SUPPORTING INFORMATION

Link 1 – Completed Audit Reports

Link 2 – Progress Summary of Recommendations Report

ATTACHMENTS

Nil

- END OF REPORT -

Exclusion of the Public

ITEM 9.1 29/10/2021
Audit and Risk Committee

Program Contact:
Mick Petrovski, Manager
Governance 8203 7119

2018/04291
Public

Approving Officer:
Clare Mockler, Chief
Executive Officer

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit and Risk Committee meeting for the consideration of information and matters contained in the Agenda.

10.1 Activities of the Strategic Risk and Internal Audit Group Meetings [section 90(3) (i) of the Act]

The Order to Exclude for Item 10.1

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 10.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (i) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 29 October 2021 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.1 [Activities of the Strategic Risk and Internal Audit Group Meetings] listed on the Agenda.

Grounds and Basis

This Item is confidential nature because the report includes information on Council litigation.

The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information relates to actual litigation of Council.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 29 October 2021 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 10.1 [Activities of the Strategic Risk and Internal Audit Group

Meetings] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (i) of the Act.

DISCUSSION

1. Section 90(1) of the *Local Government Act 1999 (SA)* (the Act), directs that a meeting of a Council Committee must be conducted in a place open to the public.
2. Section 90(2) of the Act, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.
3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.
4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -
 - (a) *cause embarrassment to the council or council committee concerned, or to members or employees of the council; or*
 - (b) *cause a loss of confidence in the council or council committee; or*
 - (c) *involve discussion of a matter that is controversial within the council area; or*
 - (d) *make the council susceptible to adverse criticism.'*
5. Section 90(7) of the Act requires that an order to exclude the public:
 - 5.1 Identify the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
 - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
 - 5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.
6. Section 87(10) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following matter is submitted seeking consideration in confidence.
 - 6.1 Information contained in Item 10.1 – Activities of the Strategic Risk and Internal Audit Group Meetings
 - 6.1.1 Is not subject to an Existing Confidentiality Order
 - 6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (i) of the Act
 - (i) Information relating to the actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council.

ATTACHMENTS

Nil

- END OF REPORT -

Confidential Item 10.1

Activities of the Strategic Risk and Internal Audit Group Meetings

Section 90 (3) (i) of the *Local Government Act 1999* (SA)

Pages 102 to 105
