



# THE COMMITTEE AGENDA & REPORTS

for the meeting

Tuesday 19 May 2020  
at 5:30 pm



Members - The Right Honourable the Lord Mayor [Sandy Verschoor];  
Councillor Hyde (Deputy Lord Mayor) (Chair)  
Councillors Abrahamzadeh, Couros, Donovan, Hou, Khera, Knoll,  
Martin, Moran and Simms (Deputy Chair).

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## 1. Acknowledgement of Country

At the opening of the Committee Meeting, the Chair 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. Apologies and Leave of Absence

Nil

## 3. Confirmation of Minutes – 5/5/2020 [TC]

That the Minutes of the meeting of The Committee held on 5 May 2020, be taken as read and be confirmed as an accurate record of proceedings.

## 4. Discussion Forum Items

### Presentations

#### Strategic Alignment – Green

##### 4.1. Presentation - Free City Connector Service Update

Strategic Alignment - Corporate Activities

##### 4.2. Presentation – Data and Insights [2018/04518] [Page 2]

### Workshop

##### 4.3. Workshop – Recovery + Reimagine Project

*To be distributed separately*

##### 4.4. Workshop – Unsolicited Proposal Guideline [2019/00350] [Page 15]

## 5. Closure

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# CITY DATA AND INSIGHTS

## Workshop Purpose:

To provide an update on the latest data and information available on the early impacts of COVID-19 from a socio-economic perspective.

**PROGRAM: STRATEGIC FINANCE AND PERFORMANCE**

The Committee Meeting - Agenda - 19 May 2020

AUTHOR: Strategy and Insights | APPROVING OFFICER: Vanessa Godden

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# CITY DATA + INSIGHTS

MAY 2020 | COMMITTEE WORKSHOP

# PURPOSE OF WORKSHOP

To provide an update on the latest data and information available on the early impacts of COVID-19 from a socio-economic perspective.



# WHAT'S HAPPENING?

## The face of our City is changing

- Fewer people are coming to the city as many work from home or are no longer working
- Businesses have closed or moved to limited operating models. Some will not reopen
- Theatres, venues, and major institutions all closed
- Thousands of SA businesses have registered for the \$10,000 Emergency Cash Grants for Small Businesses

**Australia is facing the worst economic contraction since the 1930s with potentially \$50bn wiped off the national economy**

*By June 2020:*

National economic output **DOWN 10%**

Total Hours Worked **DOWN 20%**

Unemployment could reach **10%**

## The impact overseas:

- **US economy** down by an annual rate of 4.8% when it had expected to grow by 2%
- More than 26 million people have applied for unemployment benefits
- Weaknesses in healthcare systems have been exposed
- Growth expected to contract at least 30% in the June quarter
- **China's economy** shrank by 6.8% in the March quarter

# RETAIL AND BUSINESS

**Pre-COVID** The city economy was worth about **\$19.45 bn (2018/19)**

employed by  
Hotels (SA) **26,250**

*Activities undertaken by the ACB resulted in:*

created  
jobs **2,166**

bed nights  
generated **235,000**

attending  
delegates **50,000**

events  
held **154**

economic benefit  
(110:1 return) **\$260m**

These industries were adding the most \$\$ value:

- Financial and insurance services **\$4bn**
- Public administration and safety **\$2.2bn**
- Professional, scientific and technical services **\$2.1bn**
- Health care and social assistance **\$2bn**



# RETAIL AND BUSINESS

## Now...

We've been spending more on the essentials and discretionary spending is down. The ABS is reporting that older people in particular are likely to save their \$750 stimulus payments.

Australian retail turnover rose 8.5 per cent in March 2020:

food  
retailing **up 24%**

other retailing **up 16.6 per cent**, and household goods  
retailing **up 9.1 per cent**

online retail  
turnover **up to 7%**

Of total retail turnover to March 2020  
(was 6.6% in Feb 2020)

cafes, restaurants and  
takeaway food services **down 23%**

clothing, footwear and personal accessory retailing **down 22.6 per cent** and department stores **down 8.9 per cent**

accommodation and  
food services jobs in SA **down 40%**

jobs lost between mid-March to mid-April with the greatest  
losses in South Australia (39.7% reduction)

