



# COUNCIL AGENDA & REPORTS

for the meeting to be conducted by electronic means on  
Thursday 27 January 2022 at 5.30pm

A live stream of the meeting will be available via the City of Adelaide website at  
[Meeting live stream | City of Adelaide](#)

Members - The Right Honourable the Lord Mayor, Sandy Verschoor (Presiding)  
Deputy Lord Mayor, Councillor Abrahamzadeh  
Councillors Couros, Donovan, Hou, Hyde, Khera, Knoll,  
Mackie, Martin, Moran and Snape.

### 1. Acknowledgement of Country

At the opening of the Council Meeting, the Lord Mayor will state:

'Council 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. Acknowledgement of Colonel William Light

Upon completion of the Kaurna Acknowledgment, the Lord Mayor will state:

'The Council acknowledges the vision of Colonel William Light in determining the site for Adelaide and the design of the City with its six squares and surrounding belt of continuous Park Lands which is recognised on the National Heritage List as one of the greatest examples of Australia's planning heritage.'

### 3. Prayer

Upon completion of the Acknowledgment of Colonel William Light by the Lord Mayor, the Chief Executive Officer will ask all present to pray -

'Almighty God, we ask your blessing upon the works of the City of Adelaide; direct and prosper its deliberations to the advancement of your glory and the true welfare of the people of this City. Amen'

### 4. Memorial Silence

The Lord Mayor will ask all present to stand in silence in memory of those who gave their lives in defence of their Country, at sea, on land and in the air.

### 5. Apologies and Leave of Absence

Nil

### 6. Confirmation of Minutes – 8/12/2021, 14/12/2021 & 17/1/2022

That the Minutes of the meeting of the Council held on 14 December 2021, and the Minutes of the Special meetings of the Council held on 8 December 2021 and 17 January 2022, be taken as read and be confirmed as an accurate record of proceedings.

### 7. Deputations

Granted at time of Agenda Publication – 21/1/2022

Nil

### 8. Petitions

Nil

### 9. Advice from Adelaide Park Lands Authority & Advice/Recommendations of the Audit/Reconciliation Committee

Nil

## 10. Reports for Council (Chief Executive Officer's Reports)

### Strategic Alignment – Strong Economies

- 10.1.** Adelaide Economic Development Agency Charter and Advisory Committee Terms of Reference Reviews [2020/01894] [Page 3]

### Strategic Alignment – Enabling Priorities

- 10.2.** 2022 LGA Ordinary General Meeting [2018/04054] [Page 38]  
**10.3.** Adelaide Festival Corporation Board [2018/04054] [Page 41]  
**10.4.** 2022 – 2023 Business Plan and Budget: Parameters and Assumptions [2021/00122] [Page 44]  
**10.5.** Future Fund and Investment Policy and related policies [2021/00122] [Page 51]

## 11. Exclusion of the Public

- 11.1.** Exclusion of the Public [2018/04291] [Page 75]

For the following reports for Council (Chief Executive Officer's Reports) seeking consideration in confidence

**12.1.1.** Gawler Place Upark Façade [s 90(3) (i)]

**12.1.2.** Bus Station Site – Development Options [s 90(3) (b) & (d)]

For the following Motion on Notice seeking consideration in confidence

**12.2.1.** Councillor Martin – Motion on Notice – 88 O'Connell Development [s 90(3) (g), (h) & (i)]

## 12. Confidential Reports

- 12.1.** Confidential Reports for Council (Chief Executive Officer's Reports)

### Strategic Alignment – Enabling Priorities

**12.1.1.** Gawler Place Upark Façade [T2018/0091] [Page 79]

**12.1.2.** Bus Station Site – Development Options [2017/04450] [Page 84]

- 12.2.** Confidential Motion on Notice

**12.2.1.** Councillor Martin – Motion on Notice – 88 O'Connell Development [2021/00600] [Page 127]

## 13. Lord Mayor's Reports

## 14. Councillors' Reports

- 14.1.** Reports from Council Members [2018/04064] [Page 129]

## 15. Questions on Notice

- 15.1.** Deputy Lord Mayor, Councillor Abrahamzadeh – Question on Notice – New Year's Eve Events [Page 132]  
**15.2.** Councillor Donovan – Question on Notice – Walking Strategy [Page 133]  
**15.3.** Councillor Martin – Question on Notice - Quentin Kenihan Inclusive Playspace [Page 134]  
**15.4.** Councillor Martin – Question on Notice - User Costs of EV Chargers [Page 135]  
**15.5.** Councillor Martin – Question on Notice - Golf Course Car Parking [Page 136]

## 16. Questions without Notice

## 17. Motions on Notice

- 17.1.** Councillor Moran – Motion on Notice – New Year's Eve Council Events [2020/01167] [Page 137]  
**17.2.** Councillor Martin – Motion on Notice – Electric Vehicle Charging [2021/01236] [Page 139]  
**17.3.** Councillor Martin – Motion on Notice – Policy on Recompense for Minor Damage [2021/00600] [Page 141]

## 18. Motions without Notice

## 19. Closure

# Adelaide Economic Development Agency Charter and Advisory Committee Terms of Reference Reviews

**ITEM 10.1** 27/01/2022  
**Council**

Strategic Alignment - Strong Economies

**Program Contact:**  
Ian Hill, Managing Director, AEDA  
8203 7249

2020/01894  
Public

**Approving Officer:**  
Clare Mockler, Chief Executive  
Officer

## EXECUTIVE SUMMARY

The Adelaide Economic Development Agency (AEDA) is a subsidiary of Council under Section 42 of the *Local Government Act 1999 (SA)* (the Act). AEDA has been in operation since 18 January 2021.

The AEDA Board has requested that Council review the current AEDA Charter. Schedule 2, Part 1, Clause 3(4) of the Act states:

*“The charter may be reviewed by the council at any time and must be reviewed by the council whenever it is relevant to do so because of a review of the council’s strategic management plans.”*

The AEDA Board has noted a number of areas of ambiguity in the existing Charter and is seeking to clarify these items. Proposed amendments to the AEDA Charter do not change the Objects and Purposes of AEDA and will simplify the Powers, Functions and Duties. A revised Charter has been prepared for Council’s approval (**Attachment A**).

Council at its meeting on 13 July 2021 approved the Terms of Reference of the Adelaide Economic Development Agency Advisory Committee (the Committee). As a result of the proposed amendments to the AEDA Charter minor amendments are required for the Committee’s Terms of Reference relating to the appointment of Chairperson and Board representation. Clause 38.2.2 of the current AEDA Charter states that: *“The Terms of Reference of the Advisory Committee will be approved by the Council.”*

A revised Terms of Reference for the Adelaide Economic Development Agency Advisory Committee has been prepared for Council’s approval (**Attachment B**) and once approved will be provided to Committee members and published on the AEDA website.

## RECOMMENDATION

### THAT COUNCIL

1. Approves the amendments to the Charter of the Adelaide Economic Development Agency as set out in Attachment A to Item 10.1 on the Agenda for the meeting of the Council held on 27 January 2022.
2. Notes that the amendments will be effective from the date the Charter (as amended) is published in the Government Gazette.
3. Authorises the Chief Executive Officer to make any necessary or desirable typographical or syntactical revisions to the amended Charter as set out in Attachment A to Item 10.1 on the Agenda for the meeting of the Council held on 27 January 2022, before any publication is made in the Gazette. If any such revisions are made, then it is the version as revised which will become the Charter upon the publication in the Government Gazette.
4. Notes the Charter (as amended) will be provided to the Minister for Planning and Local Government.
5. Approves the amended Terms of Reference for the Adelaide Economic Development Agency Advisory Committee as set out in Attachment B to Item 10.1 on the Agenda for the meeting of the Council held on 27 January 2022, subject to recommendation 1 being approved.

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<b>Strategic Alignment – Strong Economies</b> Implement a City-Wide business Model
Policy	Not as a result of this report
Consultation	The request to review the Adelaide Economic Development Agency (AEDA) Charter was made by the AEDA Board. Proposed amendments to the Charter have been endorsed by the AEDA Board.
Resource	Not as a result of this report
Risk / Legal / Legislative	Pursuant to Schedule 2, Part 1, Section 3 of the <i>Local Government Act 1999 (SA)</i> (the Act), a council proposing to amend a charter of a subsidiary of council must furnish a copy of the charter, as amended, to the Minister and ensure that a copy of the charter, as amended, is published on a website determined by the Chief Executive Officer and ensure that notice of the fact of the amendment and a website address at which the charter is available for inspection is published in the Gazette.
Opportunities	Not as a result of this report
21/22 Budget Allocation	Not as a result of this report
Proposed 22/23 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	AEDA operates under Section 42 of the Act until such time as Council resolves for the subsidiary to be wound up. Pursuant to Section 3(4) of Schedule 2 of the Act, the subsidiary charter may be reviewed by Council at any time.
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 Adelaide Economic Development Agency (AEDA) commenced operation on 18 January 2021 following Council's decision on 6 October 2020 to amend the Charter of the Rundle Mall Management Authority by expanding the Objects, Purpose, Powers, Functions and Duties to broaden the existing scope to enable delivery of city-wide economic development outcomes and to change the name of the subsidiary.
2. Since commencement, AEDA has delivered activations, marketing campaigns and activities in support of its objects and purposes:
  - 2.1. To accelerate economic growth in the City of Adelaide by attracting investment and supporting businesses, festivals and events, as well as visitor, student and residential growth;
  - 2.2. To promote the City of Adelaide as a destination and 'magnet city' and increase its visitation and use by residents, workers, visitors and the community in general;
  - 2.3. To position the Rundle Mall as the State's premier retail and commercial shopping precinct in order to sustain retail, business and economic viability; and
  - 2.4. To ensure that the Agency operates within the terms of this Charter and the Council's Strategic Plan.
3. Schedule 2, Part 1, Clause 3(4) of the *Local Government Act 1999 (SA)* (the Act) states:
 

"The charter may be reviewed by the council at any time and must be reviewed by the council whenever it is relevant to do so because of a review of the council's strategic management plan."

### AEDA Charter

4. The current AEDA Charter (the Charter) shown at Link 1 view [here](#), is a legacy document formed by amending the previous Rundle Mall Management Authority (RMMA) Charter. It is not a contemporary document in the vein of the updated Adelaide Central Market Authority (ACMA) Charter.
5. AEDA engaged Mark Booth from BRM Advisory to review the Charter and draft a revised Charter for consideration by the AEDA Board and Council.
6. As part of the review, clarity was sought on a number of points of ambiguity within the Charter. Proposed amendments to the Charter do not change the Objects, Purposes, Powers or Functions of AEDA.
7. Proposed amendments to the AEDA Charter include:
  - 7.1 Simplification of the long list of legacy Powers, Functions and Duties inherited via the previous RMMA Charter, without detracting from the objects and purposes of the Agency.
  - 7.2 The provisions relating to the appointment of the Advisory Committee representative to the AEDA Board have been amended to provide the Board with the authority to appoint a member from the Advisory Committee. This change gives the Board the ability to add the particular skills it requires to the existing skill mix of the Board.
  - 7.3 Simplification of the provisions relating to the prescription of the Membership of the Board to ensure flexibility to deal with a need for particular skills sets from time to time.
  - 7.4 Simplification of the selection process for Board Members, consistent with the ACMA Charter.
  - 7.5 Greater clarity around the employment relationship for all staff including the AEDA Executive Director (renamed from Managing Director). This position is not a member of the Board.
  - 7.6 The statutory obligations to have strategic management plans (a strategic plan, long term financial plan and annual business plan and budget) have been addressed and set out collectively.
  - 7.7 Inclusion of new provisions
    - 7.7.1 Board Annual Performance Review – to provide accountability to Council
    - 7.7.2 Access to Information / Records – to provide clarity of access to information in accordance with the Act.
8. A table outlining amendments to the existing Charter to the proposed amended Charter is shown at Link 2 view [here](#).
9. The AEDA Board at its meeting on 6 December 2021 endorsed the proposed amended AEDA Charter and noted it would be presented to Council for consideration and approving. If approved by Council a copy of the amended Charter will be provided to the Minister for Planning and Local Government and notice of the amendment will be placed in the Government Gazette. A copy of the amended Charter will be made available on the AEDA and City of Adelaide's websites.

10. The proposed amended AEDA Charter is shown in **Attachment A**.

#### **AEDA Advisory Committee Terms of Reference**

11. Clause 38.2 of the Charter states that an Advisory Committee (the Committee) will be established for enquiring into and reporting on any matter within the Agency's functions and powers.
12. Clause 38.2.2 of the Charter states that the Terms of Reference for the Committee will be approved by Council.
13. Council at its meeting on 13 July 2021 approved the Committee's Terms of Reference shown at Link 3 view [here](#).
14. Clause 38.2.3 of the Charter states that the Committee will determine its representative Board Member by an ordinary resolution every twelve months.
15. Subject to Council approving the amendments to the AEDA Charter, an amendment is required to the Committee's Terms of Reference regarding the appointment of the Committee's representative on the AEDA Board.
16. The proposed amendment is a new clause 7.2 where expressions of interest will be sought from Committee Members to be the Committee's representative on the AEDA Board. The AEDA Board will consider all expressions of interest taking account of the skills and knowledge of the current AEDA Board. The Committee's representative on the Board will be for a period of 12 months.
17. In addition to the proposed amendment to the Terms of Reference for the appointment of the Committee's representative on the AEDA Board, the following additional amendments have been made:
  - 17.1. Amend meetings of the Advisory Committee from meeting on a quarterly basis to meeting at least quarterly.
  - 17.2. Include a new section "Precinct Group Collective" which includes criteria to define precinct groups and the process for choosing the representative of the collective to be a Committee member.
18. The AEDA Board at its meeting on 6 December 2021 endorsed the proposed amended AEDA Advisory Committee's Terms of Reference and noted these would be presented to Council for consideration and adoption.
19. The proposed amended Terms of Reference is shown in **Attachment B**.

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## DATA AND SUPPORTING INFORMATION

**Link 1** - Current Adelaide Economic Development Agency Charter

**Link 2** - Table outlining amendments to the existing Charter to the proposed amended Charter

**Link 3** - Current Adelaide Economic Development Agency Advisory Committee Terms of Reference

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## ATTACHMENTS

**Attachment A** – Proposed amended Adelaide Economic Development Agency Charter

**Attachment B** – Proposed amended Adelaide Economic Development Agency Advisory Committee Terms of Reference

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- END OF REPORT

## **Adelaide Economic Development Agency Charter 2022**

The City of Adelaide has resolved to amend the Charter for the Adelaide Economic Development Agency subsidiary, established pursuant to Section 42 of the Local Government Act 1999.

Pursuant to Clause 3 of Part 1 of Schedule 2 of the Local Government Act 1999, the Charter of the Adelaide Economic Development Agency, as amended is set out below.

CLARE MOCKLER, Chief Executive Officer

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ADELAIDE ECONOMIC DEVELOPMENT AGENCY

*Charter—2022*

Item 10.1 - Attachment A

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## 1. INTRODUCTION

### 1.1 Name of Subsidiary

The name of the subsidiary is the Adelaide Economic Development Agency.

### 1.2 Dictionary

In this Charter:

- 1.2.1 **Act** means the Local Government Act 1999 and all relevant Regulations made thereunder;
- 1.2.2 **Adelaide City Council** means the Corporation of the City of Adelaide;
- 1.2.3 **Agency** means the Adelaide Economic Development Agency established as a single Council Subsidiary pursuant to Section 42 of the Act;
- 1.2.4 **Board** means the Board of Management of the Agency established under this Charter;
- 1.2.5 **Board Member** means a member of the Board;
- 1.2.6 **Budget** means the annual budget adopted by the Agency and approved by Council;
- 1.2.7 **Annual Business Plan** means the annual business plan adopted by the Agency and approved by Council;
- 1.2.8 **Chairperson** means the then current appointed Chairperson of the Board;
- 1.2.9 **Charter** means this Charter of the Agency prepared and adopted by the Council;
- 1.2.10 **City of Adelaide** means the area of the Adelaide City Council;
- 1.2.11 **Council** means the body corporate consisting of members appointed or elected to the council in accordance with the Local Government Act or the Local Government (Elections) Act 1999 (the elected body of the Corporation of the City of Adelaide);
- 1.2.12 **Council's CEO** means the person occupying the office of Chief Executive Officer of the Corporation of the City of Adelaide, or their delegate;
- 1.2.13 **Deliberative Vote** means a vote cast by each Board Member (including the Chairperson) for the purpose of deciding a matter under deliberation;
- 1.2.14 **Executive Director** means the Adelaide Economic Development Agency Executive Director, the person appointed by the Corporation of the City of Adelaide to that role to manage the business of the Agency and the Board;
- 1.2.15 **Financial Year** means 1 July in each year to 30 June in the subsequent year;

- 1.2.16 **Gazette** means the South Australian Government Gazette;
- 1.2.17 **Rundle Mall** means the precinct bordered by the North Side of Grenfell Street, West side of Pulteney Street, South Side of North Terrace and East Side of King William Street and the land in between, as shown in Annexure 1;
- 1.2.18 **Simple Majority** means a majority of those present and entitled to vote.

### 1.3 Interpretation

In this Charter:

- 1.3.1 the singular includes the plural and vice versa and words importing a gender include other genders;
- 1.3.2 words importing natural persons include corporations;
- 1.3.3 reference to a Section(s) is to a section of the Act and includes any section that substantially replaces that Section and deals with the same matter; and
- 1.3.4 headings are for ease of reference only and do not affect the construction of this Charter.

## 2. THE AGENCY

### 2.1 Establishment

- 2.1.1 The Agency is established as a single council subsidiary pursuant to Section 42 of the Act.
- 2.1.2 The establishment of the Agency does not derogate from the power of Council to act independently in relation to a matter within the jurisdiction of the Agency.

### 2.2 Corporate Status

The Agency is a body corporate under the Act and in all things acts through the Board which has the responsibility to manage the business and other affairs of the Agency ensuring that the Agency acts in accordance with the Act and this Charter.

