

# National Climate Emergency Summit

ITEM 15.1 15/12/2020

Council

**Council Member**  
Councillor Khera

2018/04233  
Public

**Contact Officer:**  
Ian Hill, Director Growth

## QUESTION ON NOTICE

**Councillor Khera will ask the following Question on Notice:**

'Regarding the National Climate Emergency Summit held on, or around, the 14<sup>th</sup> and 15<sup>th</sup> of February of this year, can the administration please provide:

1. The total cost to council in relation to attendance by the councillor (Cllr Simms) to this conference, including:
  - Cost of air travel,
  - Cost of accommodation,
  - Cost of ancillary transport,
  - Ancillary and administrative costs
2. The total usage of cabcharge vouchers in dollars and kilometres;
3. An estimate of the carbon costs incurred, in kilograms, for air travel, and other ancillary travel utilised, as well as for ancillary energy usage such as hotel accommodation.'

## REPLY

1. At its meeting of 10 December 2019, Council endorsed a report seeking approval for travel and associated costs up to \$2000 for Councillor Simms to attend the National Climate Emergency Summit in Melbourne in February 2020.
2. The total cost to Council included:
  - 2.1. \$169.89 - Conference Registration
  - 2.2. \$323.72 – Flights (Virgin Australia - including carbon offset)
  - 2.3. \$613.39 – Accommodation (2 nights)
  - 2.4. \$62.00 - Meals
  - 2.5. \$192.36 – Taxis (cabcharge)

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\$1361.36 Total

3. Noting that the greenhouse gas emissions associated with the flights (0.2 tonnes CO<sub>2</sub>e) were offset, an estimate of the greenhouse gas emissions associated with the accommodation and taxi travel is 0.17 tonnes CO<sub>2</sub>e (using Climate Active emissions factors).
4. On 10 March 2020, Councillor Simms addressed the Council meeting to provide a report on the National Climate Emergency Summit.
5. Costs related to the Summit have been made publicly available through both the Register of Members' Benefits and the 2019-2020 City of Adelaide Annual Report.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 5.5 hours.
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- END OF REPORT -

# Operating Budget and Borrowings History

**ITEM 15.2** 15/12/2020  
**Council**

**Council Member**  
Councillor Martin

2018/04053  
Public

**Contact Officer:**  
Clare Mockler, Deputy CEO &  
Director Culture

## QUESTION ON NOTICE

**Councillor Martin will ask the following Question on Notice:**

'Could the Administration advise:

1. The Operating Budget deficit/surplus forecast at the beginning of each financial year and the year end result for the following years:
    - 2014/15
    - 2015/16
    - 2016/17
    - 2017/18
    - 2018/19
    - 2019/20
  2. The budgeted deficit/surplus at the beginning of the 20/21 financial year and, according to the most recent figures available to the Finance Department, the likely year end result.
  3. The budgeted surplus/deficit in the approved Long Term Financial Plan for each of the following financial years:
    - 2021/22
    - 2022/23
  4. The approved borrowings forecast at the beginning of the year and the actual year end total of those borrowings for each of the following financial years:
    - 2014/15
    - 2015/16
    - 2016/17
    - 2017/18
    - 2018/19
    - 2019/20'
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## REPLY

1. The below table provides the Operating Position as per the Adopted Budget for each respective year, compared to the Actual Operating Position reported in the Audited Financial Statements.

\$'000s	Adopted Budget Operating Position	Actual Operating Position	Variance	Operating Surplus Ratio (Actual)
2014-15	4,592	9,107	4,515	10%
2015-16	1,644	1,352	(292)	1%
2016-17	(965)	17,294	18,259	8%
2017-18	(6,134)	(17,381)	(11,247)	(9%)
2018-19	(7,333)	(21,256)	(13,923)	(11%)
2019-20	(847)	(19,540)	(18,693)	(10%)

- 1.1. The operating Surplus Ratio expresses the operating surplus / (deficit) as a percentage of overall operating revenue. The *Local Government Act 1999* target is to achieve an average operating surplus ratio between 0% and 15% over any five-year period. As included in the table above, we have incurred 3 consecutive years of negative operating surplus ratio's, and currently forecast to incur a further (21%) in 2020-21. The adopted Long Term Financial Plan (LTFP) further forecast negative operating surplus ratios until 2023-24 inclusive.
- 1.2. The Operating position based on the 2021-22 Business Plan and Budget parameter included in Item 10.12 within this Agenda forecast an operating surplus ratio of 2%. This factors in the \$20 million permanent ongoing reduction to operating expenditure. Operating surplus ratio is positive in all years presented in this LTFFP from 2021-22.
2. The 2020-21 Business Plan and Budget adopted on the 13 August 2020 forecast an operating deficit of \$36.4 million. The latest revised forecast for 2020-21 as approved by Council on the 10 November 2020 (Item 10.18 – 2020-21 Quarter 1 Finance Report) is an operating deficit of \$39.0 million.

