



THE COMMITTEE MINUTES

for the meeting

Tuesday 3 November 2020

in the Colonel Light Room
Adelaide Town Hall



Present – The Right Honourable the Lord Mayor, Sandy Verschoor;
Councillor Hyde (Deputy Lord Mayor) (Chair),
Councillors Abrahamzadeh, Couros (Deputy Chair), Donovan, Hou, Khera, Knoll, Mackie, Martin and Simms.

Acknowledgement of Country

At the opening of the Committee Meeting, the Chair stated:

‘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.’

Apologies and Leave of Absence

Apology:

Councillor Moran

Confirmation of Minutes – 20/10/2020 [TC]

That the Minutes of the meeting of The Committee held on 20 October 2020, be taken as read and be confirmed as an accurate record of proceedings.

Reports to be presented to Council

All reports in this section will be presented to Council on 10 November 2020 for consideration and determination

Strategic Alignment – Enabling Priorities

1. Item 5.1 - Hutt Street Legal Review [2019/01138] [TC]

Mark Goldstone, Chief Executive Officer and Brett Kahland, Consultant Legal Governance, City of Adelaide and Dr Nick Manetta and Gavin Leydon, Norman Waterhouse responded to questions from Committee Members.

During the discussion,

- Councillor Martin entered the Colonel Light Room at 5.32 pm
- The Lord Mayor entered the Colonel Light Room at 5.42 pm

2. Item 5.2 - 2020-2021 Quarter 1 Finance Report [2020/00150] [TC]

Sonjoy Ghosh, Associate Director Strategic Finance & Performance, City of Adelaide was available to respond to questions from Committee Members. Members were advised that Item 5.2 within the Agenda had not been updated with the most recent figures and that this would be rectified for the meeting of Council on 10 November 2020.

3. Item 5.3 - Chair of Core Committees [2018/04071] [TC]

Rudi Deco, Manager Governance, City of Adelaide was available to respond to questions from Committee Members.

During the discussion, Councillor Abrahamzadeh left the Colonel Light Room at 6.27 pm

Strategic Alignment – Thriving Communities

4. Item 5.4 - City of Adelaide Disability Access and Inclusion Plan 2019-2022 Annual Report [2018/00440] [TC]

Christie Anthony, Associate Director Community & Culture, City of Adelaide was available to respond to questions from Committee Members.

During the discussion, Councillor Couros left the Colonel Light Room at 6.31 pm

5. Item 5.5 - Safer City Action Plan Annual Report [2019/00184] [TC]

Christie Anthoney, Associate Director Community & Culture, City of Adelaide was available to respond to questions from Committee Members.

6. Item 5.6 - Adelaide Aquatic Centre - Future Options - Progress Report [VS2020/3134] [TC]

Tom McCready, Associate Director Property & Commercial, City of Adelaide responded to questions from Committee Members.

During the discussion:

- Councillor Khera left the Colonel Light Room and re-entered at 6.37 pm
- Councillor Couros re-entered the Colonel Light Room at 6.36 pm

7. Item 5.7 - Golden Wattle Park Community Land Management Plan [2018/00561] [TC]

Christie Anthoney, Associate Director Community & Culture and Ray Scheuboeck, Senior Coordinator Recreation & Sport, City of Adelaide responded to questions from Committee Members.

Strategic Alignment – Strong Economies

8. Item 5.8 - Permit Fee Model Review [2020/00274] [TC]

Vanessa Godden, Associate Director Customer & People City of Adelaide responded to questions from Committee Members.

9. Item 5.9 - Investigation of Subsidy Program for Retail and Hospitality Businesses [VS2020/5827] [TC]

Ian Hill, Director Growth and Michelle English, Associate Director Economic Development & Sustainability, City of Adelaide responded to questions from Committee Members.

During the discussion, Councillor Simms left the Colonel Light Room at 7.02 pm and re-entered at 7.07 pm

Item 5.9, distributed separately is available at the end of the minutes of this meeting.

10. Item 5.10 - Business Assistance [VS2020/5827] [TC]

Ian Hill, Director Growth, Clare Mockler, Director Culture, Michelle English, Associate Director Economic Development & Sustainability and Tom McCready, Associate Director Property & Commercial, City of Adelaide responded to questions from Committee Members.