### 2.3 About this Charter

- 2.3.1 This Charter is the charter of the Agency.
- 2.3.2 The Charter binds the Agency and the Council.
- 2.3.3 Despite any other provision in the Charter:
  - 2.3.3.1 if the Act prohibits a thing being done, the thing may not be done;
  - 2.3.3.2 if the Act requires a thing to be done, that thing must be done; and
  - 2.3.3.3 if a provision of the Charter is, or becomes, inconsistent with the Act, that provision must be read down, or failing that severed from this Charter to the extent of the inconsistency.

- 2.3.4 The Charter may not be amended except by the Council passing a resolution in the same terms. An amendment is not effective unless and until a copy of the Charter, as amended, is published in the South Australian Government Gazette.
- 2.3.5 This Charter may be reviewed by the Council at any time and must in any event be reviewed at least once in every four years or whenever it is relevant to do so.
- 2.3.6 The Council's CEO has determined that a copy of the Charter must be published on the website of the Corporation of the City of Adelaide and the Agency.
- 2.3.7 This Charter must be read in conjunction with Schedule 2 to the Act. The Agency must conduct its affairs in accordance with Schedule 2 of the Act except as modified by this Charter as permitted by Schedule 2 of the Act.
- 2.3.8 Nothing in this Charter shall be construed as limiting or altering the existence of any right or entitlement of the Council under the Act.

## 2.4 **Objects and Purposes**

The objects and purposes of the Agency are:

- 2.4.1 To accelerate economic growth in the City of Adelaide by attracting investment and supporting businesses, festivals and events, as well as visitor, student and residential growth;
- 2.4.2 To promote the City of Adelaide as a destination and 'magnet city' and increase its visitation and use by residents, workers, visitors and the community in general;
- 2.4.3 To position the Rundle Mall as the State's premier retail and commercial shopping precinct in order to sustain retail, business and economic viability; and
- 2.4.4 To ensure that the Agency operates within the terms of this Charter and the Council's Strategic Plan.

## 2.5 **Property**

- 2.5.1 All property held by the Agency is held by it on behalf of the Corporation of the City of Adelaide.
- 2.5.2 The Agency may acquire or dispose of or otherwise deal with chattels, plant and equipment provided that such dealing is consistent with and permitted in the Council approved Annual Business Plan and Budget, or is otherwise expressly approved in writing by the Council's CEO.

## 2.6 **National Competition Policy**

The Agency must undertake any commercial activities which constitute a significant business activity in accordance with the principles of competitive neutrality.

### 3. **POWERS, FUNCTIONS AND DUTIES**

3.1 Subject to the Charter the powers, functions and duties of the Agency are to be exercised in the performance of the Agency's objects and purposes. In addition to those specified in the Act, the Agency shall have the following powers, functions and duties:

- 3.1.1 To work collaboratively with the State Government, strategic partners, peak bodies and key stakeholders and avoid duplication of effort in the delivery of its functions and duties;
- 3.1.2 To position the City of Adelaide as an attractive investment opportunity for commercial and residential property development;
- 3.1.3 To support the growth and development of existing businesses and attract new businesses, industries and entrepreneurs to establish in the City of Adelaide;
- 3.1.4 To promote and market the City of Adelaide to local, interstate and international visitors and investors;
- 3.1.5 To position and promote the City of Adelaide as Australia's premier festival and event destination with the aim of increasing visitation and investment;
- 3.1.6 To attract and support growth of the visitor economy, including international students, festivals, events, conferences, conventions and exhibitions;
- 3.1.7 To activate, promote and market the Rundle Mall;
- 3.1.8 To promote and develop mainstreet precincts as commercial hubs of economic, cultural and social significance;
- 3.1.9 To manage risks associated with the Objects and Purposes and to ensure that the Agency complies with all relevant legislative and compliance requirements including those expressed by the Council's CEO;
- 3.1.10 To expend funds raised through the separate rate declared by the Council on rateable land in the Rundle Mall and provided to the Agency to directly support Rundle Mall;
- 3.1.11 To, in the performance of its functions and in all of its plans, policies and activities, give due weight to economic, social and environmental considerations;
- 3.1.12 To compromise, compound, abandon or settle a debt or claim owed to the Agency;
- 3.1.13 To make submissions for and accept grants, subsidies and contributions to further the Agency's objects and purposes;
- 3.1.14 With the prior approval of the Council, invest funds in accordance with the Act;
- 3.1.15 Raise and retain funds to further the Agency's objects and purposes through sponsorship, grants, advertising, fees and charges;
- 3.1.16 The power to accumulate surplus funds;

- 3.1.17 To enter into any kind of contract, purchase, sell, lease, hire, rent or otherwise acquire or dispose of any chattel, plant or equipment for the Agency;
  - 3.1.18 To institute, initiate and carry on legal proceedings;
  - 3.1.19 To make recommendations to Council in relation to the maintenance and upgrade of the Rundle Mall's existing infrastructure and physical appearance to ensure it is maintained to a high standard;
  - 3.1.20 To do all things reasonably necessary or convenient for or incidental to the exercise performance or discharge of the Agency's powers, functions or duties;
  - 3.1.21 To assess the contestability of contracts for Council services provided to the Agency; and
  - 3.1.22 Exercise such other powers and functions as are expressly delegated to the Agency in writing by the Council and Council's CEO from time to time.
- 3.2 The Agency is not authorised to act outside the area of the City of Adelaide unless the prior express written approval of the Council is obtained.
- 3.3 To the extent that a matter arises concerning the Agency for which the Agency does not have an adopted policy (which policies must be consistent with those of the Corporation of the City of Adelaide) the Agency must comply with this Charter and with any and all adopted policies of the Council that exist in relation to that matter, except where the Council has resolved otherwise or where the Council policy provides otherwise.
- 3.4 Delegations
- 3.4.1 In accordance with and subject to the Act, the Council may delegate to the Agency a power or function vested or conferred on the Council under the Act or another Act.
  - 3.4.2 The Agency may, in accordance with the Act and this Charter, delegate such of its powers, functions or duties vested or conferred under the Act or another Act, or the Charter to:
    - 3.4.2.1 A committee;
    - 3.4.2.2 An employee of the Corporation of the City of Adelaide;
    - 3.4.2.3 A person for the time being occupying a particular office or position within the Agency.
  - 3.4.3 The Agency must adopt and regularly review a formal written policy which sets out those powers, functions and duties which are to be the subject of delegation including the terms and conditions of such delegation and the limits and restrictions on the exercise of the relevant powers, functions and duties delegated.
  - 3.4.4 The Agency may not delegate:

- 3.4.4.1 The power to borrow money or obtain any other form of financial accommodation not being a drawdown of an approved overdraft facility;
  - 3.4.4.2 The power to approve expenditure of money on the works, services or operations of the Agency not set out or included in a Budget;
  - 3.4.4.3 The power to approve the reimbursement of expenses or payment of remuneration fees or allowances to Board Members;
  - 3.4.4.4 The power to adopt the Budget;
  - 3.4.4.5 The power to adopt or revise financial estimates and reports; and
  - 3.4.4.6 The power to make any application or recommendation to a Minister.
- 3.4.5 A delegation by the Agency is:
- 3.4.5.1 subject to conditions and limitations determined by the Agency or specified by the regulations;
  - 3.4.5.2 revocable at will and does not prevent the Agency from acting in a matter which has been delegated.
- 3.5 Committees
- 3.5.1 The Board may establish a committee of the Board for the purpose of:
    - 3.5.1.1 enquiring into and reporting to the Board on any matter within the Agency's functions and powers and as detailed in the terms of reference given by the Board to the committee or;
    - 3.5.1.2 exercising, performing or discharging delegated powers, functions or duties.
  - 3.5.2 The Board may authorise the formation, terms of reference and membership for any committee (and any changes to the terms of reference or membership of any existing committee) in each case as it sees fit.
  - 3.5.3 The Board may establish advisory committees consisting of or including persons who are not Board Members for enquiring into and reporting to the Board on any matter within the Agency's functions and powers and as detailed in the terms of reference which must be given by the Board to the advisory committee.
  - 3.5.4 Any committee formed by the Board must conform to any resolution, regulations or policies that may be imposed by the Board in the exercise of the powers and functions delegated and entrusted to the committee.
  - 3.5.5 The meetings and proceedings of any committee or advisory committee are governed by the provisions in this Charter for regulating meetings and proceedings of the Board so far as those provisions are applicable and not affected by any resolution, regulations or policies made by the Board under clauses 3.5.2 and 3.5.3.



- 3.5.6 Without limiting the powers of the Board with respect to the formation of committees the Agency will establish an Advisory Committee for enquiring into and reporting to the Agency on any matter within the Agency's functions and powers, including to provide a formal mechanism for city businesses, mainstreets, precincts and other stakeholders to provide advice to the Board and;
- 3.5.6.1 The membership of the Advisory Committee will be established by the Committee's Terms of Reference.
- 3.5.6.2 The Terms of Reference of the Advisory Committee will be approved by the Council.
- 3.5.6.3 The Advisory Committee representative Board Member will be appointed by the Board once every twelve months to reflect the skills and experience required on the Board from time to time.
- 3.5.7 The Chairperson is an ex-officio member of any committee or advisory committee established by the Board.
- 3.5.8 A member of a committee established by the Board holds office at the pleasure of the Board.

#### 4. **BOARD OF MANAGEMENT**

##### 4.1 **Role of Board**

The Agency is a body corporate and is governed by a Board of Management which has the responsibility to manage the business and other affairs of the Agency in accordance with this Charter, all relevant legislation and any delegations made to it. A decision of the Board is a decision of the Agency.

##### 4.2 **Functions of the Board**

In addition to the functions of the Board set out in the Act, the Board has the following functions, duties and powers:

- 4.2.1 formulating and observing strategic plans and strategies to achieve the objects and purposes of the Agency;
- 4.2.2 providing professional input and policy direction to the Agency;
- 4.2.3 provide input and support to the Council's CEO regarding monitoring, measuring and overseeing the performance of the Executive Director;
- 4.2.4 ensuring that a code of conduct dealing with ethical behaviour and integrity is established and implemented in all business dealings of the Agency and Board Members;
- 4.2.5 exercising the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons;
- 4.2.6 ensuring that the Council's CEO is advised, as soon as practicable, of any material risk or situation that affects the financial or operating capacity of the Agency;

- 4.2.7 ensuring that all information furnished to the Council and the Council's CEO is accurate;
- 4.2.8 ensure that the Agency acts in a professional and ethical manner, ensuring integrity, transparency and accountability in its decision making, and preventing actual or perceived corruption, maladministration and misconduct; and
- 4.2.9 ensure that the activities of the Agency are conducted efficiently and effectively and that the assets of the Agency are properly managed and maintained.

#### 4.3 **Membership of the Board**

- 4.3.1 A Board Member appointed under clause 4.4 must be a natural person, but need not be an officer, employee or elected member of the Council.
- 4.3.2 It is intended that Board Members collectively have relevant experience and commercial acumen.

#### 4.4 **Appointment of Board Members**

- 4.4.1 The Board shall consist of a maximum of nine Board Members to be appointed as follows:
  - 4.4.1.1 one Board Member must be the Lord Mayor of the Council or their nominee;
  - 4.4.1.2 one Board Member must be a representative of the Advisory Committee established under this Charter; and
  - 4.4.1.3 up to another seven Board Members must be appointed by the Council following an expression of interest process as follows:
    - (a) one Board Member with board leadership experience will be nominated by a Board Member selection panel, comprising the Council's CEO, the Council's senior manager in charge of human resources, and two Council Members appointed by resolution of Council, to be a Board Member and Chairperson; and
    - (b) up to six Board Members with an appropriate range of skills and experience, including at least two Board Members who are business owners within the City of Adelaide, with at least one being a small business owner, will be nominated by a Board Member selection panel comprising the Council's CEO, the Council's senior manager in charge of human resources, the Chairperson and two Council Members.
- 4.4.2 The Board Members, other than the Advisory Committee representative who is appointed for a 12 month term, shall be appointed for a maximum three year term as determined by the Council, provided that the Council shall endeavour to ensure that no more than half the Board Members' terms of office expire in the same year.

- 4.4.3 A Board Member is eligible to apply, through the expression of interest process, for re-appointment at the expiration of their term of office, for a maximum of three consecutive terms.
- 4.4.4 The Council's CEO must give to the Agency a written notice of appointment, termination, or revocation of appointment of a Board Member.
- 4.4.5 Each Board Member must give to the Council's CEO a signed written acceptance to act as a Board Member.
- 4.4.6 The Board will appoint a Board Member, other than the Chairperson, to be the Deputy Chairperson and will notify the Council's CEO of this appointment.
- 4.4.7 The Chairperson shall preside at all meetings of the Board and in the event of the Chairperson being absent from a meeting the Deputy Chairperson shall preside and in the event of both the Chairperson and the Deputy Chairperson being absent from a meeting the Board Members present shall appoint a Board Member from amongst them who shall preside for that meeting or until the Chairperson or the Deputy Chairperson is present.
- 4.4.8 In the event that the Chairperson:
- 4.4.8.1 resigns; or
  - 4.4.8.2 is removed from office by the Council; or
  - 4.4.8.3 is no longer eligible to act as a Board Member,
- then the Deputy Chairperson shall act in that office or, in the event of the Deputy Chairperson refusing or being unable to act as Chairperson, the Board shall appoint from amongst the Board Members a Chairperson who shall hold office as Chairperson until a Chairperson has been appointed by the Council whereupon the person so appointed will hold office for the duration of the original appointment or such other term as determined by the Council and permitted by this Charter.
- 4.4.9 The Chairperson and the Deputy Chairperson are eligible to apply for re-appointment at the expiration of their term of office in accordance with clause 4.4.1.
- 4.4.10 If any vacancy occurs in the membership of the Board during a term, the Council's CEO can appoint a Board Member for the remainder of the term at their discretion.

#### 4.5 **Removal of Board Members**

- 4.5.1 Neither the Agency nor the Board may remove a Board Member.
- 4.5.2 The Council may remove a Board Member from office by giving to the Agency and the Board Member a written notice of removal of the Board Member.
- 4.5.3 The Council's CEO may remove a Board Member who is absent, without leave of the Board, from three consecutive ordinary meetings of the Board.

4.5.4 The Council may remove a Board Member, either of its own volition or upon recommendation of the Board passed by a two thirds majority vote of the Board Members present (excluding the Board Member subject to this Clause 4.5.4) for:

- 4.5.4.1 any behaviour of the Board Member which, in the opinion of the Board or the Council amounts to impropriety;
- 4.5.4.2 serious neglect of duty in attending to the responsibilities of a Board Member;
- 4.5.4.3 breach of fiduciary duty to the Agency or the Corporation of the City of Adelaide;
- 4.5.4.4 breach of the duty of confidentiality to the Agency or the Adelaide City Council;
- 4.5.4.5 breach of the propriety requirements of the Board; or
- 4.5.4.6 any other behaviour which may discredit the Board, the Agency or the Adelaide City Council.

#### 4.6 **Vacation of the Office of Board Member**

4.6.1 A person vacates office as a Board Member if and when:

- 4.6.1.1 Clause 4.5 requires;
- 4.6.1.2 Schedule 2, Clause 4(3) of the Act requires or permits; or
- 4.6.1.3 the person was, when appointed, an elected Member of the Council and ceases to be an elected Member of the Council.

4.6.2 A Board Member may retire from office at any time by giving notice to the Council and to the Board.

#### 4.7 **Remuneration and Expenses of Board Members**

4.7.1 The Agency is entitled to pay appropriate remuneration fees to all Board Members as expressly approved by resolution of the Council.

4.7.2 All Board Members will receive from the Agency reimbursement of expenses properly incurred in performing or discharging official functions and duties as determined by the Agency and set out in a policy adopted by the Agency for the purposes of this clause.

4.7.3 Attendance of meetings as members of committees established by the Board can be remunerated subject to prior Council approval.

#### 4.8 **Register of Interests**

A Board Member is required to submit returns to the Agency under Chapter 5, Part 4, Division 2 of the Act.

#### 4.9 Saving Provision

4.9.1 In accordance with Schedule 2, Clause 40 of the Act no act or proceeding of the Agency is invalid by reason of:

4.9.1.1 a vacancy or vacancies in the membership of the Board; or

4.9.1.2 a defect in the appointment of a Board Member.

#### 4.10 Governance Issues for Members of the Board

4.10.1 The principles regarding conflict of interest prescribed in the Act apply to all Board Members in the same manner as if the Agency was a council and the Board Member was an elected member of a council.

4.10.2 The Board Members will at all times act in accordance with their duties of confidence and confidentiality and individual fiduciary duties including honesty and the exercise of reasonable care and diligence with respect to the performance and discharge of official functions and duties as required by Chapter 5, Part 4, Division 1 of the Act and Schedule 2, Part 1, Clause 7 to the Act.

#### 4.11 Meetings of the Board

4.11.1 Subject to Schedule 2, Clause 5 of the Act, the Board may determine its own procedures for meetings, which must be fair and contribute to free and open decision making.

4.11.2 An ordinary meeting of the Board must take place at such times and places as may be fixed by the Board from time to time and in any event not less than once per quarter.

4.11.3 A Board meeting must be held at a reasonable time and, if the meeting is to be held in person, at a reasonable place.

4.11.4 An ordinary meeting of the Board will constitute an ordinary meeting of the Agency. The Board shall administer the business of the ordinary meeting.

4.11.5 Telecommunications Meeting

4.11.5.1 For the purposes of this Clause 4.11.5 the contemporary linking together by telephone, audio-visual or other instantaneous means (telecommunications meeting) of a number of the Board Members, provided that at least a quorum is present, is deemed to constitute a meeting of the Board and is deemed attendance for those respective Board Members taking part.

4.11.5.2 Each of the Board Members taking part in the telecommunications meeting must at all times during the telecommunications meeting be able to hear and be heard by each of the Board Members present.