\$'000s	Adopted Budget	Revised Forecast (QF1)	Operating Surplus Ratio
2020-21	(36,411)	(39,009)	(21%)

3. The forecasted operating deficits in the Long Term Financial Plan (LTFFP) adopted by Council on the 13 August 2020 are as follows:

\$'000s	Adopted LTFFP	Operating Surplus Ratio
2021-22	(5,196)	(3%)
2022-23	(5,077)	(2%)

4. The forecasted borrowings as per the Adopted Budget for each respective year, compared to the actual borrowings reported in the Audited Financial Statements are included in the table below. The Administration monitor and manage the cash flow on a daily basis. This prudent management of cash flow has resulted in a favourable position to that forecasted.

\$'000s	Forecast Borrowings	Actual Borrowings
2014-15	51,644	10,500
2015-16	42,271	1,700
2016-17	40,804	-
2017-18	39,163	28,000
2018-19	78,033	41,450
2019-20	66,980	51,600

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 4.5 hours.
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# Rate Freeze Impacts on Council Revenue

**ITEM 15.3** 15/12/2020  
**Council**

**Council Member**  
Councillor Martin

2018/04053  
Public

**Contact Officer:**  
Clare Mockler, Deputy CEO &  
Director Culture

## QUESTION ON NOTICE

### Councillor Martin will ask the following Question on Notice:

'The Administration has consistently cited the freeze on the rate in the dollar as a factor in the City of Adelaide's financial performance, including in a report in The Advertiser on November 10th, 2020.

Could the Administration advise for each of the financial years in which the freeze in the rate in the dollar has applied:

1. What has been the decrease/increase in rate revenue the City of Adelaide has budgeted and then received?
2. What did this decrease/increase in rate revenue the City of Adelaide budgeted and then received amount to as percentage of overall rate revenue?
3. What percentage of this decrease/increase in revenue the City of Adelaide budgeted and then received can be apportioned to valuation increases in property values for the purposes of increased rating and/or new development?
4. What was the ABS rate for CPI (not the Local Government calculation for CPI) for each of these years?
5. What was the decrease/increase, as a percentage, in rates compared to the CPI for each year and as a total for the period?'

## REPLY

1. The table below documents budget vs actual for general rates income over the past 7 years since the rate in the dollar has been frozen.
  - 1.1 Over this entire period, the total amount in general rates budgeted for has been \$679.2m. The amount received over the same period has been \$678.6m, a shortfall of \$574k or 0.08% of total rates received.

Year	Budget (\$'000)	Actual (\$'000)	Variance (\$'000)	Percentage of Actual
2013-2014	\$87,152	\$86,895	-\$257	-0.30%
2014-2015	\$90,080	\$89,675	-\$405	-0.45%
2015-2016	\$93,880	\$93,919	\$39	0.04%
2016-2017	\$95,594	\$95,895	\$301	0.31%
2017-2018	\$98,850	\$98,539	-\$311	-0.32%

2018-2019	\$102,834	\$103,091	\$257	0.25%
2019-2020	\$110,800	\$110,602	-\$198	-0.18%
<b>TOTAL:</b>	<b>\$679,190</b>	<b>\$678,616</b>	<b>-\$574</b>	<b>-0.08%</b>

2. The increase in the budget each year has generally reflected the uplift in rates from increased valuation of the property base and the growth derived from additions/alterations and new developments. The uplift from additions and new developments, generally results in an increase in service demand.