**The damage to businesses that rely on people coming in to the city is deep and long-lasting. Small businesses are the backbone of the city economy and they are the most vulnerable to shocks. Some businesses will not reopen. Those that do will be operating in a different environment.**



# INTERNATIONAL EDUCATION

**Pre-Covid International education was SA's top export contributing \$1.92bn to the economy with nearly 44,000 international enrolments (about 25% of university students in SA). Every four enrolments equals one job in South Australia.**

International enrolments (2019)

**43,868**

**China**

**South Korea**

**Japan**

**Hong Kong**

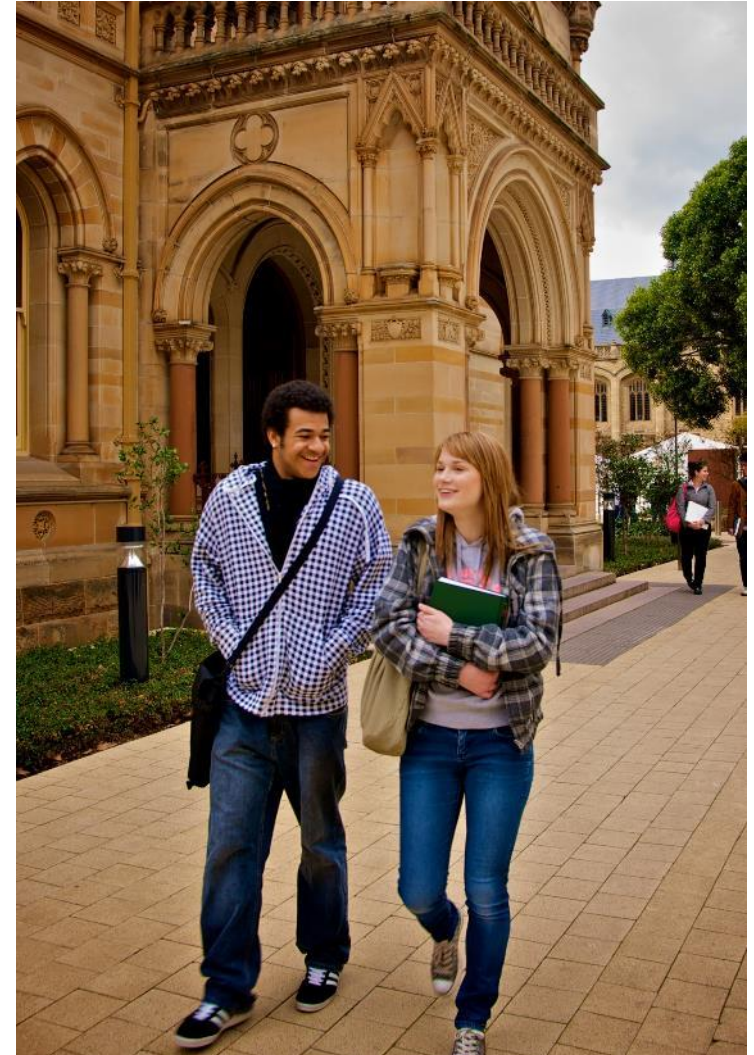
**Vietnam**

**Nepal**

**India**

**Brazil**

Countries where enrolments were experiencing strong growth in 2019:



# INTERNATIONAL EDUCATION

## Now...

**Some universities are more exposed than others. Missed intakes disrupt university enrolments and their budgets for several years following.**

Every \$1 lost in university tuition fees is another **\$1.15 lost in the broader economy** due to international student spending.

International **students are a source of migrants** and migration is the backbone of our population growth.

Absence of international students may also be contributing to a **rental market downturn**.

International student visa arrivals **down 18%**

Arrivals to South Australia in March 2020  
compared to March 2019

university sector economic impact **down \$19bn**

National estimated cumulative losses over three years

**What are going to be the new source markets for international education in the future?  
What is the City of Adelaide's role in reviving the sector?**

# ARTS AND CULTURE

**Pre Covid-19 small bars, live music, festivals and the activation of laneways in the City continued to thrive.**

In 2019 an estimated 6.77m people attended festivals and events in the city and Park Lands and domestic and international visitor nights were at 6.18 million and 3.67 million respectively.