4.11.5.3 At the commencement of the meeting each Board Member must announce their presence to all other Board Members taking part in the meeting.

- 4.11.5.4 A Board Member must not leave a telecommunications meeting by disconnecting their telephone, audio-visual or other communication equipment unless that Board Member has previously notified the Chairperson of the meeting.
- 4.11.6 Written Resolution
- 4.11.6.1 A proposed resolution in writing and given to all Board Members in accordance with proceedings determined by the Board will be a valid decision of the Board where a majority of Board Members vote in favour of the resolution by signing and returning the resolution to the Executive Director or otherwise giving written notice of their consent and setting out the terms of the resolution to the Executive Director.
- 4.11.6.2 The resolution shall thereupon be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held.
- 4.11.7 Notice of ordinary meetings of the Board must be given by the Executive Director to each Board Member not less than three clear business days prior to the holding of the meeting.
- 4.11.8 Notice of any meeting of the Board must:
- 4.11.8.1 be in writing; and
- 4.11.8.2 set out the date, time and place of the meeting; and
- 4.11.8.3 be issued by the Executive Director; and
- 4.11.8.4 contain or be accompanied by the agenda for the meeting; and
- 4.11.8.5 be accompanied by a copy of any documents or reports that are to be considered at the meeting (so far as this is practicable).
- 4.11.9 The Executive Director must maintain a record of all notices of meetings given to Board Members.
- 4.11.10 The Chairperson may convene urgent general meetings of the Board at the Chairperson's discretion.
- 4.11.11 The Chairperson shall convene other meetings of the Board as a general meeting may direct.
- 4.11.12 A majority of the Board Members present at a meeting of the Board may adjourn the meeting from time to time and from place to place.
- 4.11.13 Quorum and Voting
- 4.11.13.1 The quorum for any meeting of the Board, including special meetings, is half the total number of Board Members plus one and no business may be transacted at a meeting of the Board unless a quorum is present.

4.11.13.2 Each Board Member present at a Board meeting has one vote on a question arising for decision at that meeting and, if the votes are equal, the Chairperson or other person presiding at the meeting may exercise a casting vote.

4.11.13.3 Subject to the Act and this Charter each Board Member validly present at a Board meeting must vote on a matter arising for decision at that meeting.

4.11.14 Subject to Clause 4.14 and to the absolute discretion of the Board to conduct any meeting or part of any meeting in public, meetings of the Board will not be conducted in a place open to the public and Chapter 6 Part 3 of the Act does not extend to the Agency.

#### 4.12 **Special Meeting**

4.12.1 The Council or any Board Member may by e-mail request to the Executive Director require a special meeting of the Board to be held.

4.12.2 On receipt of the request the Executive Director shall issue a notice of the special meeting to all Board Members at least 24 hours prior to the commencement of the special meeting.

4.12.3 The request by any Board Member to the Executive Director of the Agency requiring a special meeting to be held must be accompanied by the proposed agenda for the meeting and any written reports intended to be considered at the meeting (and if the proposed agenda is not provided the request is of no effect).

#### 4.13 **Minutes**

4.13.1 The Executive Director must cause minutes to be kept of the proceedings at every meeting of the Board, including special meetings and the Annual General Meeting.

4.13.2 Other than the minutes of an Annual General Meeting which are dealt with in accordance with clause 4.14.6, for every meeting of the Board, including special meetings, the minutes must be:

4.13.2.1 prepared and distributed to Board Members and the Council's CEO within five business days of the meeting to which they relate; and

4.13.2.2 presented to the next ordinary meeting of the Board for confirmation and adoption. The minutes must be provided to Council within two business days following the meeting at which they are confirmed and adopted.

4.13.3 Where the Executive Director is excluded from attendance at a meeting of the Board the person presiding at the meeting shall cause the minutes to be kept.

#### 4.14 **Annual General Meeting**

4.14.1 An Annual General Meeting of the Board shall be held prior to November in each year at a place and time determined by a resolution of the Board.

- 4.14.2 Notice of the Annual General Meeting will be given by:
- 4.14.2.1 placing a copy of the notice and agenda on public display at the principal office of the Agency and at the Adelaide City Council; and
  - 4.14.2.2 in such other manner as the Executive Director considers appropriate.
- 4.14.3 The notice and agenda must be placed on public display for at least 14 clear days before the Annual General Meeting and must be available to the public:
- 4.14.3.1 for inspection, without charge;
  - 4.14.3.2 by provision of a copy on the Agency's website; and
  - 4.14.3.3 on public display until completion of the Annual General Meeting.
- 4.14.4 A reasonable number of copies of the notice and agenda and any document or report supplied to Board Members for the Annual General Meeting must be available for members of the public at the meeting.
- 4.14.5 The Annual General Meeting will be conducted in a place open to the public and will consider and deal with business of a general nature aimed at reviewing the progress and direction of the Agency over the immediately preceding Financial Year and shall include the following:
- 4.14.5.1 Chairperson's report;
  - 4.14.5.2 Executive Director's report;
  - 4.14.5.3 the audited financial statements of the Agency for the previous Financial Year; and
  - 4.14.5.4 any other general business determined by the Board to be considered at the Annual General Meeting.
- 4.14.6 The minutes of the Annual General Meeting must be available to the public within five days of the Annual General Meeting for inspection or by provision of a copy on the Agency's website and presented to the next Annual General Meeting of the Board for confirmation.

#### 4.15 **Board Annual Performance Review**

- 4.15.1 The Board of the Agency will undertake an annual performance evaluation of the Agency.
- 4.15.2 The Board will provide the Council with a report on the outcome of the annual performance review.

### 5. **AEDA EXECUTIVE DIRECTOR**

#### 5.1 **Appointment of Executive Director**

- 5.1.1 All employees of the Agency are employees of the Adelaide City Council.



- 5.1.2 The Council's CEO will lead a selection panel to determine and undertake an expression of interest process to appoint a person to be the Executive Director of the Agency, on terms and conditions determined by the Council's CEO, to manage the business of the Agency.
- 5.1.3 The selection panel members will be the Chairperson of the Agency, and the Council's CEO.
- 5.1.4 In the absence of the Executive Director for any period, the Council CEO may, in consultation with the Chairperson, appoint a suitable person to act in a position of Executive Director during the absence of the Executive Director.

## 5.2 Duties and Powers of the Executive Director

- 5.2.1 The Executive Director is responsible for the day to day management of the Agency who will ensure that:
  - 5.2.1.1 sound business management practices are applied in the efficient and effective management of the operations of the Agency; and
  - 5.2.1.2 records are kept of the business and financial affairs of the Agency in accordance with this Charter in addition to other duties provided for by this Charter and those specified in the terms and conditions of appointment of the Executive Director.
- 5.2.2 The duties, functions, responsibilities and authority of the Executive Director will be specified in the terms and conditions of their appointment with the Adelaide City Council and will include:
  - 5.2.2.1 attending at all meetings of the Board unless excluded by resolution of the Board;
  - 5.2.2.2 inviting any person to attend at any meeting to act in an advisory capacity;
  - 5.2.2.3 ensuring that the lawful decisions of the Board are implemented in a timely and efficient manner;
  - 5.2.2.4 providing information to assist the Board to assess the Agency's performance against its strategic management plans and the Annual Business Plan and Budget;
  - 5.2.2.5 appointing, managing, suspending and dismissing employees engaged to perform work for the Agency;
  - 5.2.2.6 determining the conditions of employment of employees engaged to perform work for the Agency within the Budget;
  - 5.2.2.7 providing advice and reports to the Agency and Board Members on the exercise and performance of its powers and functions under this Charter, the Act or any other legislation;
  - 5.2.2.8 ensuring that the Agency is at all times complying with Schedule 2 of the Act;

- 5.2.2.9 ensuring that the Agency's Annual Report is prepared for approval by the Agency and distributed to Council in conformity with this Charter;
- 5.2.2.10 co-ordinating and initiating proposals for consideration of the Agency including, but not limited to, continuing improvement of the operations of the Agency;
- 5.2.2.11 ensuring that the assets and resources of the Agency are properly managed and maintained;
- 5.2.2.12 exercising, performing or discharging other powers, functions or duties conferred on the Executive Director by or under the Act or any other Act and performing other functions lawfully directed by the Agency;
- 5.2.2.13 achieving financial outcomes in accordance with adopted plans and Budgets of the Agency;
- 5.2.2.14 such other duties, functions, responsibilities and powers contained in this Charter or under the Act.

### 5.3 Delegation by the Executive Director

- 5.3.1 The Executive Director may delegate or sub-delegate to an employee seconded to the Agency (including an employee for the time being occupying a particular office or position), or a committee comprising employees seconded to the Agency, any power or function vested in the Executive Director.
- 5.3.2 Any delegation or sub-delegation by the Executive Director may be subject to any conditions or limitations as determined by the Executive Director.
- 5.3.3 Where a power or function is delegated to an employee, the employee is responsible to the Executive Director for the efficient and effective exercise or performance of that power or function.
- 5.3.4 Where a power or function is delegated to an employee seconded to the Agency or an employee for the time being occupying a particular office or position, that person is then responsible to the Executive Director for the efficient and effective exercise or performance of that power or function.
- 5.3.5 The Executive Director must keep a written record of all delegations and sub-delegations at all times.
- 5.3.6 The Executive Director shall provide a report on his/her activities to the Agency at every Board meeting.

## 6. MANAGEMENT

### 6.1 Strategic Management Plans

- 6.1.1 The Agency must prepare the following strategic management plans:
  - 6.1.1.1 a Strategic Plan with an operational period of four years which sets out the goals, objectives, strategies, priorities and relevant key performance indicators of the Agency for the period; and

6.1.1.2 a Long Term Financial Plan for a period of at least 10 years.

6.1.2 The Agency must ensure that the strategic management plans are aligned and consistent with the Council's current strategic management plans.

6.1.3 The Agency must review the Strategic Plan annually in consultation with the Council.

## 6.2 Annual Business Plan and Budget

6.2.1 The Agency must, before the end of June in each Financial Year, prepare an Annual Business Plan and Budget for the ensuing Financial Year in accordance with Act and Regulations.

6.2.2 The Annual Business Plan and Budget must be consistent with the Charter and the Strategic Plan and submitted to the Council for approval by a date nominated by the Council's CEO from time to time in accordance with Council's budgetary approval process.

6.2.3 Neither the Annual Business Plan nor the Budget shall be amended without reasonable consultation with the Council and the prior express written approval of the Council.

6.2.4 Reports summarising the financial position and performance of the Agency against the Annual Budget shall be prepared and presented to the Board no less than once in every three calendar months.

## 6.3 Reporting

6.3.1 The Agency must submit to the Council by 30 September in each year a report, in respect of the immediately preceding Financial Year, on the work and operations of the Agency detailing achievement of the aims and objectives of its Strategic Plan and Annual Business Plan and Budget and incorporating the audited Financial Statements of the Agency and any other information or reports as required by the Council or the Council's CEO.

6.3.2 Within 14 days of the end of each quarter the Agency must submit to the Council's CEO a quarterly report on progress against the strategic milestones and key performance indicators as outlined in the Strategic Plan and the Annual Business Plan and Budget.

6.3.3 The Agency shall submit to Council or the Council's CEO any other information or reports required by Council or the Council's CEO in a timeframe determined by Council or the Council's CEO.

6.3.4 The Chairperson and or the Executive Director shall attend meetings of the Council or any Committee as requested.

## 6.4 Financial Management

6.4.1 The Adelaide City Council shall keep proper books of accounts on behalf of the Agency in accordance with the requirements of the Act and the Local Government (Financial Management) Regulations 2011 (the Finance Regulations).

- 6.4.2 The Agency must review its Budget in accordance with the requirements of the Local Government (Financial Management) Regulations at least three times in each Financial Year at intervals of not less than three months between 30 September and 31 May (inclusive).
- 6.4.3 The Agency's books of account must be available for inspection by any Board Member or authorised representative of the Adelaide City Council at any reasonable time on request.
- 6.4.4 All payments made on account of the Agency must be authorised by the Executive Director in accordance with delegated authority or by resolution of the Board.
- 6.4.5 The Executive Director must act prudently in the handling of all financial transactions for the Agency and must provide quarterly financial and corporate reports to the Agency.

## 6.5 **Audit**

- 6.5.1 The Adelaide City Council's auditor will be the auditor of the Agency.
- 6.5.2 The Auditor will have the same powers and responsibilities as set out in the Act in relation to the Adelaide City Council.
- 6.5.3 The audit of the financial statements of the Agency, together with the accompanying report from the Auditor, shall be submitted to both the Board and the Council.
- 6.5.4 The books of account and financial statements shall be audited at least once per year.
- 6.5.5 The Audit Committee of the Adelaide City Council will act as the Audit Committee of the Agency.

## 6.6 **Borrowings and Expenditure**

- 6.6.1 The Agency has the power to incur expenditure as follows:
  - 6.6.1.1 in accordance with a Budget of the Agency; or
  - 6.6.1.2 with the prior approval of the Council or the Council's CEO; or
  - 6.6.1.3 in accordance with the Act, and in respect of expenditure not contained in a Budget adopted by the Board for a purpose of genuine emergency or hardship.
- 6.6.2 Subject to Clause 6.6.3 the Agency has the power to borrow money as follows:
  - 6.6.2.1 in accordance with a budget adopted by the Board and approved by the Council; or
  - 6.6.2.2 with the prior approval of the Council.

- 6.6.3 Unless otherwise approved by the Council any and all borrowings taken out by the Agency must be from the Local Government Finance Authority of SA or a registered bank or financial institution within Australia.

## 7. MISCELLANEOUS

### 7.1 Insurance

- 7.1.1 The Agency shall be a member of the Local Government Association's Mutual Liability Scheme and the Agency must comply with the Rules of that Scheme unless expressly directed otherwise in writing by the Council's CEO.
- 7.1.2 The Agency shall advise the Council's CEO of its insurance needs so the Adelaide City Council can take out appropriate insurance cover on behalf of the Agency.

### 7.2 Winding Up

- 7.2.1 The Agency may be wound up by the Minister acting upon a resolution of the Council or by the Minister in accordance with Schedule 2, Part 1, Clause 16 (1) (b) of the Act.
- 7.2.2 In the event of a winding up of the Agency any surplus assets after payment of all expenses shall be returned to the Council prior to the passing of the resolution to wind up.

### 7.3 Common Seal

- 7.3.1 The Agency shall have a common seal upon which its corporate name shall appear in legible characters.
- 7.3.2 The common seal must not be used without the express authorisation of a resolution of the Board and every use of the common seal shall be recorded in the minute book of the Agency.
- 7.3.3 The affixing of the common seal shall be witnessed by the Chairperson or the Deputy Chairperson and the Executive Director or such other person as the Agency may appoint for the purpose.
- 7.3.4 The common seal shall be kept in the custody of the Executive Director or such other person as the Agency may from time to time decide.

### 7.4 Principal Office

The Agency's principal office is 25 Pirie Street, Adelaide or as the Agency may otherwise determine.

### 7.5 Service of Documents

- 7.5.1 A document to be given by the Agency to the Council or the Council's CEO or by the Council or the Council's CEO to the Agency may be given in a manner that Section 280 of the Act permits.
- 7.5.2 A written notice given by the Agency to the Council or the Council's CEO must be marked 'Attention: Chief Executive Officer'.

## 7.6 Access to Information/Records

- 7.6.1 As a matter of record Schedule 2, Clause 11 of the Act entitles Council or the Council's CEO to be furnished with information or records of the Agency.
- 7.6.2 The Council or the Council's CEO and a Board Member each have a right to inspect and take copies of the books and records of the Agency.

## 8. CIRCUMSTANCES NOT PROVIDED FOR

- 8.1 If any circumstance arises about which this Charter is silent, incapable of taking effect or being implemented according to its strict provisions the Chairperson may decide the action to be taken to ensure achievement of the objects of the Agency and its effective administration.
- 8.2 The Chairperson shall report any such decision at the next ordinary meeting of the Agency and the Agency shall subsequently report any such decision to the Council at the next ordinary meeting of the Council.

## 9. PERFORMANCE AND ACCOUNTABILITY OF SUBSIDIARY

- 9.1 The Council and the Council's CEO shall be entitled on an ongoing basis to review the performance of the Agency and the Board in the conduct of their respective activities under this Charter.
- 9.2 Without limiting the Council's or the Council's CEO's powers under the Act, if at any time the Council or the Council's CEO is of the view that either the Agency and/or the Board is not performing its duties under this Charter the Council or the Council's CEO shall be entitled to provide a notice in writing to the Agency (Council Notice) identifying those matters in respect of the performance by the Agency and/or the Board of its duties under this Charter which are not satisfactory to the Council or the Council's CEO together with details of any corrective action which the Council or the Council's CEO requires the Agency and/or the Board to take in order to rectify the identified performance issues.
- 9.3 The Board shall within 30 days of receipt of the Council Notice provide a written response to the Council or the Council's CEO as to the matters raised in the Council Notice (Notice in Response) which shall identify any corrective action which the Agency and/or the Board intends to undertake in order to address the issues raised in the Council Notice.
- 9.4 If the Agency or the Board disputes any matters raised in the Council Notice then the Notice of Response must identify any matters in respect of which the Agency and/or the Board do not agree.
- 9.5 The Council's CEO and the Chairperson of the Board shall meet within 14 days of receipt by the Council or the Council's CEO of the Notice in Response to discuss the matters raised in the Council Notice and the Notice in Response.
- 9.6 Either:
- 9.6.1 following the meeting between the Council's CEO and the Chairperson of the Board and having considered the matters raised in the Council Notice and the Notice of Response and the matters discussed between the Council's CEO and the Chairperson of the Board at their meeting; or

9.6.2 if the Board does not provide a Notice in Response,

the Council shall be entitled to take such further action (if any) as it determines with respect to the matters raised in the Council Notice which action may include, but shall not be limited to, the removal of the Board and the appointment of a replacement Board in accordance with the provisions of this Charter.