Year	Budget (\$'000)	Increase in Budget YOY	Uplift Addn/Alts/New Devs	Uplift in Valuations of Base	Total Uplift in Valuations
2013-2014	\$87,152	5.31%	7.20%	-3.50%	3.70%
2014-2015	\$90,080	3.36%	3.00%	3.00%	6.00%
2015-2016	\$93,880	4.22%	3.20%	1.00%	4.20%
2016-2017	\$95,594	1.90%	1.10%	1.10%	2.20%
2017-2018	\$98,850	3.41%	1.90%	1.50%	3.40%
2018-2019	\$102,834	4.03%	2.50%	1.70%	4.20%
2019-2020	\$110,800	7.75%	1.82%	3.79%	5.61%
2020-2021	\$112,795	1.80%	1.30%	0.90%	2.20%

3. The Australian Bureau of Statistics CPI rate as at the December quarter of the prior year is used to develop the current financial year budget.

Year	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
CPI	2.1%	2.3%	1.7%	1.0%	1.3%	2.3%	1.6%	2.1%

4. The increase in the general rates base due to an uplift in valuations as compared to CPI over the past 7 years is shown in the table below. The cumulative impact of this as previously reported is \$16 m.

Year	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
CPI	2.10%	2.30%	1.70%	1.00%	1.30%	2.30%	1.60%	2.10%
Rate base increase due to valuations uplift	-3.50%	3.00%	1.00%	1.10%	1.50%	1.70%	3.79%	0.90%

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 5.5 hours.
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- END OF REPORT -

Council Member  
Councillor Martin2020/01167  
Public**Contact Officer:**  
Clare Mockler, Deputy CEO &  
Director Culture

## QUESTION ON NOTICE

**Councillor Martin will ask the following Question on Notice:**

'Could the Administration advise :

1. The total funds allocated to the locally run North Adelaide Precinct Association to conduct Christmas in the City event/s?
2. If it has engaged a Melbourne based company which also runs markets in Melbourne, Sydney and Canberra to conduct a Maker's Market at 88 O'Connell Street, North Adelaide on December 18th, 19th and 20th?
3. If so, what was the amount of ratepayer funds paid to the Melbourne based market operator?
4. On how many occasions during the term of this Council has the City of Adelaide entered into agreements with interstate based companies to conduct markets and similar community events?
5. What agreements has the City of Adelaide entered into with interstate based organisations for markets and similar community events for the remainder of the financial year?
6. If such agreements have been entered into why has the Council policy of favouring South Australian businesses and organisations, including the North Adelaide Precinct Association, not been followed?'

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## REPLY

1. The North Adelaide Precinct Association was allocated \$2,500 in funding via the 2020 Christmas Incentive Scheme to program live music in O'Connell and Melbourne Streets.
2. There were seven successful applicants who received a total of \$41,325 in funding via the 2020 Christmas Incentive Scheme to activate North Adelaide with three days of maker markets, a community event and a variety of window displays and live music performances.
3. The City of Adelaide has not engaged a Melbourne based company to conduct a Maker's Market at 88 O'Connell Street, North Adelaide on 18, 19 and 20 December.
4. The Makers and Shakers Market which will be held at 88 O'Connell Street on these dates is owned by a South Australian based market operator, trading as We Do Markets and Events Pty Ltd, registered in both South Australia and Victoria.
5. We Do Market and Events Pty Ltd delivers markets nationally, including Adelaide, Melbourne, Sydney and Canberra.
6. The South Australian based company, We Do Markets and Events Pty Ltd, was a successful applicant of the 2020 Christmas Incentive Scheme and received \$20,000 in funding to support the delivery of The Makers and Shakers Market at 88 O'Connell Street on 18, 19 and 20 December.

7. The City of Adelaide has not entered into agreements with interstate-based companies to conduct markets and similar community events during the term of this Council or for the remainder of the 2020/21 financial year.
8. The City of Adelaide has not favoured interstate-based companies over South Australian businesses and organisations. The process of allocating funds to the Christmas Incentive Scheme has met the intent of both Council's existing Procurement Policy and the direction of the proposed Procurement Policy (in development).