**Live Music Gigs**

**1,315**

in Adelaide metro area, May 2019  
**23% up on the previous year**

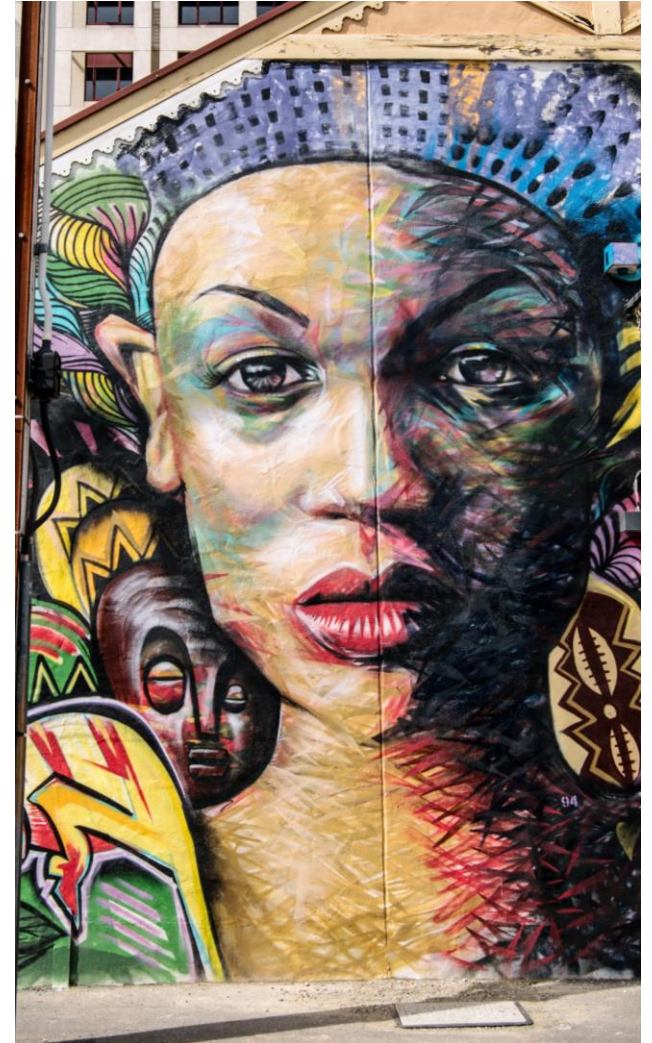
**Adelaide Fringe  
Adelaide Festival  
Santos TDU  
Womadelaide  
Superloop  
Adelaide International  
OzAsia  
Christmas Pageant**

**4,253,631**

Estimated attendance (2019)

**\$353.4m**

Total estimated economic impact of these festivals and events



# ARTS AND CULTURE

## Now...

**Our events and festivals scene will look different. The disruption of our normally full calendar of events and the closing down of venues will see economic and visitation impacts for some time.**

Government restrictions have seen the temporary closure of the hospitality industry with major impacts in the wider sector including a reduction in accommodation and food services industry and arts and culture industry employment. City hotels are anecdotally reporting they are currently operating at 5% capacity. Federal and State Governments have announced a three stage approach to 're-opening' the economy over the next several weeks.

accommodation and  
food and services **down 25%**

national job losses to industry in the three weeks  
14 March to 04 April

arts and culture  
industry **down 19%**

national job losses to industry in the three weeks  
14 March to 04 April

**What will these numbers look like Post Covid-19, if and when consumers return to the sector?  
What will post Covid-19 mean for venue management? Artists? Hotels? Small bars and businesses?**

# HOW ARE PEOPLE FEELING?

## Pre-COVID our community was feeling...

ABS National Health Survey 2017/2018 and now (March/April 2020)

restless / fidgety	24%	42%
felt nervous	20%	35%
everything is an effort	22%	26%
felt hopeless	9%	11%
depressed (and nothing could cheer you up)	8%	7%



The survey asked Australians aged 18 years and over about their emotional and mental wellbeing over the period mid-March to mid-April. These feelings are associated with experiences of anxiety and depression. Respondents were asked how frequently they felt: Nervous; Hopeless; Worthless; Restless or fidgety; That everything was an effort; and So depressed that nothing could cheer them up.