Item 10.1 DRAFT Attachment A

**Annexure 1**



Item 10 DRAFT





Adelaide  
Economic  
Development  
Agency

## **TERMS OF REFERENCE**

Adelaide Economic Development Agency Advisory Committee

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# Adelaide Economic Development Agency Advisory Committee

## Terms of Reference

### 1. Introduction

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The Adelaide Economic Development Agency (AEDA) has been established as a subsidiary of the City of Adelaide under Section 42 of the *Local Government Act 1999* (SA). The AEDA Charter was first gazetted on 14 January 2021 and AEDA formally commenced on 18 January 2021.

AEDA's objects and purposes are:

- To accelerate economic growth in the City of Adelaide by attracting investment and supporting businesses, festivals and events as well as visitor, student and residential growth;
- To promote the city of Adelaide as a destination and 'magnet city' and increase its visitation and use by residents, workers, visitors and the community and general;
- To position the Rundle Mall as the State's premier retail and commercial shopping precinct in order to sustain retail, business and economic viability.

A requirement within the AEDA Charter is to establish an Advisory Committee, and that a member of the Advisory Committee will be a member of the AEDA Board.

These Terms of Reference set out the name, purpose, membership and operating procedures of the Adelaide Economic Development Agency Advisory Committee.

Council at its meeting on 27 January 2022 formally approved amendments to the Charter. The Terms of Reference have been amended to reflect changes in the AEDA Charter.

### 2. Name

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The name is the Adelaide Economic Development Agency Advisory Committee (the Advisory Committee).

### 3. Purpose

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Clause 3.5.6 of the AEDA Charter states that:

*"Without limiting the powers of the Board with respect to the formation of committees the Agency will establish an Advisory Committee for enquiring into and reporting to the Agency on any matter within the Agency's functions and powers, including to provide a formal mechanism for city businesses, mainstreets, precincts and other stakeholders to provide advice to the Board"*

### 4. Membership

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Clause 3.5.6.1 of the AEDA Charter states:

*"The membership of the Advisory Committee will be established by the Committee's Terms of Reference."*

The Advisory Committee shall consist of eight members with a maximum of seven members to be appointed as follows:

- A representative from the collective of the Precinct Groups within the City of Adelaide.
- A small business representative.
- Representatives from across the following sectors - education, retail, culture/arts, health/wellbeing, entrepreneur/space/cyber technology and youth.
- All committee members are to:

- Be city based.
- Have extensive networks within their sector.
- Be strategic and solutions focussed with a collaborative, inclusive and evidence-based approach.
- Have qualifications related to their sector / services and demonstrated competence.

The eighth member of the Advisory Committee is in accordance with Clause 38.3 of the AEDA Charter, *“The Chair of the AEDA Board is an ex-officio member of the Advisory Committee.”*

## **5. Precinct Group Collective**

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### **5.1 Criteria to define precinct groups**

Must either be:

- (1) Recognised by Council as a group eligible to receive funding through the Mainstreet Development Program; or
- (2) An incorporated body whose primary objective is to improve the business environment with a specific geographic area in the City of Adelaide and where least 75% of members have business interests within the specified geographic area.

Must have a constitutionally elected committee with an Annual General Meeting held in the past 12 months.

Must have a demonstrated track record of delivering activities that benefit their members and enhance the economic performance of their precincts.

If the precinct group has received funding from the City of Adelaide or Adelaide Economic Development Agency within the past two financial years, any acquittals and reports required must be up to date and have been provided to the City of Adelaide.

### **5.2 Choosing Representatives**

Each eligible Precinct Group to advise AEDA administration of their nominee to be considered by all eligible groups to be the representative.

AEDA administration will collate all nominations and provide to the President of each eligible group.

The precinct collective representative will be the nominee who receives the majority of first preferences of the votes received by a nominated date. Second preference votes will be used as a tiebreaker in the event the first preference votes are equal. The length of term of this appointment will be determined by the majority of the votes received.

AEDA administration will act as the returning officer for all votes. AEDA administration will be responsible for collating all votes and advising the Presidents of all eligible precinct groups of the nominee that received the most votes.

## **6. Appointment of Advisory Committee Members**

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The Precinct Group collective will nominate their representative to the Advisory Committee and advise the Chair of the AEDA Board. The Precinct Group collective are to determine the term of office of this representative.

Expressions of interest will be sought from individuals with appropriate skills and experience in accord with the membership criteria as set out in Part 4 of these Terms of Reference.

The expressions of interest will be assessed by a panel comprising an independent Chair and two members of the AEDA Board, as determined by resolution of the Board.

The independent Chair for the assessment panel is the City of Adelaide’s Chief Executive Officer or nominee.

Candidates will be assessed against the selection criteria to determine a short list of candidates.

The assessment panel will present recommendations to the AEDA Board.

The AEDA Board will determine the membership and appointment of Advisory Committee members for a maximum three year term, having regard to the recommendations of the assessment panel.

The AEDA Board will ensure that no more than half of the Advisory Committee members' terms of office expire in the same year.

An Advisory Committee Member is eligible to apply for reappointment at the expiration of a term of office, for a maximum of three consecutive terms.

## **7. Operating Procedures**

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### **7.1 Advisory Committee Chair**

The Chair of the Advisory Committee will be determined by the Advisory Committee members for a term of one year. In the event of more than one nomination a ballot will be held to determine the Chair of the Advisory Committee.

The Chair is eligible to re-nominate to be the Advisory Committee Chair at the expiration of the one year term of office for a maximum of three consecutive terms.

If the Chair of the Advisory Committee is absent from a meeting of the Advisory Committee, then the members attending the Advisory Committee meeting will appoint a chair for the purposes of that meeting.

### **7.2 Advisory Committee Representative on the Advisory Committee**

Expressions of interest will be sought from the Advisory Committee members to be the Committee's representative on the AEDA Board.

In accordance with Clause 3.5.6.3 of the AEDA Charter, the AEDA Board will consider all expressions of interest taking account of the skills and knowledge of the current AEDA Board, and will appoint the Advisory Committee's representative on the AEDA Board for a period of 12 months.

### **7.3 Meetings**

The Advisory Committee will meet at least quarterly for approximately 1.5 hours. Meetings are to be scheduled at a time and day as agreed by the Advisory Committee members.

### **7.4 Quorum**

A quorum for any meeting of the Advisory Committee does not include the Chair of the AEDA Board who is an ex-officio member of the Advisory Committee.

The quorum for any meeting is half of the appointed Advisory Committee members plus one, rounded to the nearest whole number i.e. four Advisory Committee members.

### **7.5 Conflict of Interest**

All Advisory Committee members will always act in accordance with their duties of confidence and confidentiality and individual fiduciary duties including honesty and the exercise of due care and diligence. Any perceived or actual conflict should be declared and recorded within the minutes of the Advisory Committee meeting.

### **7.6 Remuneration**

Advisory Committee members will receive no remuneration, noting that the Advisory Committee representative on the AEDA Board will receive remuneration fees as a Board Member.

### **7.7 Administration**

Secretariat support will be provided to the Advisory Committee by AEDA.

## **8. Commencement**

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In accordance with Clause 3.5.6.2 of the AEDA Charter, the Terms of Reference are to be approved by the Council and will be effective from the date when approved by Council.

Item 10.1 - Attachment B

# 2022 LGA Ordinary General Meeting

**ITEM 10.2** 27/01/2022  
**Council**

Strategic Alignment - Enabling Priorities

**Program Contact:**

Mick Petrovski, Manager,  
Governance 8203 7119

2018/04054  
Public

**Approving Officer:**

Amanda McIlroy, Chief Operating  
Officer

## EXECUTIVE SUMMARY

The Local Government Association of South Australia (LGA) has advised that its Ordinary General Meeting will be held on Friday 8 April 2022.

The LGA has invited South Australian councils to submit proposed Items of Business for the Ordinary General Meeting by 4 February 2022.

Council Members have been engaged regarding possible Items of Business via E-news.

Council Members have also been informed of the opportunity to nominated as Council's voting delegate or deputy delegate.

## RECOMMENDATION

### THAT COUNCIL

1. Notes that the Local Government Association of South Australia (LGA) Ordinary General Meeting is scheduled for 8 April 2022.
2. Notes that the Lord Mayor will continue as Council's standing Delegate and Councillor Couros, will continue as Deputy Delegate for the 2022 LGA Ordinary General Meeting on 8 April 2022.

OR

2. Appoints a new Council Delegate and / or Deputy Delegate for the 2022 LGA Ordinary General Meeting on 8 April 2022.

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<b>Strategic Alignment – Enabling Priorities</b> This report contributes to Council's 2020-2024 Strategic Plan by providing the opportunity to demonstrate bold leadership and strategic partnerships to meet challenges and take up new opportunities.
Policy	Not as a result of this report
Consultation	Council Members were invited to propose items of business for Council to move at the LGA Ordinary General Meeting via E-News. Council Members have also been informed of the opportunity to nominate as a voting Delegate or Deputy Delegate.
Resource	Administrative support will be provided to Council Member/s attending.
Risk / Legal / Legislative	Not as a result of this report.
Opportunities	Attendance at the LGA Ordinary General Meeting provides an opportunity for Council to participate in decision making on LGA policy and local government matters. In addition, submission of items of business for consideration at the meeting provides Council with the opportunity to shape the future of Local Government in South Australia.
21/22 Budget Allocation	Not as a result of this report
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 Ordinary General Meeting (OGM) of the LGA is scheduled to be held on Friday 8 April 2022 at the Adelaide Entertainment Centre.

### Appointment of a Voting Delegate and Deputy Delegate

2. Council may choose to appoint a new Council Delegate and Deputy Council Delegate to vote on Council's behalf at the OGM. Alternatively, Council may confirm its standing appointment (made prior to the 2021 LGA Ordinary General Meeting) of the Lord Mayor as Council's voting Delegate and Councillor Couros as Deputy Delegate (in the event the Delegate is unable to attend).
3. Notification of any change to Delegates is to be provided on the *LGA General Meetings – Appointment of Council Delegate* form to the LGA in advance of the meeting.

### Notices of Motion

4. The LGA has invited South Australian councils to submit proposed Items of Business for inclusion in the OGM agenda.
5. The *LGA General Meeting Proposed Items of Business form* is required to be submitted to the LGA by Friday 4 February 2022. Proposed items will be referred to the Greater Adelaide Regional Organisation of Councils (GAROC) or the LGA Board of Directors to consider their inclusion as items of strategic importance in the LGA OGM agenda.
6. Council Members were engaged and invited via an E-News article dated 9 November 2021 to submit proposed Items of Business for Council's consideration.
7. At the time of writing, no items of business have been proposed for submission.

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## ATTACHMENTS

Nil

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- END OF REPORT -

# Adelaide Festival Corporation Board

ITEM 10.3 27/01/2022  
Council

Strategic Alignment - Enabling Priorities

**Program Contact:**

Mick Petrovski, Manager,  
Governance 8203 7119

2018/04054  
Public

**Approving Officer:**

Amanda McIlroy, Chief Operating  
Officer

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## EXECUTIVE SUMMARY

The Adelaide Festival Corporation Board is established under the *Adelaide Festival Corporation Act 1998* to exercise the functions and powers of the Adelaide Festival Corporation.

The Board is required to have a City of Adelaide representative.

Council is required to nominate a panel of three Council members for consideration and appointment of one representative by the Governor.

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## RECOMMENDATION

### THAT COUNCIL

1. Approves the nomination of three Council Members to be put forward for the Governor's consideration and appointment of one City of Adelaide representative on the Adelaide Festival Corporation Board.
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## IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<b>Strategic Alignment – Enabling Priorities</b> This report supports the Strategic Plan action of building on effective advocacy and partnerships locally, nationally and globally.
Policy	Not as a result of this report
Consultation	Expressions of interest were sought from Council Members via E-news. An expression of interest was received from the Lord Mayor.
Resource	For participating members, preparation for and attendance at eight meetings per year.
Risk / Legal / Legislative	As remuneration is payable for the position, nominated Council Members are advised to declare an actual conflict of interest (nominations are still subject to the Ministerial appointment process) and are recommended to leave the Council Chamber while the matter is being discussed and voted on.  A material conflict of interest may arise for a Council Member who is also a Board Member if a matter were to be discussed at a meeting of the Council where the body corporate of which the Council Member is a Board Member would gain a benefit, or suffer a loss, depending on the outcome of the consideration of the matter at the meeting. In that case, the Council Member must inform the Council meeting and leave the room while the matter is being discussed and voted on
Opportunities	Appointments to outside bodies provides opportunity for Council Members to contribute to discussion and decision making on a broad range of matters relevant to the City of Adelaide.
21/22 Budget Allocation	Not as a result of this report
Proposed 22/23 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Appointments to the Adelaide Festival Corporation Board are for a period not exceeding three years.
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 Adelaide Festival Corporation Board is established under the *Adelaide Festival Corporation Act 1998* to exercise the functions and powers of the Adelaide Festival Corporation.
2. The Lord Mayor Sandy Verschoor is the current City of Adelaide representative on the Adelaide Festival Corporation Board.
3. The Lord Mayor's appointment will expire on 13 March 2022.
4. In accordance with the *Adelaide Festival Corporation Act 1998*, Council is required to nominate a panel of three Council members for consideration and appointment of one representative by the Governor.
5. Appointments are for a term not exceeding three years.
6. The Lord Mayor has expressed an interest in being nominated to the Adelaide Festival Corporation Board.
7. Remuneration of \$590 per Board meeting is payable.
8. Eight meetings are scheduled for 2022 and are held from 9am-11.30am unless otherwise indicated. Meeting dates are as follows:
  - 8.1. Thursday 24 February
  - 8.2. Wednesday 13 April, 2pm – 4.30pm
  - 8.3. Wednesday 25 May
  - 8.4. Friday 24 June
  - 8.5. Thursday 25 August
  - 8.6. Wednesday 28 September
  - 8.7. Thursday 3 November
  - 8.8. Wednesday 7 December, 2pm – 4.30pm
9. Nominations must be submitted by 3 February 2021.

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## ATTACHMENTS

Nil

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- END OF REPORT -

# 2022 – 2023 Business Plan and Budget: Parameters and Assumptions

**ITEM 10.4** 27/01/2022  
**Council**

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 has commenced developing the 2022-2023 Business Plan and Budget. This is the opportunity for Council to ensure that plans are structured to deliver on the key actions in the Strategic Plan and the budget is formed to ensure this is funded sustainably.

Following a presentation to Council Members at The Committee on 7 December 2021, this report outlines the recommended approach to rates, fees and charges, infrastructure and assets, projects, and services for the 2022-2023 financial year, guided by parameters and targets that are consistent with a surplus funding model.

This approach supports Council's commitment to the enabling priorities of robust financial management, transparent decision making, and effective service delivery adopted as part of the 2020-2024 Strategic Plan and is consistent with the Recovery Principles adopted by Council during the 2021-2022 business planning on 30 June 2020. It also builds upon the good work already undertaken by Council to ensure financial sustainability and achieve an operating surplus.

Following a presentation to committee on 7 December 2021, this report outlines the project prioritisation framework. The framework has been created in alignment with the Strategic Asset Management Plan Resource allocation strategy as endorsed by Council, supporting consistent and transparent decision making, ensuring projects are prioritised with a view to community insights and expectations, strategic alignment, risk and volume of users.

This framework will be used on a trial basis to prioritise Strategic and Capital Projects for the first time in the 2022/2023 Business Plan and Budget process.

Following consideration and adoption by Council, these parameters and targets will form the basis on which the draft 2022-2023 Business Plan and Budget is built and will be reviewed with Council prior to finalisation of next year's budget.

## RECOMMENDATION

### THAT COUNCIL

1. Adopts the following expenditure and revenue targets which are consistent with the Recovery Principles adopted by Council on 30 June 2020, to enable the preparation of the draft 2022-2023 Business Plan and Budget:
  - 1.1. Total existing residential rates revenue increase by CPI, excluding corrections, growth and new developments. This includes a review of residential revaluations estimated to increase by 5%.
  - 1.2. No change to the Non-Residential valuations and Rate in the Dollar (excluding corrections, growth and new developments).
  - 1.3. Total statutory and non-commercial fees and charges revenue increased by CPI or statutory increase.
  - 1.4. Commercial Revenues to return to 100% of pre-COVID levels at a minimum.
  - 1.5. Strategic Project expenditure target not exceeding \$5.4 million.

- 1.6. Expenditure increases for CPI only affected where necessary.
  - 1.7. Salary and wages to be adjusted in accordance with relevant agreements.
  - 1.8. A surplus operating position is delivered.
  2. Notes the budget assumptions for the preparation of the draft 2022-2023 Business Plan and Budget of:
    - 2.1. Capital expenditure on Renewal and Replacement of Existing Assets based on an Asset Sustainability ratio of 90%.
  3. Notes the Project Prioritisation Framework that will be used to prioritise the existing projects outlined in the Service Delivery plans to be presented for consideration in the draft 2022/2023 Business Plan and Budget.
-

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<b>Strategic Alignment – Enabling Priorities</b> The recommendations outline in this report support Council's commitment on delivering robust financial management, transparent decision making and effective service delivery.
Policy	Not as a result of this report
Consultation	Council is required to consult with the community for a minimum of 21 days, on a Draft Business Plan and Budget. It is anticipated that the will be engaged to provide feedback on the selected projects after prioritisation and Council. This feedback will be reported to Council to inform the draft Business Plan and Budget released for formal public consultation.
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The recommendations in this report support Council's long term financial sustainability, provide opportunities for future operational surpluses, and enable Council to respond to emerging priorities.
21/22 Budget Allocation	Not as a result of this report
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. Financial Sustainability within Council's Long Term Financial Plan (LTFP) underpins how Council collects income and expends funds. The 2022-2023 Business Plan and Budget (BP&B) is being developed with the budgeted break-even operating result for 2021-22. This operating surplus of \$37,000 included a \$4.75m budget repair item, which is forecasting positively and will support the Council to achieve an operating surplus.
2. The 2021-2022 LTFP was developed on a set of assumptions that should be reviewed annually.
3. As we prepare for the 2022-2023 budget, these assumptions should be reviewed to ensure we establish the correct parameters and targets.
4. At a Committee workshop on the 16 November 2021, Council Members were provided with:
  - 4.1. An opportunity to provide input into Strategic Plan focus areas (feedback was provided by Council Members at the subsequent workshop held at The Committee on 7 December 2021).
  - 4.2. Updated assumptions for preparation of the 2022-2023 budget.
  - 4.3. An opportunity to consider rating parameters
5. The parameters recommended in this report have been developed following the workshop and are in accordance with Council's endorsed 2020-2024 Strategic Plan.