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 5.5 hours.
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- END OF REPORT -



# Commercial Property Vacancies

ITEM 15.5 15/12/2020

Council

**Council Member**  
Councillor Martin

2005/03115  
Public

**Contact Officer:**  
Ian Hill, Director Growth

## QUESTION ON NOTICE

**Councillor Martin will ask the following Question on Notice:**

'Could the Administration advise the vacancy rate for commercial property in:

1. O'Connell Street North Adelaide
2. Melbourne Street North Adelaide
3. CBD City of Adelaide'

## REPLY

1. Current commercial vacancy rate:
  - 1.1. O'Connell Street: 14%
  - 1.2. Melbourne Street: 13%
2. In addition, the Insights dashboard located on the City of Adelaide website contains a report that presents the commercial vacancy rates for a number of key mainstreets from across the City - [Mainstreets analysis | Invest Adelaide \(cityofadelaide.com.au\)](#)
3. The Office Market Report prepared by the Property Council every six months was released in August 2020 and indicated that commercial vacancy rate (office space across the city) sat at 14.2% in July, up from 14% in February 2020. The full impact of Covid-19 is expected to play out over the next 12-18 months.
4. According to a recent survey conducted by the Property Council "*office occupancy in major CBDs is still well below pre-COVID pandemic levels, and most building owners or managers do not expect to see a material increase in CBD office occupancy for three months or longer.*" Adelaide's office occupancy sat at 67% in September.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 5.5 hours.
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- END OF REPORT -

Council Member  
Councillor Martin2020/00150  
Public**Contact Officer:**  
Clare Mockler, Deputy CEO &  
Director Culture

## QUESTION ON NOTICE

**Councillor Martin will ask the following Question on Notice:**

'Could the Administration formally advise Council, based on the current, approved Long Term Financial Plan (including stated debt repayments and without any unapproved changes or embellishments) in what year the City of Adelaide will repay borrowings forecast at the conclusion of 2020/21 and in what year the City of Adelaide will repay the more than 200 million dollar debt forecast by the end of the decade?'

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## REPLY

1. The current borrowings position as approved in the 2020-21 Quarter 1 Revised Forecast (QF1) is \$92.8 million at the end financial year, increasing to \$165.3 million at the end of 2030-31. This level of borrowings is forecast to be repaid as follows:
  - 1.1. The \$92.8 million is forecast to be repaid in the 2040-41 Financial Year
  - 1.2. The \$165.3 million is forecast to be repaid in the 2047-48 Financial Year.

Borrowings are repaid where there is a funding surplus. A funding surplus of \$10 million is forecast beyond the current 10 years reported in the Long Term Financial Plan (LTFP). Any future Council decisions to invest in New and Significant Upgrade projects or utilise the Future Fund Reserve may result in additional borrowings required which may extend the repayment period.
2. The Inflation and Interest rate assumptions that underpin the QF1 LTFP require updating based on current market conditions. These revised assumptions were contained in the 2020-21 Business Plan and Budget Workshop held on the 24 November 2020. The implications of the revised market conditions result in forecasted borrowings of \$194.6 million at the end of 2030-31. Based on this level of debt, Council will be within 87% of its Prudential Borrowing Limit, will have limited capacity to respond to emerging priorities and borrowings is forecast to be repaid in 2050-51.
3. The forecast borrowings contained within the 2021-22 Business Plan & Budget – Budget Parameters included in Item 10.12 in the Agenda on the 15 December 2020 is \$89.0 million in 2031-31 and is forecast to be repaid in 2039-40.
4. The borrowings above take into account the underperforming strategic assets identified for divestment within the confidential Item of Council on 14 April 2020 (18.2.3 Strategic Property Review). There are additional strategic property assets which Council may choose to divest in order to further reduce borrowings.
5. Any further divestment of strategic property assets may result in a reduced capacity to leverage borrowings in the future, as one of the ratios used to define the prudential borrowing limit is 50% of total saleable property assets.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 4.5 hours.
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- END OF REPORT -

# Lord Mayor's Christmas Party

**ITEM 15.7** 15/12/2020  
**Council**

**Council Member**  
Councillor Martin

2018/04164  
Public

**Contact Officer:**  
Mark Goldstone, Chief  
Executive Officer

## QUESTION ON NOTICE

**Councillor Martin will ask the following Question on Notice:**

'Adelaide Now reported last week that the City of Adelaide would not host a staff Christmas Party this year, but that the Lord Mayor would hold on December 9<sup>th</sup> a Christmas Luncheon at Town Hall for 100 Emergency Service personnel and community members at a cost of \$15,000 and then a Lord Mayor's Christmas Party at Town Hall on December 16<sup>th</sup> for 100 people at a cost of \$17,000.

Could the Administration advise how many people accepted invitations for the Lord Mayor's Christmas Party (as distinct from the Lord Mayor's Christmas Luncheon) in 2019 and in 2020 and what was the total cost, including staff time, of each event?'