# HOW ARE PEOPLE FEELING?

Now...  
Although restrictions  
are easing we may  
not rush to go out

SA consumer  
confidence is shaken:

**43%**

believe the next 12 months  
will be worse than now

**36%**

anticipate **financial  
security to worsen**

**21%**

are feeling a  
**decline in wellbeing**

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Post Covid-19  
will you...

go to a bar or restaurant	<b>41%</b>
get on an aeroplane	<b>19%</b>
attend a large event	<b>12%</b>

When will 'things  
go back to normal'?

less than 6 months	<b>23%</b>
between 6 - 11 months	<b>33%</b>
more than 12 months	<b>41%</b>

"The results pose complex questions for governments as they begin to roll back restrictions, and also for businesses that may be in a position to reopen in an incredibly uncertain environment." (ABC, National Survey April 2020)

# NEXT

## There is new data, information and insights available regularly.

A range of publically available tools are still accessible, with the 'ID' websites updated regularly.

- **City of Adelaide (Economy, Wellbeing, Park Lands and general data)**  
<https://www.cityofadelaide.com.au/about-adelaide/research-statistics/>
- **Economy ID**  
<https://economy.id.com.au/adelaide>
- **Community Profile (ID)**  
<https://profile.id.com.au/adelaide>
- **Population Forecasts**  
<https://forecast.id.com.au/adelaide>
- **Australian Bureau of Statistics**  
<https://www.abs.gov.au/>

## Sources in this presentation:

### Retail and Business:

- 'Coronavirus shutdown costing Australian economy \$4billion a week as National Cabinet prepares to assess restrictions', ABC News, 5/5/2020
- 'Coronavirus: US economy shrinks at fastest rate since 2008', BBC News, 29/4/2020
- 'China's virus-hit economy shrinks for the first time in decades' BBC News, 17/4/2020
- Australian Hotels Association (SA)
- Adelaide Convention Bureau Annual Report 2018-19
- Adelaide Economic Profile by Economy .id
- ABS, Retail Trade, Australia, March 2020
- 11,300 small businesses register for \$10,000 emergency grants, Media Release 15/4/20

### International Education:

- 'International education overtakes wine as SA's No.1 export' SA Premier Media Release, 16/12/2019
- 'SA international students to get hardship payments of between \$500 & \$1000', Mix 102.3,
- Australian Education Network, Student numbers at Australian Universities 2018
- 'Australian universities could lose \$19bn in the next 3 years: our economy will suffer with them' Mitchell Institute, 17/4/2020

### Arts and Culture

- ABS, Weekly Payroll Jobs and Wages in Australia', 21/4/2020
- Econsearch (2027) Economic Contribution of the Music Industry in the City of Adelaide to South Australia, 2015/16
- Music SA, Live Music Census 2019

### Wellbeing:

- South Australia – State of Mind, Square Holes Research, March 2020
- 'Australians may not be ready to go back to normal even if coronavirus restrictions are lifted, survey finds', ABC News, 6/5/2020
- ABS, Household Impacts of COVID-19 Survey, 14-17 April 2020, 1/5/20

# Unsolicited Proposals Guideline

## Workshop Purpose:

To seek Council Member feedback to inform the review of the Unsolicited Proposals Guideline.

**PROGRAM:** Governance

AUTHOR: Brett Kahland | APPROVING OFFICER: Rudi Deco

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- On 25 July 2017, Council adopted the Unsolicited Proposals Guideline (Guideline) to formalise its approach to the receipt and assessment of unsolicited proposals from the private and community sector.
- The intent was to give confidence to innovators, entrepreneurs, investors and the community that proposals will be considered in a consistent, transparent and lawful manner to deliver the highest standards of public value. At the same time, the endorsed framework aimed to ensure that the intellectual property and best interests of the proponents are protected.
- The Unsolicited Proposals process was designed to encourage non-government sector participants to approach the City of Adelaide with innovative commercial proposals, where City of Adelaide has not requested a proposal and the proponent is uniquely placed to provide a value-for-money solution.
- At present, there are a number of methods by which Council receives new ideas. Council runs structured programs to encourage innovation and entrepreneurial partnerships (e.g. Splash Adelaide). Where Council receives proposals under the Guideline that are better suited for assessment under an existing policy, guideline, or scheme (e.g. Adelaide Park Lands Lease and Licensing Policy), then such proponents may be referred to the relevant program.
- On 14 April 2020, Council resolved to suspend the current Guideline and further consider in a Committee workshop, in particular to address how the policy would apply differently to the Adelaide Park Lands.
- The City of Adelaide remains committed to reviewing, evaluating and improving all policies and processes and seeks Council feedback on the Guideline.