### Long Term Financial Plan – 2022-23 Budget Parameters

6. The proposed parameters are for 2022-2023 and support the generation of an operating surplus:
  - 6.1. The LTFP assumptions have been updated for the purposes of preparation of the 2022-2023 budget, as shown in the table below:

	LTFP Assumptions for 22/23	22/23 updated assumptions
<b>Other Revenue</b>		
Statutory Fees	1.5% (CPI ABS forecast)	1.9% (21/22 Dept of Treasury)
Non-commercial Fees and Charges	1.5% (CPI ABS forecast)	1.8% (CPI Deloitte)
<b>Costs</b>		
Utilities	1.5% (CPI ABS forecast)	1.8% (CPI Deloitte)
Business Activities	1.5% (CPI ABS forecast)	No Increase
Grants and Sponsorship	1.5% (CPI ABS forecast)	1.8% (CPI Deloitte)
Strategic Projects	1.5% (CPI ABS forecast)	No Increase \$5.4m
General Materials	1.5% (CPI ABS forecast)	1.8% (CPI Deloitte) where required
Salary and Wages	EA rates and relevant superannuation increases	EA rates and relevant superannuation increases

- 6.2. The CPI forecast source has been reviewed and we have changed to use Deloitte's Business Economics database instead. The purpose for this is to ensure that we can utilise the forecast source for the current year budget as well as for the life of the LTFP, as the span of forecast is 10 years. This reduces the risk of variability as the ABS forecast only looks to a four year term.
- 6.3. The information from Deloitte is also prepared on a state by state basis and utilised by majority of South Australian councils to ensure consistency for the comparison of plans. It is anticipated with the new financial management regulations that ESCOSA, as the body chosen to monitor the preparation of the LTFP, will require consistent use of indicators for all SA councils.
- 6.4. The impact of the change in source on the current LTFP is detailed in Link 1, viewable [here](#), and presents an overall favourable impact to the operating position of Council.
- 6.5. Strategic Project expenditure target not exceeding \$5.4 million which consists of partnership agreements spanning across multiple years.



- 6.6. It is also proposed that the CPI factor is only applied where relevant as opposed to a broad stroke increase across all costs. This ensures that costs are held without budget creep, while ensuring service delivery.
- 6.7. Fees for Council's commercial operations including commercial properties, the UParks, Adelaide Aquatic Centre and North Adelaide Golf Course are set subject to market conditions and commercial considerations on a yearly basis.
- 6.8. It is recommended that the fees for commercial operations are returned to 100% of pre-COVID levels for the 2022-2023 budget.

### **Asset Renewal Expenditure**

7. The Renewal Funding Ratio (Asset Sustainability Ratio) is recommended to be set at 90% in 2022-2023 and for the life of the LTFP in accordance with the decision of Council on 29 June 2021. The established target for this ratio is 90%-110% with the budgeted 90% being representative of the fact that the Council's Asset Management Plans are currently undergoing a review. The review across all asset categories will be completed over the next two years and upon finalisation it is recommended that this ratio be reviewed to ensure assets are being replaced or renewed at the rate they are being consumed, and delivery is consistent as determined by the Asset Management Plans (AMPs).

### **Non-Residential Ratepayers**

8. A review of Market Data based on 3 to 4 year averages shows that there has been an impact due to the pandemic COVID-19 pandemic.
9. Rating assumption for non-residential ratepayers will be based on freezing valuations for the second year in a row and maintaining a hold on the value of the Rate in the Dollar, which is consistent with the intention of previous Council decisions.
10. Non-residential ratepayers should not see an impact in their annual rates for 2022-2023.
11. This does not include any new developments, additions, alterations or corrections that will come into effect for the purposes of 2022-2023 budget

### **Residential Ratepayers**

12. It is a legislative requirement to undertake a review of valuation processes every five years. This is recommended to be completed for the 2022-2023 Budget as the last full valuation was provided in 2017.
13. We are in the in the process of seeking valuation data from tenancies and ratepayers to ensure that we have the best information available. Currently the data from this indicates that Council valuations are between 15%-45% undervalued.
14. While Council has held the Rate in the Dollar in previous years, revenue growth from Residential Ratepayers has come from new market developments.
15. It is recommended that a minimum increase to valuations of 5% be applied.
16. Council has held the Rate in the Dollar for residential ratepayers in previous years and the recommendation for the preparation of the 2022-2023 budget is to seek to not increase the Rate in the Dollar, while allowing a shift in valuations and a resulting shift in residential rate income.
17. The shift in residential rate income will be capped to CPI, excluding corrections, growth and new developments. This will ensure a more accurate valuation base for residential properties without significant impacts to the residential ratepayers as the valuation increase will be absorbed by a reduction in the rate in the dollar.
18. On this basis, residential ratepayers will see an average increase of less than \$1 a week in their rates bill.
19. As a result of holding the Rate in the Dollar for both Residential and Non-Residential ratepayers, freezing valuations for non-residential and an average valuation increase of 5% for residential, it is estimated that Council's revenue will see an uplift of \$0.5m for 2022-2023.
20. With the approval of this budget parameter, further modelling will be provided to Council regarding financial implications at its meetings in February and March 2022 based on the returned valuation data.

### **Implications**

21. Should the budget parameters outlined in this report be adopted, the draft BP&B for 2022-2023 and LTFP financial indicators will be within target ranges:

- 21.1. Operating Surplus will be maintained from 2022-2023. Financial sustainability is indicated where a council consistently achieves operating surpluses and has soundly based projections showing it can continue to do so in the future, having regard to asset management and the service level needs of its community.
- 21.2. The Renewal Funding Ratio (Asset Sustainability Ratio) is forecast to be 90% for the life of the plan. This is consistent with recent Council decisions and allows for the review of the AMPs to ensure that assets are being replaced or renewed at the rate they are being consumed and ensures consistent delivery as determined by the AMPs.
- 21.3. Borrowings will be within prudential limits for all years presented.

### **Opportunities**

- 22. The parameters outlined in this report will ensure that when developing the 2022-2023 BP&B, Council is in a financially sustainable position. The forecast surplus position futureproofs Council's financial position.
- 23. Opportunities also exist to:
  - 23.1. Respond to emerging priorities
  - 23.2. Continue delivering Strategic Enhancements past 2025
  - 23.3. Avoid solely depending on borrowings to fund major asset renewals.
- 24. The Strategic Property Review and Action Plan projections will continue to be included in the budget and LTFP and assist with the establishment of the Future Fund. We are seeking Council's adoption of this policy position in the separate report (item number #) at this same meeting of Council.

### **Prioritisation Framework**

- 25. At a workshop with Council in December 2021, a review of the list of projects proposed for 2022/23 Business Plan and Budget was conducted. Given the volume of proposed budgets, current market conditions and Council's financial position it was important that a framework for prioritisation be developed to assist with the consideration of which projects should be delivered in 2022/23.
- 26. The project prioritisation framework provides a clear governance structure for how project initiatives are prioritised and delivered. This framework is the process for determining which potential and existing projects are the most critical and urgent. It ensures consistent consideration of City of Adelaide's specific needs and goals, resulting in an appropriate allocation of resources. Each project is assessed against set criteria and a score is generated; this score represents the importance of that project against the assessment criteria.
- 27. The Prioritisation Framework consists of five key assessment criteria, resulting in a maximum score of 25.5 for each project. Assessment Criteria are:
  - 28. Strategic Alignment
    - 28.1. Generally this criteria focuses on alignment with Council's Strategic Plan.
    - 28.2. This scoring has been weighted in alignment with the key strategic focus areas that Council prioritised in the Committee workshop held on November 16, 2021.
  - 29. Risk Exposure
    - 29.1. Risk exposure is assessed in line with City of Adelaide Corporate Risk Rating Framework, based on impact and likelihood of the following categories:
      - 29.2. Financial
      - 29.3. Environment
      - 29.4. Reputational / brand image / political
      - 29.5. Service Delivery
      - 29.6. Public safety / employee safety
- 30. Engagement and Community Insights
  - 30.1. Review of all engagement and insights from our community is taken into consideration in rating this criteria.

- 30.2. Insights may be gathered from residential and business surveys, community profiling other community engagements. Consideration of information already gathered from the community will influence a higher score in this section. Little or no insights will derive a lower score but may not indicate that it is less important to the community.
31. Potential Users
- 31.1. This category looks at the estimated user demand by considering the number of current or future users.
- 31.2. A higher ranking in this category would demonstrate that the project is benefiting greater than two-thirds of available audience or has benefits city wide, while a lower score would suggest less than a third or limited users would benefit.
32. Location
- 32.1. This category looks at the locality of the project in terms of the social and/or economic network as well as physical locality.
- 32.2. A higher ranking would be derived if the project addresses a prominent location with parking, public transport and trail linkages, or if it delivers significantly to a social or economic network.
33. The prioritisation framework provides guidance and the criteria fairly address areas of strategic alignment, risk and community need. It is important to note that such a framework still contains levels of subjectivity and as such it is used as a guide to help inform Council decision making but not intended to over-ride the purpose of Council consideration and decision.
34. Further to the prioritisation, other factors that will assist in decision making will also help guide the business planning process. This may include whether the project is a contractual obligation, subject to external funding, result of a previous Council decision etc. As such, during the business planning process the proposed projects will not only be ranked by prioritisation but also categorised by other decision making criteria that will assist Council to select projects to be delivered in the 2022/23 Business Plan and Budget.

### Next Steps

35. The recommended parameters for preparation of Council's 2022-2023 Business Plan and Budget as set out in this report will be used to prepare a base budget and business plan for consideration in conjunction with the proposed new projects/services in February and March 2022.
36. To finalise the 2022-2023 Business Plan and Budget for adoption by Council in June 2022, Council will:
- 36.1. Discuss and review services, including service levels and community expectations
- 36.2. Discuss, review and prioritise projects
- 36.3. Discuss and adopt a draft BP&B for community engagement
- 36.4. Finalise the LTFP
- 36.5. Adopt business plans and budgets for each of its subsidiaries
- 36.6. Adopt the Fees and Charges Schedule
- 36.7. Review its Rating Policy, as required by legislation
- 36.8. Adopt Valuations, Declare General Rates, and Declare any Special Rates.

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## DATA AND SUPPORTING INFORMATION

**Link 1** – Impact of the change in source on the current LTFP

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## ATTACHMENTS

Nil

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- END OF REPORT -

# Future Fund and Investment Policy and related policies

**ITEM 10.5** 27/01/2022  
**Council**

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

In November 2020, Council resolved to establish a Future Fund utilising the proceeds from sale of assets to be set aside for future investments. As a result, the Future Fund was established via the Treasury Policy.

Subsequent to this resolution, further workshops in May, September and October 2021 were held with Council Members. The purpose was to assist with refining the intent of the Future Fund and what type of investments Council Members intended the Fund to be used for. Following these workshops we identified that the Future Fund needed further refinement via its own policy to be specific with regards to the nature of the fund, its purpose, how it will be created, maintained and accessed and how we could ensure it was reported appropriately to the public.

In creating the Future Fund and Investment Policy, it is also recommended that an update of the Treasury Policy and the existing Acquisition & Disposal of Land & Infrastructure Assets Policy (to be replaced with the Acquisition & Disposal of Land & Assets Policy) occur concurrently. The reason was to ensure that all three policies correlated where required in terms of assets disposal treatment, definitions of investment and performance, treasury management and accounting treatment.

The purpose of this report is to provide Council with the proposed policies and ensure each policy fairly reflects Council's intention with regards to the Future Fund and Investments.

## RECOMMENDATION

### That Council

1. Adopts the proposed Future Fund and Investment Policy per Attachment A to Item 10.5 on the Agenda for the meeting of the Council held on 27 January 2022.
2. Adopts the proposed amended Treasury Policy per Attachment B to Item 10.5 on the Agenda for the meeting of the Council held on 27 January 2022.
3. Adopts the proposed Acquisition & Disposal of Land & Assets Policy as contained within Attachment C to Item 10.5 on the Agenda for the meeting of the Council held on 27 January 2022.

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<p>Strategic Alignment – Enabling Priorities</p> <p>Effective Treasury Management, definition of Future Fund and Investments and clarity regarding the process of acquisition and disposal of assets will ensure that Council has the policy back for sound financial management of treasury funds and investments that support financial sustainability into the future.</p>
Policy	The report will result in the amendment of the Treasury Policy and existing Acquisition & Disposal of land & Infrastructure Assets Policy (to be replaced with the Acquisition & Disposal of Land & Assets Policy). It will also endorse a new Future Fund and Investments Policy.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	The Treasury Policy is a mandated policy that assist to manage liquidity risk. The Acquisition & Disposal of Land & Assets Policy is a legislative policy to address the risk of asset transactions on behalf of the community. The Future Fund and Investment Policy assists to manage the risk associated with financial management and investments to ensure appropriate evaluation and assessment of decisions.
Opportunities	The update and implementation of the three policies will ensure that Council is able to take advantage of investment opportunities when they arise and be accountable for how investments are funded for the benefit of the community.
21/22 Budget Allocation	Not as a result of this report
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

### Future Fund and Investment Policy

1. In November 2020, Council resolved to establish a Future Fund utilising the proceeds from sale of assets to be set aside for future investments. As a result, the Future Fund was established via an amendment to the Treasury Policy.
2. In May 2021, Council Members received advice via a workshop at a meeting of The Committee, from BRM Advisory, that the Council should investigate the implementation of an Investment Policy that will seek to ensure that Council invests in new revenue streams in order to reduce the burden on ratepayers of the City.
3. In April to June 2021, Council was considering the development of its Annual Budget for 2021/22 and its Long Term Financial Plan and discussion was had regarding the use of the Future Fund to fund the Central Market Arcade Redevelopment. This in turn created some questions as to the nature of the fund and how it operated.
4. Subsequently workshops were held with Council Members via The Committee in September and October 2021 to assist with the refinement of the Fund purpose. This report now seeks Council's adoption of the Future Fund policy which will provide further definition of the use and purpose of the Fund and combine with the proposed Investment Policy to ensure clear intention and purpose moving forward.
5. The proposed policy was discussed with the Audit and Risk Committee at its meeting on 29 October 2021, and a draft circulated for feedback to the Committee as a result of a CEO undertaking. Feedback from the committee members has been incorporated into the proposed policy.
6. The feedback in the meeting and via written feedback was to ensure that there was a clear explanation of the logistics of the Future Fund in the balance sheet in reference to the section of the policy that refers to the nature of the Future Fund being a reserve. It is intended to address this in Council's Long Term Financial Plan instead of the Policy itself.
7. The Future Fund and Investment Policy has been developed per **Attachment A**, with the intention to provide this clear intent and purpose based on clear principles. These are summarised as follows:
  - 7.1. The funds into the Future Fund are from net proceeds from sale of under performing assets defined by the Strategic Property Review.
  - 7.2. The purpose of the Future Fund is to quarantine the monies and ensure that they are held aside to either fully or partially contribute to future investments of Council.
  - 7.3. Investments are also defined as income generating investments which may include tangible or intangible assets that will generate income for the future.
  - 7.4. Investments would be of a strategic nature supported by a business case and evaluation criteria established in the guidelines associated with the policy.
  - 7.5. The Future Fund in its nature is a reserve by accounting definitions and will not be held in a separate bank account but disclosed separately on Council's balance sheet. Physical cash will continue to be managed in accordance with Council's Treasury Policy.

### Treasury Policy

8. As a result of the Future Fund and Investment Policy, the Treasury Policy must be amended to remove reference to the Future Fund Reserve to avoid confusion through duplication.
9. Other than removal of the Future Fund, there are no other proposed changes to the Treasury Policy. The updated version is provided in **Attachment B**.

### Acquisition & Disposal of Land & Assets Policy

10. In accordance with Section 49 of the *Local Government Act 1999* (SA) Council is required to develop a policy for contracts and tenders when disposing of land or assets to ensure ethical and fair treatment for participants. Council's policy position should ensure accountability and transparency within disposal processes.
11. Council's current Acquisition & Disposal of Land & Infrastructure Assets Policy was adopted by Council in December 2015. This existing policy was to be reviewed in June 2018.
12. On 14 April 2020 Council received the Strategic Property Action Plan report incorporating a portfolio governance review to optimise Council's property portfolio. The governance review recommended appropriate management policies to manage the portfolio and guide property acquisitions and disposals.

13. A review of the existing Acquisition & Disposal of Land & Infrastructure Assets Policy has taken place to ensure that the policy supports the effective implementation of the Strategic Property Action Plan.
14. As a result of this review the existing policy has been revised with the new policy to be known as the Acquisition & Disposal of Land & Assets Policy (**Attachment C**). Key changes within this revised policy include:
  - 14.1. Application of the Strategic Property Action Plan assessment criteria to support decision making with respect to land and asset disposal. The selection criteria assess whether the land or asset offers a civic, strategic, city shaping, commercial or community purpose.
  - 14.2. Greater clarity with respect to the circumstances by which Council may consider a disposal other than through to the open market including by direct negotiation. Circumstances for sale other than by the open market include, but are not limited to, an improved value proposition considering market value/ selling costs, where there are limited likely purchasers, where land is restricted or of nominal value, to enable inclusion of adjacent land, to enable development by another level of government and sale to a lessee or residential tenant.
  - 14.3. The introduction of new criteria for acquisitions including alignment to Council's strategic drivers, city shaping potential, ability to unlock supply, creation of new commercial or community value and the potential to consolidate land and asset holdings.
  - 14.4. The reintroduction of the concept of 'land banking' noting that Council's former Land Banking Policy was revoked in 2015. Land banking is a process whereby Council progressively purchases land in strategic locations consolidating land holdings over time until a viable development site is achieved. This land is then released to the market for sale, subject to clearly defined Council requirements with regard to development outcomes.
  - 14.5. As noted within the Acquisition & Disposal of Land & Assets Policy acquisition of land should achieve equal or better than revenue neutrality whereby the original purchase price and holding costs are repaid by rental income and proceeds from the sale of the land.
  - 14.6. Components relating to 'Other Infrastructure Assets' have been removed including the gifting of infrastructure assets such as bridges, plant and equipment.