## REPLY

1. The annual Lord Mayor's Christmas Luncheon was held on 9 December 2020 with a focus on reconciliation and acknowledging the life saving work of South Australia's emergency services' personnel, with particular reference to responses to bushfires and COVID-19.
2. A total of 92 guests attended, including Council Members, representatives of emergency services, members of the City of Adelaide Reconciliation Committee and Kurna community representatives, and other key stakeholders with whom the City of Adelaide has worked closely with in 2020.
3. As reported, the total budget for the Lord Mayor's Christmas Luncheon was \$15,000, which included \$10,000 for catering.
4. The Lord Mayor's annual Christmas Reception will be held on 16 December 2020.
5. A total of 100 guests are expected to attend, including Council Members and their guests, representatives of resident, precinct and business groups, and other key stakeholders with whom the City of Adelaide has worked closely with in 2020.
6. As reported, the total budget for the Lord Mayor's Christmas Reception is \$17,000, which includes \$7,000 for catering.
7. In 2019, the Lord Mayor's Christmas Luncheon had a focus on the 125<sup>th</sup> anniversary of women's suffrage.
8. 100 guests accepted invitations and the total cost was \$18,500, which included \$10,000 for catering.

9. Approximately 500 guests accepted invitations for the 2019 Lord Mayor's Christmas Reception, for which the total cost was \$51,917, including \$22,213 for catering.
10. It is not possible to provide an accurate cost for staff time in planning and delivering these particular events, which form part of an overall annual civic recognition program.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 5.5 hours.
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- END OF REPORT -

# Lord Mayoral Transport

**ITEM 15.8** 15/12/2020  
**Council**

**Council Member**  
Councillor Martin

2018/04164  
Public

**Contact Officer:**  
Mark Goldstone, Chief  
Executive Officer

## QUESTION ON NOTICE

**Councillor Martin will ask the following Question on Notice:**

'Noting that the Lord Mayor told ABC Radio 891 last week that she had a new electric vehicle, could the Administration advise;

1. Was any EV purchased by the City of Adelaide for the use of the Lord Mayor?
2. If the EV was purchased or leased by the City of Adelaide for the use of the Lord Mayor, what was the purchase price or total lease cost, together with the cost of home or other location charging systems?
3. Will the Lord Mayor also continue to use hire taxis and other hire vehicles with drivers to carry the Lord Mayor to events attended on behalf of Council and who often wait outside events until the Lord Mayor is ready to leave?
4. What was the cost of all taxis, hire vehicles (including uber vehicles with drivers on waiting time) and other vehicles to convey the Lord Mayor on Council business in the 2019/20 financial year?'

## REPLY

1. No – the Lord Mayor recently purchased an electric car as her own personal vehicle at her own expense.
2. There have been no associated costs borne by the City of Adelaide.
3. The Lord Mayor uses a mix of taxis, Ubers and hire cars for transport as required for official Council business, but primarily walks or uses the free tram service within the Adelaide CBD.
4. The cost of all taxi, Uber and hire car services (including driver costs) used by the Lord Mayor for official Council business in 2019/20 was \$16,052.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 4.5 hours.
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- END OF REPORT -

# Aboriginal and Torres Strait Islander Employment at the City of Adelaide

**ITEM 15.9** 15/12/2020  
**Council**

**Council Member**  
Councillor Martin

2019/00551  
Public

**Contact Officer:**  
Clare Mockler, Deputy CEO &  
Director Culture

## QUESTION ON NOTICE

**Councillor Martin will ask the following Question on Notice:**

'Could the administration advise how many staff members engaged through Aboriginal and Torres Strait islander recruitment programs have:

1. Have had their positions impacted by the current restructure?
2. How many Aboriginal and Torres Strait Islanders have left the organisation since January 2020?
3. What is the City of Adelaide Stretch Reconciliation target for Aboriginal and Torres Strait Islander employment measured against the percentage of these staff currently employed at the City of Adelaide?'

## REPLY

1. There have been 3 employees who identify as Aboriginal and Torres Strait Islander whose positions have been impacted by Reshaping our Organisation.
2. There have been 2 employees who identify as Aboriginal and Torres Strait Islander who have left the organisation since January 2020 – one through Reshaping our Organisation.
3. The City of Adelaide target for Aboriginal and Torres Strait Islander employment as articulated in our Stretch Reconciliation Action Plan is 2% and the current percentage sits at 1.1% (excluding casual employees).

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 4 hours.
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- END OF REPORT -