“the public sector doesn’t have a monopoly on good ideas.”

Victorian treasurer Mr Michael O’Brien  
Victorian Government Media Release, ‘Private sector’s big ideas welcome in Victoria’, 13 February 2014

**KEY QUESTION**

What are Council Members views on retention or rescission of the Unsolicited Proposals Guideline?

**KEY QUESTION**

What are Council Members views on the application of the Unsolicited Proposals Guideline to the Adelaide Park Lands?

**KEY QUESTION**

What are Council Members views on the most appropriate way of dealing with intellectual property and confidentiality with regards to unsolicited proposals?

**KEY QUESTION**

What are Council Members views on other process considerations such as financial thresholds?

IMPLICATION	COMMENT:
Policy	The Guideline provides that where a proposal is better suited for assessment under an existing policy, process, program or scheme, proponents will be referred to the relevant Council Program.
Consultation	The Administration has previously engaged with the Metropolitan Local Government Group, and Norman Waterhouse lawyers in the development of the Guideline.
Resource	The Governance team is responsible for supporting the Guideline. Subject matter experts are required depending on the nature of each unsolicited proposal and are allocated to a Steering Committee on a case by case basis.
Risk / Legal / Legislative	<p>Legal advice has been received that Council can consider unsolicited proposals and can establish a framework to deal with such proposals. The identification and evaluation of any unsolicited proposals must be fair and demonstrate the highest levels of probity, consistent with the public interest. The absence of adequate policies and procedures increases the probity risk that unsolicited proposals are not consistently and fairly assessed against an established, credible and transparent framework. By way of example, in 2015 the Auditor-General found the State Government lacked a dedicated policy for consideration and assessment of unsolicited proposals in relation to the Gillman land site transaction.</p>
Opportunities	<p>The current approach aims to drive development of innovative and more efficient ways to deliver projects and services for the benefit of the public as well as providing a more transparent and structured approach for the assessment of unsolicited proposals. The Guideline mitigates risks identified as part of the Gillman investigation by providing a consistent approach and means by which proponents can propose new ideas to Council.</p> <p>If the Council choose to disregard unsolicited proposals, opportunities may be missed to achieve better value for money outcomes or to better understand the market in relation to a category of goods and services.</p>

- Unsolicited proposals are not without controversy. A key issue debated is the circumstances in which it is appropriate for the Government to deal with a private party exclusively and without an open tender process.
- In South Australia, the Auditor General identified several shortcomings in relation to the State Government Gillman site transaction. A key deficiency was the absence of a dedicated policy framework for the consideration and assessment of unsolicited proposals that addressed key probity arrangements, such as establishing governance plans, and documenting confidentiality and communication protocols.
- A key feature of all guidelines is that, if certain criteria are met, the Government (at its discretion) may enter into direct negotiations with an individual or organisation and conduct an assessment of the proposal without following a formal tender process. A common feature in all jurisdictions is that an unsolicited proposal must be “unique” and “innovative.”
- Uniqueness is a challenge for proponents: Demonstrating the unique characteristics of a proposal and the unique ability of a proponent to deliver the project is fundamental. The proposal having merit alone will not be sufficient – proponents need to demonstrate that they have a unique idea and that the ability to implement the idea can only be delivered by the proponent itself.
- Most States and Territories have developed and adopted specific guidelines for dealing with unsolicited proposals. Satisfying the assessment criteria such as uniqueness is onerous.

Unsolicited proposals are relatively rare and successful adoption is even rarer. NSW has received 117 proposals since DPC’s new guide was launched in 2012. Of them, three successfully completed the process with a total value of over \$5 billion, including the NorthConnex motorway and the more controversial Crown Sydney Resort project at Barangaroo”

Source: The Mandarin *Unsolicited proposals: NSW on the right track a decade after AWH* By Harley Dennett March 10, 2016

- In 2017, the World Bank released Policy Guidelines for managing unsolicited proposals in infrastructure projects incorporating an 'Experience Review' comprising an in depth review of international experience with Unsolicited Proposal Policies (USP). Key findings include:

Experience shows that most USPs do not represent real innovations, but are simply projects that were not in the government's pipeline.