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## ATTACHMENTS

**Attachment A** – Future Fund and Investment Policy

**Attachment B** – Treasury Policy

**Attachment C** – Acquisition & Disposal of land & Assets Policy

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- END OF REPORT -

# FUTURE FUND & INVESTMENT POLICY

*January 2022**non-legislative*

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**PURPOSE**

To provide clarity on the purpose of Council's Future Fund. In particular, the source of contributions to Council's Future Fund for reinvestment.

To provide clarity on the type of investments Council will undertake in order to drive development of revenue streams in addition to rates income. To provide guidance for evaluation of investments to be considered by Council and ensure all investments are consistently measured for their financial return to Council.

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**STATEMENT****Purpose of the Fund**

The Future Fund is intended to quarantine monies received from the net proceeds from the sale of assets. It is to ensure that proceeds are not directed towards operating costs of the Council but are rather re-invested into income generating investments that drive revenues/returns to the Council in addition to rate income.

**Nature of the Fund**

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.

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.

If Council is in a positive cash position and holds no borrowings the funds will be held in an interest-bearing account in accordance with the Treasury Policy.

In accordance with accounting standards, the fund is not permitted to disclose a negative balance.

**Contribution to the Fund**

Council will regularly review the performance of its assets and will dispose of identified non-performing assets in accordance with the Acquisition and Disposal of Land and Assets Policy. Net proceeds (proceeds net of sale expenses incurred) from the sale of Council assets, (such as from property sales) will be transferred and quarantined to a reserve fund.

The City of Adelaide acknowledges the Kurna people as the Traditional Owners of the Country where the city of Adelaide is situated, and pays its respect to Elders past, present and emerging.



### Accessing the Fund for Investment

The Future Fund will be used to fund investments of a strategic nature that will generate income for the Council into the future.

All requests to utilise funds from the reserve fund will be based on a business case. The business case must clearly demonstrate the financial return to Council. This return will be assessed using clear evaluation criteria as detailed in the assessment of performing investments section of this policy.

The funds from the Future Fund may be matched by external parties or by other funding mechanisms from Council itself provided the total investment expenditure meets the definition of investments. By default the Future Fund may partially fund an investment.

The use of the Future Fund does not override Council obligations under its Prudential Management Policy and all expenditure on investments should ensure these obligations are fulfilled.

### Investments

Investments can be both tangible and intangible assets which generate income for the future. Investments will not include those that are focused on capital appreciation only as they must return an income to Council. The income returns must be clearly defined and assessed using consistent financial evaluation criteria.

The Future Fund will **not** be used to:

- fund operational expenditure
- fund asset renewal expenditure
- fund community investment that Council would otherwise perform

Investment considerations can include but not limited to business operations, commercial assets and other physical assets that generate an income return to Council. Investments will not include those that are focused on capital appreciation only as they do not return an income to Council.

### Assessment of Performing Investments

In addition to the requirements of Part 4 of the Local Government Act (SA) 1999, Council will further utilise financial evaluation criteria that will include consideration of strategic alignment, risk and financial sensitivity and scenario analysis utilising tools such as NPV, BCR, IRR.

The evaluation will be performed by Finance and Strategic Property and Commercial and may seek external advice on a case by case basis.

Preferred solutions will be presented to Executive to provide approval or direction and Council approval sought where relevant.

Many factors need to be considered when deciding if an investment is performing. Performance will be determined by the appropriate discount rate used for financial evaluation. This will ensure that the rate of return deemed as performing is relevant to the particular type of investment.

Strategic Alignment:

- Delivery of one or more of the strategic plan priorities
- Support for development of the City

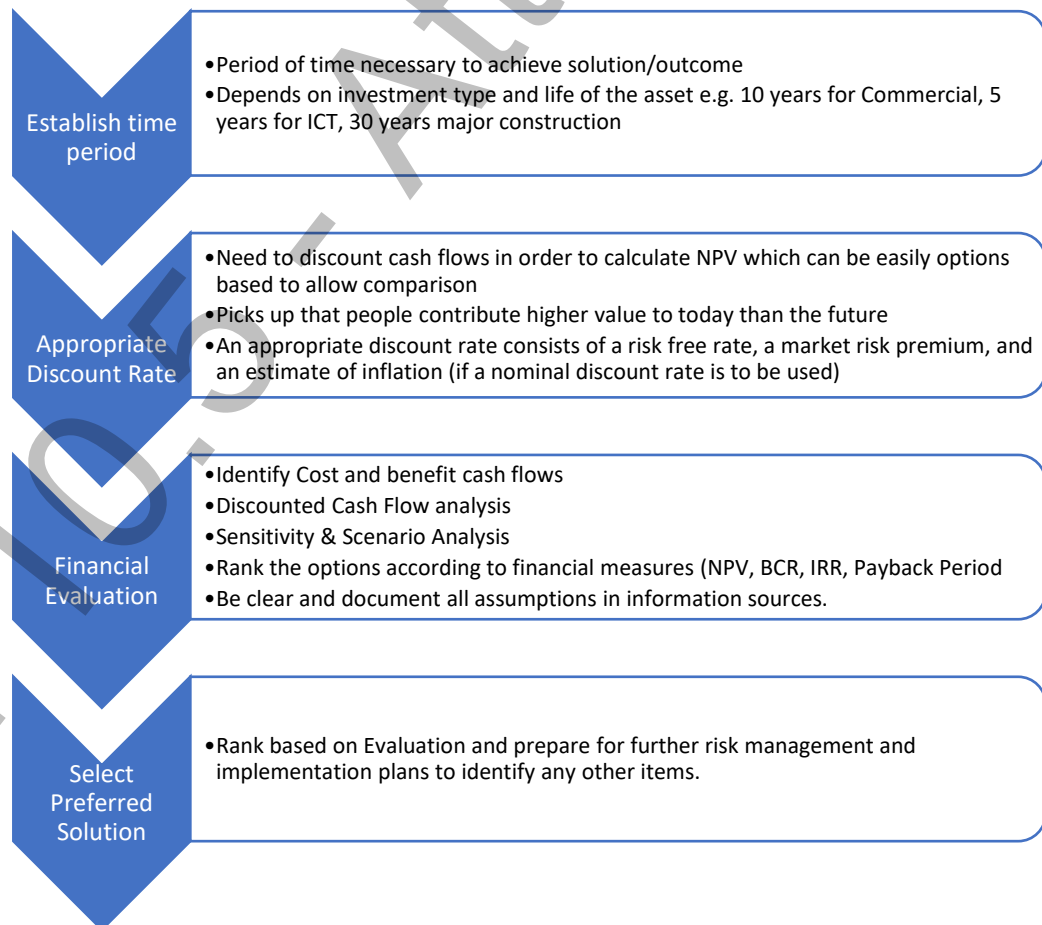
Timing:

- Time necessary for return to be generated or to achieve outcome
- Time required to hold the investment
- Period for which the investment is likely to be required

Risk assessment:

- Assessment against the Strategic Risk Register
- Stakeholder impact assessment
- Prudential review requirements

Financial Evaluation Criteria:



### Ongoing Maintenance of the Fund

Given the purpose of the Fund is to quarantine monies, it is not intended to disburse income returns to the Fund to maintain it. The only source of income will be from asset sales and the only disbursements from the Fund will be for income generating investments. In this respect the Future Fund will exist only to the extent that proceeds are continued to be received as assets are continually reviewed for performance criteria.

### Application of this document

Council will undertake to:-

- Ensure the net proceeds from the disposal of underperforming assets are quarantined in the Future Fund.
- Ensure that access to the fund is granted for investments that generate future incomes to Council
- Ensure the consistent evaluation of investments to inform decisions of Council
- Ensure that returns from investments are maintained at an approved threshold.

### Reporting Requirements

Due to the nature of the Future Fund, reporting with regards to the impact on borrowings will be provided in Council's Long Term Financial Plan on an annual basis. Quarterly a report on Future Fund will be included as part of the quarterly budget review to Council. With any performance reporting on investments acquired to be provided separately to Council as a part of commercial operations updates.

### OTHER USEFUL DOCUMENTS

#### Related documents

- Acquisition and Disposal of Land and Assets Policy
- Treasury Policy
- Prudential Management Policy

#### Relevant legislation

- Local Government Act (SA) 1999

### GLOSSARY

Throughout this document, the below terms have been used and are defined as:

**Key word:** explanation

**Investment:** asset or item acquired with the goal of generating income

**Under-Performing:** when the performance of an investment fails to meet financial criteria as described in the evaluation criteria

**NPV:** Net Present Value

**BCR:** Benefit Cost Ratio

**IRR:** Internal Rate of Return

**ADMINISTRATIVE** As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Policy document will be reviewed every **2** years unless legislative or operational change occurs beforehand. The next review is required in January 2024.

**Review history:**

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
XXXX	Council	27/01/2022/ XXX	New Policy

**Contact:**

For further information contact the Finance & Procurement Program

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# TREASURY POLICY

January 2022

COUNCIL

## PURPOSE

The objective of the Treasury Policy is to ensure that Treasury activities are in accordance with its legislative responsibilities under the *Local Government Act 1999* and common law responsibilities and to ensure the long-term financial sustainability of Council. Treasury activities will therefore be managed to ensure the clear, prudent, cost-effective and comprehensive management of Council's financial risks while reflecting the needs of stakeholders.

Operational risk, arising from the management of financial risk, is implicitly addressed through this Policy and includes appropriate segregation of duties, maintenance of accurate records, reconciliation of key accounts, and monitoring of financial risk management activities by senior management and Council.

The key financial risks this policy seek to address are:

- Liquidity Risk
- Borrowing Risk
- Cash Investment Risk
- Interest Rate Risk
- Foreign Currency Risk
- Credit Risk.

## STATEMENT

To achieve the purpose, financial risks are managed centrally to ensure alignment with Council's Strategic objectives. This enables Council to optimise access to debt capital and ensure that Treasury operates within a controlled environment.

In assessing and addressing risk the following must be considered:

- Council's 'risk appetite'
- 'User pays' and inter-generational equity principles
- The ability to service debt
- Speculative transactions are not permitted.

### **Application of this document**

This document is approved by Council and no part of the document may be amended without Council approval.

The approved document includes the body of the document and any explanatory documents.

The policy is to be reviewed and approved by Council on a biennial basis.

The policy is applicable to the whole organisation including any wholly owned subsidiaries.

### Type of Borrowings

Council's net borrowing requirements will be reviewed annually as part of the Business Plan and Budget development and update of the Long-Term Financial Plan.

Borrowings may be structured as a mixture of short and long-term, fixed and floating interest rates. Borrowings for revenue-generating investments should match the business case assumptions.

For administrative efficiency, surplus cash or short-term borrowings may be utilised during the construction phase of major projects, consistent with a holistic approach to cash management.

The level of overall borrowing that Council can sustain will consider the following:

- strategic planning for the future of the Council, covering short, medium and long-term spending and investment requirements
- current and estimated future revenues and the ability to increase the revenue stream through rates growth, user charges, additional grant funds or business activities
- that borrowings can be a critical component of the funding mix to enable Council to respond to immediate, unforeseen pressures, and to leverage future opportunities, including matching external grant funding for revenue generating assets, strategic infrastructure works, and non-revenue generating projects
- that the use of borrowings to fund capital expenditure can be effective in linking the payment for an asset to the successive ratepayer base who will benefit over the life of that asset. This user pays matching concept is known as inter-generational equity
- current and future funding needs for both operating and capital expenditures
- the 'risk appetite' of Council, as defined by Council's prudential limits
- that the achievement of a low level of debt or even debt free status should not be primary goals in and of themselves, rather that long-term financial strategies should aim for a financial structure where annual operational expenditure and asset renewals are met from annual funding sources such as rates, fees and charges or operating grants.

### Prudential Limit

The maximum level of debt is prescribed by Council by way of prudential limits. While Council does not place a physical monetary limit on the level of borrowings, an upper limit is determined through its financial indicators. When borrowing, Council will consider these financial indicators.

Council will **not** borrow funds when such borrowing would result in any of the following financial ratios being exceeded:

Interest Expense Ratio:	Maximum: 10% of general rates revenue
Leverage Test Ratio:	Maximum: 1.5 years of general rates revenue
Asset Test Ratio:	Maximum: 50% of saleable assets

These ratios are to be included in the Business Plan and Budget document adopted by Council.

### **Repayment of Borrowings**

The term of borrowings should match the need for funds. Short-term borrowings (less than one year) may be used to manage seasonal cash flow fluctuations.

Longer-term borrowings are to be managed holistically and should be paid down in line with Council's Long-term Financial Plan.

As a guide, the debt term for each type of borrowing should be as follows:

- Council's capital requirements assume repayment of principle and interest over 20 years, including major infrastructure projects and land banking,
- Commercial Investment will assume repayment of principle and interest as defined in the business case.

### **Liquidity Risk Management**

Council's bank account balance is to be kept at a level no greater than is required to meet immediate working capital requirements. Any surplus funds are to be applied to reduce debt or invested to generate interest income.

Council's net borrowing requirements will be reviewed annually as part of the Business Plan and Budget development and update of the Long-Term Financial Plan and following the quarterly re-forecasting of Budgets.

Council will hold, as a minimum, enough borrowing facilities to meet projected net debt levels for the next twelve months.

Total long-term borrowing facilities should be within the prudential limits calculated at the time facilities are sought.

### **Borrowing Risk Management**

To manage the risk associated with Borrowings:

- Council approval is required for all new loans, as per Section 44 (3)(c) of the *Local Government Act 1999*
- Loans are to be provided by institutions with long term Standard and Poors (or equivalent) credit ratings of 'A' (Authorised Borrowing Institutions) or better
- All new loans are to be tendered to at least three Authorised Borrowing Institutions.

### **Cash Investment Risk Management**

Funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings, will be invested.

Cash investments must not be speculative in nature.

Without further approval from Council, cash investments are limited to 'approved investments', including:

- Deposits with the Local Government Finance Authority
- Bank accepted / endorsed bank bills
- Bank negotiable Certificate of Deposits
- Authorised Deposit Taking Institutions interest bearing deposits
- State / Commonwealth Government Bonds.

Of the cash Investments above, the investment spread must meet the following limits:

- Up to 100% of investments with A-1 rated (Standard and Poors, or equivalent) organisations
- Up to 25% of investments with A-2 rated (Standard and Poors, or equivalent) organisations for periods of 90 days or less, an
- No more than \$20,000,000 invested with any individual rated organisation.

Subject to compliance with legislation, Treasury Policy objectives and parameters; and a competitive return, the City of Adelaide will preference investment securities and financial institutions which do not invest in the fossil fuel industry.

#### **Interest Rate Risk Management**

- Borrowings will be held and managed on a holistic basis
- Borrowings may be structured as a mix of short and long-term loans with fixed and floating interest rates
- Investments and borrowings will be actively managed to minimise net interest costs
- Investments and borrowings should have a variety of maturity dates in order to spread exposure to interest rate movements and manage cash flow requirements.

#### **Foreign Currency Risk Management**

Potential sources of Council's foreign currency exposure include:

- Purchases of goods and services in a foreign currency
- Purchases of capital equipment priced in foreign currency, or subject to price change due to relative movements in exchange rates.

Foreign currency hedges (in the form of forward exchange contracts) may be used to mitigate the risks of significant adverse currency movements but must not be speculative in nature.

Foreign exchange options and other derivative instruments will not be used.

The Procurement function should notify Treasury as soon as any potential foreign currency exposures are identified. Foreign currency exposures in excess of AUD 100,000 must be hedged.



Hedges will be taken out with institutions holding a minimum Short-Term rating of A-2 or better, (Standard & Poors or equivalent). Treasury must obtain quotes from at least two unrelated financial institutions, to ensure best value is achieved.

### **Credit Risk Management**

Credit risk may arise from financial institutions with whom Council has borrowings or cash deposits, customers and members of the public who have a financial liability to Council, or suppliers contracted to deliver a service or project.

To mitigate avoidable credit risks:

- Borrowings will only be held with financial institutions with long-term Standard & Poor's (or equivalent) credit ratings of A or better
- Cash deposits will only be held with financial institutions with short-term Standard & Poor's (or equivalent) credit ratings of A-2 or better
- Where required by Procurement Policy, key suppliers will be subject to independent credit assessment (e.g. Dun & Bradstreet report) prior to awarding new contracts
- Payments to suppliers in advance of delivery are subject to approval by Council's Procurement Manager.
- Councils debt collection guidelines ensure effective interventions to reduce events of credit to customers.

### **Authorised Arrangements**

The Treasury function should actively seek to minimise the number of different bank accounts operated by Council or its business entities. Opening and closure of bank accounts may only proceed with written authorisation from the Chief Executive Officer.

All new borrowing arrangements will be approved by Council, as required by Section 44 (3)(c) of the *Local Government Act 1999*. The power to borrow money cannot be delegated from the Council itself.

Council approval of borrowing requirements for the upcoming year is included in the Business Plan and Budget adoption. Details of the effects of the new borrowings on the applicable borrowing ratios are to be provided with the budget documentation, including the trend of these ratios in the Long-Term Financial Plan.

Where the required borrowing has increased following a Council approved quarterly re-forecast, this will constitute Council approval for the additional borrowings.