USP frameworks face challenges, including lack of competition and transparency; perceptions of corruption and fraud; and low quality of infrastructure assets and/or services

Source: World Bank Group/PPIAF: Policy Guidelines for Managing Unsolicited Proposals in Infrastructure Projects | Vol. 3

[https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/documents/UnsolicitedProposals\\_Volume3\\_Review\\_WEB%20%281%29.pdf](https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/documents/UnsolicitedProposals_Volume3_Review_WEB%20%281%29.pdf)

- There may be a case that competitive market engagement processes (e.g. Expression of Interest, Tendering, etc) provides better value for money outcomes.



<https://www.afr.com/politics/unsolicited-proposals-could-be-worse-for-taxpayers-acc-warns-20180830-h14pw2>

- In Australia, unsolicited proposals often bypass regular procurement procedures. It can be argued that government should undertake open competitive bid processes in place of direct negotiations with proponents (e.g. Expression of Interest, Tendering, etc).
- It is acknowledged that competitive bidding processes can also be controversial and subject to challenge. Council has had mixed experiences with Expression of Interest processes.

The Guideline sets out Council’s responsibilities concerning the Adelaide Park Lands:

“The Council is the custodian of the Adelaide Park Lands. Section 4 of the *Adelaide Park Lands Act 2005* states the statutory principles including without limitation that the Adelaide Park Lands should be held for the public benefit of the people of South Australia, and should be generally available to them for their use and enjoyment. Any consideration of a unique idea(s) in the Adelaide Park Lands should be consistent with the statutory principles and the Adelaide Parklands Management Strategy adopted by the Adelaide Park Lands Authority.”

The Council may resolve to amend the Guideline to expressly exclude its application to the Adelaide Park Lands.

Where Council receives an unsolicited proposal relating to the Adelaide Park Lands that is outside the scope of and application of any existing policy/guideline, program or scheme, and in the absence of the unsolicited proposal guideline, there will be no formal framework available to Council to assess any such proposal. In this case, the proposal would be put to Council to determine the appropriate pathway for consideration.



- The Guideline establishes probity principles respecting the confidentiality of a proponent's submission and any intellectual property rights. Similarly, the Government of South Australia's 'Guidelines for Assessment of Unsolicited Proposals' (updated September 2018) seeks to establish probity principles and protocols when dealing with proponents to ensure 'commercially sensitive and confidential information is protected.'
- In NSW, the 'Unsolicited Proposals: Guide for Submission and Assessment' provides the following:

## Maintaining confidentiality

In the assessment of Unsolicited Proposals there is need for high levels of accountability and transparency. However, there is also a need for some information to be kept confidential, at least for a specified period of time. This is important to provide participants with confidence in the integrity of the process. All proposals submitted will be kept confidential at Stage 1 of the assessment process.