### **Reporting Requirements**

Monthly a Borrowings & Cash Investments Summary will be provided to the Executive Leadership outlining the following:

- for each borrowing and cash investment - the balance of funds, its interest rate and maturity date, and changes in the balance since the previous report
- a summary of interest income and expenditure variance from budget for the month and year to date

- Prudential limit ratios monitored daily and reported at the end of each month
- a summary of foreign currency exposures, hedges in place at reporting date, and details of any new or executed hedges for the month and year to date.

Quarterly a report on borrowing and cash investment performance will be included as part of the quarterly budget review to Council. The report will highlight:

- for each borrowing and cash investment - the balance of funds, its interest rate and maturity date, and changes in the balance since the previous report
- the proportion of fixed interest rate and variable interest rate borrowings at the end of the reporting period
- a summary of interest income and expenditure variance from budget for the quarter and year to date
- Prudential limit ratios monitored daily and reported at the end of each quarter
- a summary of foreign currency exposures, hedges in place at reporting date, and details of any new or executed hedges for the quarter and year to date.

Prudential limit ratios are included in the Business Plan and Budget document adopted by Council.

Any breaches of the Prudential limits will be reported with remediation actions to CEO immediately and reported as part of the quarterly report on borrowing and cash investment performance.

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## OTHER USEFUL DOCUMENTS

### related documents

- Future Fund and Investment Policy
- Debt Collection Guidelines
- Procurement Policy

### relevant legislation

- *Local Government Act (SA) 1999*
- *Local Government (Financial Management) Regulations 2011*

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## GLOSSARY

Throughout this document, the below terms have been used and are defined as:

**Asset Test Ratio:** The percentage of total borrowings to Council's saleable property assets. Calculated as:

$$\frac{\text{Total Borrowings}}{\text{Total Saleable Property Assets}}$$

*(‘Saleable Property Assets’ = Total Real Property Assets LESS Landmark Public Buildings, Park Lands and Buildings on Park Lands)*

**Authorised Deposit Taking Institutions:** financial institutions in Australia which are supervised by the Australian Prudential Regulation Authority (APRA) and authorised under the Banking Act 1959 (Cwlth) to accept deposits from the public.

**Borrowing Risk:** That Council is unable to secure borrowed funds when required.

**Cash Investment Risk:** Cash investment funds are not preserved resulting in Council suffering financial loss from investment activities.

**Credit Risk:** The risk of financial loss occurring from a counterparty in a transaction with Council being unable or unwilling to meet its obligations.

**Foreign Currency Risk:** The risk of financial loss due to variation in rates of exchange used to convert foreign currency transactions.

**Interest Expense Ratio:** Measures the affordability of Councils debt and articulates the proportion of Councils general rate income that is being used to service debt. Calculated as: *Interest Expense/General Rates Revenue*

**Interest Rate Risk:** The risk of financial loss from adverse movements in interest rates applicable to borrowings and/or cash investments.

**Inter-Generational Equity:** When assessing investment & borrowing decisions, the consideration given for the "generation of rate payers" who will derive the substantive benefits versus those who will ultimately pay (through Council rates and user charges).

**Leverage Test Ratio:** Provides a consistent basis to measure capacity to repay borrowings relative to general rates revenue. Calculated as: *Total Borrowings/General Rates Revenue*

**Liquidity Risk:** That Council have a lack of available funds to meet short-term financial commitments.

**Standard & Poor's rating:** A Standard & Poor's issued credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program. Credit ratings issued can be either long-term or short-term.

**Speculative Investment:** An investment that carries a high level of risk of loss or is deemed hazardous to the Council.

#### **Long-term Obligation Ratings**

##### **AAA**

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

##### **AA**

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

##### **A**

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

#### **Short-term Obligation Ratings**

##### **A-1**

A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this

category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

#### A-2

A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

### ADMINISTRATIVE

As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed for currency at least annually as part of the review of delegations.

This Policy document will be reviewed every **2** years unless legislative or operational change occurs beforehand. The next review is required in January 2024.

#### Review history:

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
ACC2014/30423	Council	22/10/13	Minor updates
ACC2018/163534	Council	11/12/18	Minor updates
ACC2020/89630	Council	23/6/20	Minor updates
ACC2020/173755	Council	10/11/20	Inclusion of Future Fund
	Council	TBA	Removal of Future Fund

#### Contact:

For further information contact the Finance and Procurement Program

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# ACQUISITION & DISPOSAL OF LAND & ASSETS POLICY - DRAFT

January 2022

Legislative

## PURPOSE

The purpose of this policy is to ensure that the City of Adelaide (Council) has accountable and transparent processes to consider the Disposal and Acquisition of Land and Assets.

To define the consideration methods for the Disposal and Acquisition of Land and Assets, including strategic acquisition for land banking purposes.

To ensure the optimum use of Council Land and Assets with all processes to be monitored and recorded.

## STATEMENT

### 1. Introduction

1.1 Council is the custodian of Land and Assets held on behalf of the community. As part of this role, Council is required to provide infrastructure for the community and plan for the development and future requirements of its area.

1.2 The *Local Government Act 1999* (SA) sets out Council's responsibilities in relation to the management of Land and Assets including:

- Council must seek to ensure that Council resources are used fairly, effectively and efficiently (Section 8(h)).
- Council is required to develop a policy for contracts and tenders when disposing of Land or Assets to ensure ethical and fair treatment of participants and probity, accountability and transparency in all Disposal processes (Section 49).
- Council is required to ensure appropriate policies, practices and procedures of internal controls are implemented and maintained to safeguard the Council's Assets (Section 125).

1.3 Land and Assets support the delivery of core services to the community or support the future strategic direction and financial sustainability of the Council.

1.4 In circumstances where there is a Disposal other than by open tender process, as may be determined in accordance with this policy, the reasons for entering into such contracts will be recorded pursuant to section 49 of the *Local Government Act 1999* (SA).

1.5 This policy includes the Disposal or Acquisition of Land and Assets, excluding land or buildings located within the Adelaide Park Lands which is addressed in a separate policy.

The City of Adelaide acknowledges the Kurna people as the Traditional Owners of the Country where the city of Adelaide is situated, and pays its respect to Elders past, present and emerging.

1.6 Commercial confidentiality will apply to negotiations for the Disposal or Acquisition of Land and Assets unless Council decides otherwise.

## 2. Strategic Context

2.1 This policy supports the objectives of the City of Adelaide Strategic Plan 2020-2024 particularly by way of the implementation of the Strategic Property Review.

2.2 The policy will support the Infrastructure Asset Management Policy and Asset Management Plans for each asset class and the decision-making process for Disposal and Acquisition of Land and Assets that support public value and alignment with Council's objectives.

## 3. Disposal of Land and Assets

3.1 Land and Assets should be regularly reviewed to ensure the optimum, efficient and effective use of Council's interests.

3.2 Land and Assets should be disposed when they no longer provide civic, strategic, commercial or community value.

3.3 The process for Disposal of Land and Assets will be fair and transparent and ensure that Council obtains not less than Market Value from the disposal, unless there are reasons for Council accepting a lesser value.

3.4 The Market Value of the Land or Assets is to be determined by an independent valuation obtained from a suitably qualified Certified Practising Valuer.

3.5 Open market methods of sale will be considered and determined on merit by Council and may include:

- Public tender or open expression of interest for sales best suited where special conditions are required including covenants and /or where there is a special interest demand.
- Select tender where public registrations or expressions of interest may be sought prior to a select tender.
- Public auction for unconditional sale and/or where there is a general high demand.

3.6 Should a tender or expression of interest not be awarded, or the reserve price not reached at auction, negotiations may be entered into with the highest bidder.

3.7 Council may consider a Disposal other than through the open market, including by direct negotiation, based on individual case merits. These circumstances may include but not necessarily be limited to the following:

- Limited likely purchasers for the Land or Asset.
- Alignment with respect to the original intention of the Land or Asset.
- An overall improved value proposition considering the Market Value and marketing/ selling costs.
- Enabling inclusion of adjacent Land.

- Land or Assets to be developed by another level of government.
  - Land that is restricted because of its small size, dimensions, irregular shape or other constraints.
  - Assets which are the subject of a leasehold interest including disposal to a relevant party who may be, but is not limited to, a lessee or residential tenant.
  - Land of nominal value.
- 3.8 Where sale is not by open market the sale should be at current market valuation. Methods for sale in such circumstances may include:
- Select tender (either with or without prior expression of interest); or
  - By negotiation with the relevant party.
- 3.9 The following key criteria will be utilised to assess whether Council should retain or dispose of Land or an Asset:
- Council's required ownership or the Land or Asset for essential civic purposes.
  - Current and future alignment to Council's strategic directions.
  - City shaping or public value add potential.
  - Commercial and financial value of the Land or Asset.
  - Community value of the Land or Asset.
- 3.10 The reasons for entering into contracts for the Disposal of Council Land or Assets other than by open market (either tender or public auction) will be recorded pursuant to Section 49 of the *Local Government Act 1999* (SA).
- 3.11 Council must ensure that the process to revoke the classification of community land has been concluded in accordance with the *Local Government Act 1999* (SA) prior to the disposal of Land that is classified as community land.
- 4. Acquisition of Land and Assets**
- 4.1 Council may acquire Land to achieve strategic, commercial or community outcomes that align with Council's Strategic Plan.
- 4.2 The following criteria will be used to assess the acquisition of Land and Assets:
- Alignment with Council's strategic drivers.
  - Potential to add value and support Council's city shaping objectives.
  - The ability to unlock supply.
  - Creation of new commercial and financial value.
  - Provision of community benefits and public value.
  - Potential to consolidate Land or Assets with Council's existing holdings.
- 4.3 Land may be acquired for land banking purposes. Land banking is a process whereby Council progressively purchases land in strategic locations, consolidating land holdings over a period of time until a viable development

site is achieved. The land can be released to the market for sale, subject to clearly defined Council requirements as to development outcomes.

- 4.4 Acquisition of Land should achieve equal or better than revenue neutrality whereby the original land purchase price and subsequent holding costs (eg. maintenance statutory charges) are repaid by rental income over the holding period together with proceeds upon ultimate sale of the Land.

## **5. Roles and Responsibilities**

### **5.1 Council**

- 5.1.1 Approve any proposed Disposals or Acquisitions of Land or Assets that exceed any authority delegated to the Chief Executive Officer and consider any prudential report under Section 48 of the *Local Government Act 1999* (SA) that may be required.
- 5.1.2 Provide all necessary approvals associated with any revocation of community land status that may be required, in accordance with the provisions of the *Local Government Act 1999* (SA).
- 5.1.3 Authorise the Lord Mayor and Chief Executive Officer to sign and seal documentation to facilitate transfers and any other dealings associated with the Disposal or Acquisition of Land or Assets, including any community land revocation process that may be required.
- 5.1.4 Adopt policies and consider and approve budgets, including delegating authority to the Chief Executive Officer, for Disposal or Acquisition of Land or Assets, up to a nominated financial threshold.

### **5.2 Chief Executive Officer and Administration**

- 5.2.1 Approve any proposed Disposal or Acquisition of Land or Assets within any authority delegated to the Chief Executive Officer.
- 5.2.2 Allocate resources to preliminary negotiations, investigations and analysis of any proposed Disposal or Acquisition.
- 5.2.3 Identify alignment with Council strategies and policies.
- 5.2.4 Review the performance of Council Land and Assets and undertake appropriate actions to improve public value.
- 5.2.5 Identify appropriate Disposal methods, in accordance with the principles of Council's Procurement Policy and Acquisition and Disposal of Land and Assets Operating Guidelines.
- 5.2.6 Prepare all supporting information to enable Council to make an informed decision and undertake duties in accordance with the authority delegated by Council to the Chief Executive Officer.

## **6. Policy Restrictions / Limitations**

- 6.1 This policy does not cover Land or Assets sold by Council for the non-payment of rates or disposal of goods which are not owned by the Council.



- 6.2 This policy does not cover the Disposal of Land or Assets through the grant of a leasehold interest within the Adelaide Park Lands which is included in a separate leasing and licencing policy.

## 7. Monitoring and Implementation

- 7.1 The Strategic Property & Commercial Associate Director and relevant project managers and officers within the Strategic Property & Commercial Program will be responsible for assessing proposed Disposal or Acquisition of Land or Assets with other relevant internal stakeholders, in accordance with the objectives of this Policy.
- 7.2 The CEO will authorise Operating Guidelines to support the application of this Policy when administration is investigating any proposed Disposal or Acquisition of Land or Assets.

## OTHER USEFUL DOCUMENTS

### Related documents

- **Acquisition & Disposal of Land & Assets Operating Guideline**
- Treasury Policy
- Future Fund & Investment Policy
- Prudential Management Policy
- Asset Management Policy
- Asset Management Plans
- Asset Accounting Policy

### Relevant legislation

- *Local Government Act 1999 (SA)*
- *Real Property Act 1886 (SA)*
- *Land and Business (Sale and Conveyancing) Act 1994 (SA)*
- *Electronic Conveyancing National Law (South Australia) Act 2013 (SA)*
- *Planning, Development and Infrastructure Act 2016 (SA)*
- *Retail and Commercial Leases Act 1995 (SA)*
- *Residential Tenancies Act 1995 (SA)*
- *Strata Title Acts 1988 (SA)*
- *Crown Land Management Act 2009 (SA)*
- *Community Titles Act 1996 (SA)*
- *Roads (Opening and Closing) Act 1991 (SA)*
- *Land Acquisition Act 1969 (SA)*

Where land is classified as Community Land in accordance with the provisions of the Local Government Act 1999, the requirements contained within the relevant Community Land Management Plan will take precedence over this policy.

## GLOSSARY

Throughout this document, the below terms have been used and are defined as:

**Acquisition:** includes purchase, lease or assuming care and control or ownership of an asset from a third party.

**Asset:** includes buildings, structures, improvements and leasehold interests on land that the Council owns and that has at any time been treated pursuant to the Australian Accounting Standards as an 'asset'. This also includes roads but excludes plant and equipment, fleet assets, bridges, other public realm infrastructure, trees or public art.

**Certified Practising Valuer:** means a person who, by education, training and experience is qualified to perform a valuation of real property, as certified by the Australian Property Institute.

**Disposal:** includes sale by public auction or public tender, negotiation or as otherwise set out within this policy.

**Land:** means, according to the context—

- (a) land as a physical entity, including—
  - (i) any building or structure on, or improvement to, land; or
  - (ii) land covered by water and, in such a case, the overlying water; or
  - (iii) a strata lot under the Community Titles Act 1996 or a unit under the Strata Titles Act 1988; or
- (b) this excludes easements, rights of way, encumbrances, land management agreements or other interests in land.

**Market value:** the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

## ADMINISTRATIVE

As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Policy document will be reviewed every 3 years unless legislative or operational change occurs beforehand. The next review is required in 2025.

### Review history:

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
ACC2021/197579	Council	22 January 2022	Amendments made to align with Strategic Property Review with reintroduction of land banking and removal of 'other infrastructure' assets.
ACC2014/78956	Council	9 September 2014	Infrastructure Asset Management Policy
ACC2013/103644	Council	23 July 2013/ 13203	Procurement Policy

ACC2009/202256	Corporate Strategy & Performance Committee	26 October 2009	Land Acquisition and Disposal Policy/Land Banking
ACC2003/1313	Council	6 August 2001	Sale and Disposal of Land and Other Assets

**Contact:**

For further information contact the Strategic Property & Commercial Program.

City of Adelaide  
 25 Pirie ST, Adelaide, SA  
 GPO Box 2252 ADELAIDE SA 5001  
 +61 8 8203 7203  
[city@cityofadelaide.com.au](mailto:city@cityofadelaide.com.au)

## Exclusion of the Public

**ITEM 11.1** 27/01/2022  
**Council**

**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 may order that the public be excluded from attendance at a meeting if the Council 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 Council meeting for the consideration of information and matters contained in the Agenda.

For the following Chief Executive Officer Reports seeking consideration in confidence

**12.1.1** Gawler Place Upark Façade [section 90(3) (i) of the Act]

**12.1.2** Bus Station Site – Development Options [section 90(3) (b) & (d) of the Act]

For the following Motion on Notice seeking consideration in confidence

**12.2.1** Councillor Martin – Motion on Notice – 88 O’Connell Development [section 90(3) (g), (h) & (i) of the Act]

The Order to Exclude for Items 12.1.1, 12.1.2 & 12.2.1:

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 12.1.1

### THAT COUNCIL

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 Council dated 27 January 2022 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 12.1.1 [Gawler Place Upark Façade] listed on the Agenda.

#### Grounds and Basis

This Item is confidential in 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.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Council dated 27 January 2022 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 12.1.1 [Gawler Place Upark Façade] 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.

## ORDER TO EXCLUDE FOR ITEM 12.1.2

### THAT COUNCIL

1. Having taken into account the relevant consideration contained in section 90(3) (b) & (d) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Council dated 27 January 2022 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 12.1.2 [Bus Station Site – Development Options] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

#### Grounds and Basis

This Item contains certain information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting business, prejudice the commercial position of the council and prejudice the commercial position of the person who supplied the information and confer a commercial advantage to a third party.

The disclosure of information in this report could reasonably prejudice the commercial position of the council including its future commercial dealings given that it contains financial information and future direction with regard to a key strategic land holding.

#### Public Interest

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because information pertaining to this report, including certain financial information and further direction, may prejudice Council's future commercial dealings with regard to its strategic land holding. On this basis, the disclosure of such information may severely prejudice the Council's ability to influence the proposal for the benefit of the Council and the community in this matter.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Council dated 27 January 2022 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 12.1.2 [Bus Station Site – Development Options] 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) (b) & (d) of the Act.

## ORDER TO EXCLUDE FOR ITEM 12.2.1

### THAT COUNCIL

1. Having taken into account the relevant consideration contained in section 90(3) (g), (h) & (i) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Council dated 27 January 2022 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 12.2.1 [Councillor Martin – Motion on Notice – 88 O'Connell Development] listed on the Agenda.

#### Grounds and Basis

This Item contains confidential information that must be considered in confidence so the Council does not breach any duty of confidence or other legal obligation or duty.

This item may involve the consideration of legal advice.

This Item is confidential in 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.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Council dated 27 January 2022 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 12.2.1 [Councillor Martin – Motion on Notice – 88 O'Connell Development] 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) (g), (h) & (i) of the Act.

## DISCUSSION

1. Section 90(1) of the *Local Government Act 1999 (SA)* (the Act) directs that a meeting of Council must be conducted in a place open to the public.
2. Section 90(2) of the Act, states that a Council may order that the public be excluded from attendance at a meeting if Council 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 83(5) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following reports are submitted seeking consideration in confidence.
  - 6.1 Information contained in Item 12.1.1 – Gawler Place Upark Façade
    - 6.1.1 Is subject to an Existing Confidentiality Order dated 13 July 2021.
    - 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.
  - 6.2. Information contained in Item 12.1.2 - Bus Station Site – Development Options
    - 6.2.1 Is not subject to an Existing Confidentiality Order.
    - 6.2.2 The grounds utilised to request consideration in confidence is section 90(3) (b) & (d) of the Act
      - (b) information the disclosure of which –
        - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or prejudice the commercial position of the council; and
        - (ii) would, on balance, be contrary to the public interest.
      - (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
        - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
        - (ii) would, on balance, be contrary to the public interest.
  - 6.3 Information contained in Item 12.2.1 – Councillor Martin – Motion on Notice – 88 O'Connell Development
    - 6.3.1 Is not subject to an Existing Confidentiality Order.

- 6.3.2 The grounds utilised to request consideration in confidence is section 90(3) (g), (h) & (i) of the Act
- (g) matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty
  - (h) legal advice
  - (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.

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## ATTACHMENTS

Nil

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- END OF REPORT -

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Confidential Item 12.1.1  
Gawler Place Upark Façade  
Section 90 (3) (i) of the *Local Government Act 1999 (SA)*  
Pages 79 to 83

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Confidential Item 12.1.2  
Bus Station Site – Development Options  
Section 90 (3) (b) & (d) of the *Local Government Act 1999 (SA)*  
Pages 84 to 126

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Confidential Item 12.2.1  
Councillor Martin – Motion on Notice – 88 O'Connell Development  
Section 90 (3) (g), (h) & (i) of the *Local Government Act 1999 (SA)*  
Pages 127 to 128

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# Reports from Council Members

**ITEM 14.1** 27/01/2022  
**Council**

Strategic Alignment - Enabling Priorities

**Program Contact:**  
Mick Petrovski, Manager,  
Governance 8203 7119

2018/04064  
Public

**Approving Officer:**  
Amanda McIlroy, Chief Operating  
Officer

## EXECUTIVE SUMMARY

This purpose of this report is to:

1. Advise Council of Council Member activities and the functions that Council Members have attended on behalf of the Lord Mayor.
2. Provide a summary of Council Members' attendance at meetings.

Council Members can table reports on activities undertaken on relevant external Boards and Committees where they are representing Council and these reports will be included in the Minutes of the meeting.

## RECOMMENDATION

### THAT COUNCIL

1. Notes the Council Member activities and functions attended on behalf of the Lord Mayor (Attachment A to Item 14.1 on the Agenda for the meeting of the Council held on 27 January 2022).
2. Notes the summary of Council Members meeting attendance (Attachment B to Item 14.1 on the Agenda for the meeting of the Council held on 27 January 2022).
3. Notes that reports from Council Members tabled at the meeting of the Council held on 27 January 2022 be included in the Minutes of the meeting.

## ATTACHMENTS

**Attachment A** – Council Member activities and functions attended on behalf of the Lord Mayor

**Attachment B** - Summary of meeting attendance





- END OF REPORT -

FUNCTIONS ATTENDED ON BEHALF OF THE LORD MAYOR: 8 December 2021 - 19 January 2022			
COUNCIL MEMBER	DATE	EVENT TITLE	EVENT DETAILS
Councillor Arman Abrahamzadeh (Deputy Lord Mayor)	8/12/2021	Launch Adelaide Social Impact Laundromat	Orange Sky's first social impact laundromat to support those face homelessness
COUNCIL MEMBER MEETINGS ATTENDED: 8 December 2021 - 19 January 2022			
COUNCIL MEMBER	DATE	EVENT TITLE	EVENT DETAILS
Councillor Jessy Khera	8/12/2021	Adelaide UNESCO City of Music Board meeting	Attended as Council Representative
Councillor Alexander Hyde	16/12/2021	Adelaide Central Market Authority Board Meeting	Attended as Council Representative
Councillor Simon Hou	18/01/2022	Australia Day Council of South Australia Board Meeting	Attended as Council Representative

## Meeting attendance

	Council - Special 8 December 2021	Council 14 December 2022	Council - Special 17 January 2022	Meetings held	Meetings attended
Lord Mayor Sandy Verschoor	✓	✓	✓	3	3
Councillor Arman Abrahamzadeh (Deputy Lord Mayor)	✓	✓	✓	3	3
Councillor Mary Couros	✓	✓	✓	3	3
Councillor Helen Donovan	✓	✓		3	2
Councillor Simon Hou	✓	✓	✓	3	3
Councillor Alex Hyde	✓	✓	✓	3	3
Councillor Jessy Khera	✓	✓	✓	3	3
Councillor Franz Knoll	✓	✓	✓	3	3
Councillor Greg Mackie	✓	✓	✓	3	3
Councillor Phillip Martin	✓	✓	✓	3	3
Councillor Anne Moran	✓	✓	✓	3	3
Councillor Keiren Snape	✓	✓	✓	3	3
# in Attendance	12	12	11		

Key:

	Apology
	Leave
	Not a Member
	Proxy Member

## New Year's Eve Events

**ITEM 15.1** 27/01/2022

**Council**

**Council Member**

Deputy Lord Mayor, Councillor  
Abrahamzadeh

**Contact Officer:**

Stephen Zaluski, Acting Director  
City Shaping

Public

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## QUESTION ON NOTICE

**Deputy Lord Mayor, Councillor Abrahamzadeh will ask the following Question on Notice:**

'In relation to the City of Adelaide organised New Year's Even events throughout the CBD and North Adelaide, can the Administration please advise:

- If there were any COVID outbreaks originating at any of these events?
- If there were any concerns raised by SA Health in the lead up to the events?
- Any feedback (in relation to the event format, entertainment, Pyrotechnic show, etc) from traders in close proximity to those events?'

The Lord Mayor will provide a reply at the meeting, the reply and question will be included in the Minutes of the meeting.

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- END OF REPORT -

## Walking Strategy

**ITEM 15.2** 27/01/2022  
**Council**

**Council Member**  
Councillor Donovan

Public

**Contact Officer:**  
Tom McCready, Director City  
Services

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## QUESTION ON NOTICE

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

'Noting:

- the recent successful launch of the South Australian Walking Strategy by Wellbeing SA
- the heightened desire of residents, businesses and visitors to have the option to access outdoor methods of commuting and recreating during the COVID pandemic

What is the timeline for delivery of the City of Adelaide's Walking Strategy?'

The Lord Mayor will provide a reply at the meeting, the reply and question will be included in the Minutes of the meeting.

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- END OF REPORT -

## Quentin Kenihan Inclusive Playspace

**ITEM 15.3** 27/01/2022  
**Council**

**Council Member**  
Councillor Martin

Public

**Contact Officer:**  
Tom McCready, Director City  
Services

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## QUESTION ON NOTICE

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

'Noting the Quentin Kenihan Inclusive Playspace was officially opened by the Lord Mayor in December 2020 and then closed in order to improve safety and amenity, could the Administration advise:

1. Have all improvements that were proposed been completed and, if not, which remain to be completed?
2. Has the Inclusive Playspace been reviewed recently to ensure it complies with the applicable standards of an inclusive playspace?
3. Is there another official opening planned to which members of the Kenihan family will be invited?'

The Lord Mayor will provide a reply at the meeting, the reply and question will be included in the Minutes of the meeting.

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- END OF REPORT -

# User Costs of EV Chargers

**ITEM 15.4** 27/01/2022  
**Council**

**Council Member**  
Councillor Martin

Public

**Contact Officer:**  
Stephen Zaluski, Acting Director  
City Shaping

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## QUESTION ON NOTICE

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

'The City of Adelaide website appears to state fees apply to the use of EV chargers at all 42 locations on and off street in the City of Adelaide, except for the Grote Street UPark where the charger is free but car parking fees apply. Setting aside the issue of car parking fees, could the Administration advise:

1. Is this the current status?
2. Which on street and off street EV chargers used to be free for any period and when did they cease to provided at no charge for whatever time period applied?
3. Was the provision of EV chargers with free periods of use designed to encourage the use of Electric Vehicles consistent with the City's strategy to promote carbon neutrality?
4. What revenue was forgone by offering periods of EV charging without cost?
5. What prompted the change?'

The Lord Mayor will provide a reply at the meeting, the reply and question will be included in the Minutes of the meeting.

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- END OF REPORT -

## Golf Course Car Parking

**ITEM 15.5** 27/01/2022  
**Council**

**Council Member**  
Councillor Martin

Public

**Contact Officer:**  
Tom McCready, Director City  
Services

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## QUESTION ON NOTICE

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

'Could the Administration advise in respect of car parking at the Adelaide Golf Course:

1. What is the total of square metres allocated in this area of the Park Lands?
2. Has this total changed in the past 6 months?
3. Has an area formally not covered by gravel nor formally used regularly for car parking been recently surfaced with gravel?
4. What is the car parking capacity of this area referred to in 3. and what are the conditions of parking?
5. Was the activity in that part of the Park Lands mentioned in 3. and 4. above brought before APLA and, if not, why not?

The Lord Mayor will provide a reply at the meeting, the reply and question will be included in the Minutes of the meeting.

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- END OF REPORT -



# New Year's Eve Council Events

**ITEM 17.1** 27/01/2022  
**Council**

**Council Member**  
Councillor Moran

2020/01167  
Public

**Contact Officer:**  
Stephen Zaluski, Acting  
Director City Shaping

## MOTION ON NOTICE

**Councillor Moran will move a motion and seek a seconder for the matter shown below to facilitate consideration by the Council:**

'That any tickets purchased for NYE Council events that were not used be refunded as soon as possible.'

## ADMINISTRATION COMMENT

1. The ticketed 'Light Up' New Year's Eve event in Rymill Park/Murlawirrapurka was produced and delivered by Gluttony.
2. Gluttony coordinated ticket exchanges and refund requests which were received directly by ticket purchasers, in line with their ticketing terms and conditions.
3. Gluttony have confirmed that they are not aware of any outstanding refund requests.

Should the motion be carried, the following implications of this motion should be considered. Note any costs provided are estimates only – no quotes or prices have been obtained:	
Public consultation	Not applicable
External consultant advice	Not applicable
Legal advice / litigation (eg contract breach)	Not applicable
Impacts on existing projects	Not applicable
Budget reallocation	Not applicable
Capital investment	Not applicable
Staff time in preparing the workshop / report requested in the motion	Not applicable

Other	Not applicable
Staff time in receiving and preparing this administration comment	To prepare this administration comment in response to the motion on notice took approximately 4 hours.

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- END OF REPORT -

# Electric Vehicle Charging

**ITEM 17.2** 27/01/2022  
**Council**

**Council Member**  
Councillor Martin

2021/01236  
Public

**Contact Officer:**  
Stephen Zaluski, Acting  
Director City Shaping

## MOTION ON NOTICE

**Councillor Martin will move a motion and seek a seconder for the matter shown below to facilitate consideration by the Council:**

'That Council:

Noting the City of Adelaide's use of electricity provided by only renewable energy sources, asks the Administration to provide first hour free use of all on street and off street EV chargers to encourage EV vehicle use and to enhance Council's policy position to encourage carbon neutrality throughout the City.'

## ADMINISTRATION COMMENT

1. City of Adelaide provides a network of 42 electric vehicle chargers, the majority are "fast chargers" (22kW capacity, AC), with two "super-fast chargers" (50kW capacity, DC) at the Franklin Street hub.
  - 1.1. The current charge for the electricity provided is \$0.25 / kWh at the fast chargers, and \$0.35c / kWh at the super-fast chargers. There is a minimum charge of \$1 after 5 minutes.
  - 1.2. Parking costs (in addition to the charging costs) are relevant to the location.
2. From the network installation date of 1 September 2017 to 30 June 2021, charging costs were:
  - 2.1. AC fast chargers (22kW): First hour free, then \$0.20/kWh between 6am and 6pm or \$0.10/kWh all other times including weekends. Minimum EV Charging Service fee of \$1 after 1 hour.
  - 2.2. DC super-fast chargers (50kW): \$0.30 / kWh at all times.
3. Usage data on charging network shows:
  - 3.1. The cumulative total amount of electricity delivered across the network has roughly doubled each financial year between 2018-2019 and 2020-21, and the growth trend is continuing into 2021-2022, in line with an increase in EV sales.
  - 3.2. In December 2021, the average charge was 10.24 kWh per session, with an average charge time of 2 hours 15 minutes. Sessions times ranged from 15 minutes to 6 hours or more.
  - 3.3. On average, each charging session in December 2021 cost \$2.68 per person.
4. The 'first hour free' period was provided to help introduce the electric charging network to customers and encourage the early adoption of electric vehicles in City of Adelaide.
5. The adjustment to fees in 2021-22 was to allow for a level of cost recovery and to simplify the fee structure.
6. The pricing is set to be less than residential peak electricity costs to encourage charging at lower cost in the City during peak electricity generation times.
7. If this motion is carried, rates will be altered as soon as possible. It is anticipated this would equate to forgone revenue of approximately \$10-\$20k.

Should the motion be carried, the following implications of this motion should be considered. Note any costs provided are estimates only – no quotes or prices have been obtained:	
Public consultation	Not applicable
External consultant advice	Not applicable
Legal advice / litigation (eg contract breach)	Not applicable
Impacts on existing projects	Not applicable
Budget reallocation	Not applicable
Capital investment	Not applicable
Staff time in preparing the workshop / report requested in the motion	
Other	A small amount of revenue from the charging network would be forgone if this motion was carried (approx. \$10k-\$20k)
Staff time in receiving and preparing this administration comment	To prepare this administration comment in response to the motion on notice took approximately 4.5 hours

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- END OF REPORT -

# Policy on Recompense for Minor Damage

ITEM 17.3 27/01/2022  
Council

Council Member  
Councillor Martin

2021/00600  
Public

Contact Officer:  
Amanda McIlroy, Chief  
Operating Officer

## MOTION ON NOTICE

**Councillor Martin will move a motion and seek a seconder for the matter shown below to facilitate consideration by the Council:**

'That Council:

Asks the Administration to provide advice to the March meeting of the elected body as to how Council could adopt a new policy that would enable the City of Adelaide to recompense minor claims of less than, say, \$1, 000 submitted by applicants who claim to have suffered property damage from Council operations and or/businesses, without Council making any admission of liability.'

## ADMINISTRATION COMMENT

1. Section 142 of the Local Government Act 1999 requires Councils to maintain insurance to cover its civil liabilities, and reads as follows:
 

**142—Duty to insure against liability**

  - (1) *A council must take out and maintain insurance to cover its civil liabilities at least to the extent prescribed by the regulations.*
  - (2) *A regulation cannot be made for the purposes of this section except after consultation with the LGA.*
  - (3) *Membership of the Local Government Association Mutual Liability Scheme constitutes insurance for the purposes of this section.*
2. The City of Adelaide is a member of the Local Government Association Mutual Liability Scheme (the Scheme).
3. As a Member of the Scheme, a condition precedent is that the City of Adelaide will comply with the Scheme Rules. This includes notifying the Scheme of all claims and all incidents which have the potential to become claims. Thereafter the City of Adelaide is not permitted to admit liability (which the motion appears to partly acknowledge), but is precluded from compromising, settling or making any promise to pay any claim.
4. The Scheme Rules relevant to the proposed motion are as follows:
 

**10.1 Notice**

*A Member shall, as a condition precedent to a Claim to be indemnified under these Rules and, subject to the default provisions, as a condition of continued entitlement to the benefits of membership of the Mutual Scheme, forthwith give to LGA written notice of each of the following:*

10.1.1 any circumstance or occurrence of which the Member shall become aware which is likely to give rise to a Claim against the Member;

10.1.2 any receipt of notice, written or oral, from any person of any intention to make a Claim against the Member; and

10.1.3 any Claim made against the Member whether the quantum of the Claim exceeds the Excess or not.

10.2 Not admit liability

A Member shall not admit liability for, compromise, settle or make or promise any payment in respect of, any Claim which may be the subject of indemnity hereunder or incur any costs or expenses in connection therewith without the written consent of LGA which if it so wishes shall be entitled to take over and conduct in the name of the Member the defence and/or settlement of any such claim for which purpose the Member shall give all such information and assistance as LGA may reasonably require.

10.6 Subrogation

Every Member seeking indemnity from the ML Fund shall by membership of the Mutual Scheme have agreed to subrogate to LGA its rights to investigate, defend and resolve any Claim against the Member.

5. Developing a policy that would enable the City of Adelaide to “recompense minor claims” of any amount would constitute a breach of the Scheme Rules.
6. Advice was sought from the Scheme in relation to the proposed motion and, consistent with advice above representatives of the Scheme do not support the proposal.

Should the motion be carried, the following implications of this motion should be considered. Note any costs provided are estimates only – no quotes or prices have been obtained:	
Public consultation	Not applicable
External consultant advice	Not applicable
Legal advice / litigation (eg contract breach)	Not applicable
Impacts on existing projects	Not applicable
Budget reallocation	Not applicable
Capital investment	Not applicable
Staff time in preparing the workshop / report requested in the motion	Not applicable
Other	Not applicable
Staff time in receiving and preparing this administration comment	To prepare this administration comment in response to the motion on notice took approximately 4.5 hours

- END OF REPORT -