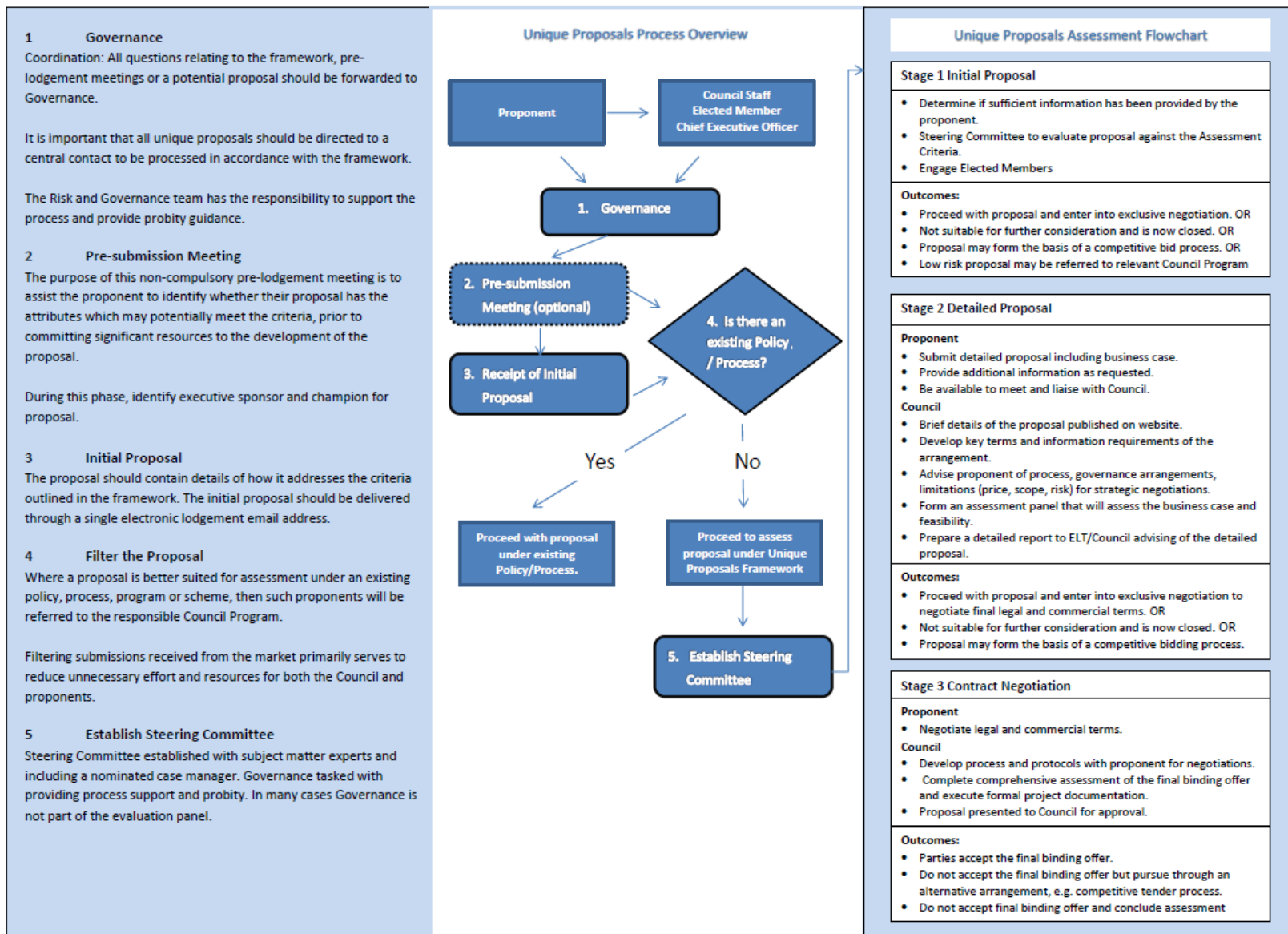
- Taking reasonable steps to protect the confidentiality of third parties' sensitive information and innovative ideas is a key feature of unsolicited proposal frameworks. The non-government sector may determine not to pitch new ideas and projects to Council if Council will not take into account a proponent's concerns regarding protection of its ideas and information.
- The above confidentiality considerations should be carefully balanced to ensure Governments satisfy a high level of transparency and public reporting when dealing with unsolicited proposals.

"Unsolicited proposals warrant more disclosure as they pose a greater risk to value for money than procurements done through open, competitive and transparent processes."

acting Auditor-General, Tony Whitfield 2016

- **Minimum Financial Thresholds:** The States and Territories equivalent guidelines originally aimed to reach out for bigger initiatives. Unsolicited proposals in other states that have progressed beyond stage one tend to be large scale projects such as public private partnerships.
- There is a significant resource commitment and level of effort to process and assess proposals in accordance with the framework. For a local government authority, for smaller innovative and unique proposals of low value striking the right balance is a challenge. Proposals may vary in scale.
- The City of Adelaide's Guideline applies to any unsolicited proposal valued over \$100,000.
- The Government of South Australia's 'Guidelines for Assessment of Unsolicited Proposals' provides that the minimum financial thresholds to qualify as an unsolicited proposal are:
  - \$3 million for infrastructure projects; or
  - \$1 million for non-infrastructure projects.
- In contrast, the Government of NSW's Unsolicited Proposals Guide (revised in 2018) provides that there is no minimum monetary threshold for proposals that can be assessed. All innovative proposals that address the assessment criteria under the Guide will be considered.





**KEY QUESTION**

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