During the discussion:

- Councillor Hou left the Colonel Light Room at 7.17 pm and re-entered at 7.19 pm
- Councillor Abrahimzadeh re-entered the Colonel Light Room at 7.24 pm
- Councillor Simms left the meeting at 7.38 pm

Item 5.10, distributed separately is available at the end of the minutes of this meeting.

11. Item 5.11 - Quarterly Forward Procurement Report Q3 2020/2021 [2020/00150] [TC]

Sonjoy Ghosh, Associate Director Strategic Finance & Performance, City of Adelaide responded to questions from Committee Members.

Strategic Alignment – Dynamic City Culture

12. Item 5.12 - Proposed Event at Former Bus Depot Site, 111-117 Franklin Street - Mama Susan's 2020 [2020/01749] [TC]

Noni Williams, Manager City Experience, City of Adelaide responded to questions from Committee Members.

13. Item 5.13 - AUCOM Funding and Resourcing [2020/01232] [TC]

Christie Anthoney, Associate Director Community & Culture, City of Adelaide was available to respond to questions from Committee Members.

14. Item 5.14 - Cultural Strategy Refresh [2019/01325] [TC]

Christie Anthoney, Associate Director Community & Culture, City of Adelaide was available to respond to questions from Committee Members.

15. Item 5.15 - Tam O'Shanter Place Partial Road Closure for Tandanya's First Nations Hub 2021 [2020/01612] [TC]

Christie Anthoney, Associate Director Community & Culture, City of Adelaide was available to respond to questions from Committee Members.

16. Item 5.16 - Proposed Event in the Adelaide Park Lands - Groove is in the Pod 2020 [2020/01801] [TC]

Christie Anthoney, Associate Director Community & Culture, City of Adelaide was available to respond to questions from Committee Members.

17. Item 5.17 - Proposed Event in the Park Lands - Wonderland Spiegel tent 2021 – Hindmarsh Square [2020/01835] [TC]

Christie Anthoney, Associate Director Community & Culture, City of Adelaide was available to respond to questions from Committee Members.

Strategic Alignment – Environmental Leadership**18. Item 5.18 - Resource Recovery (Organics, Recycling and Waste) Strategy and Action Plan 2020-2028 [2019/01444] [TC]**

Ian Hill, Director Growth and Michelle English, Associate Director Economic Development & Sustainability, City of Adelaide responded to questions from Committee Members

During the discussion, Councillor Mackie left the meeting at 7.45 pm

Exclusion of the Public**19. Item 6.1 - Exclusion of the Public to Consider [2018/04291] [TC]:**

- 7.1 Traffic Signal Maintenance Contract Extension [s 90(3) (b)]
- 7.2 The Stables of Victoria Park – Leasing Matter [s 90(3) (d)]

Order to Exclude for Item 7.1:**THAT THE COMMITTEE**

1. Having taken into account the relevant consideration contained in s 90(3) (b) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 3 November 2020 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 7.1 [Traffic Signal Maintenance Contract Extension] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

The confidential information in this Report contains information that could prejudice the commercial position of the Council in respect of its intended procurement activities.

Public Interest

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed because it may prejudice Council's ability to undertake a competitive procurement process and achieve value for money for its ratepayers.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 3 November 2020 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 7.1 [Traffic Signal Maintenance Contract Extension] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in s 90(3) (b) of the Act.

Order to Exclude for Item 7.2:

THAT THE COMMITTEE

1. Having taken into account the relevant consideration contained in s 90(3) (d) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 3 November 2020 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 7.2 [The Stables of Victoria Park – Leasing Matter] 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 commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information and confer a commercial advantage on a third party.

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 the disclosure of this information may result in release of information prior to the finalisation of 'commercial in confidence' negotiations between the proponent and their suppliers and may materially and adversely affect the financial viability of the proponent in relation to contract negotiations which on balance would be contrary to the public interest.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 3 November 2020 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 7.2 [The Stables of Victoria Park – Leasing Matter] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in s 90(3) (d) of the Act.

Order to Exclude for Item 7.3:

THAT THE COMMITTEE

1. Having taken into account the relevant consideration contained in s 90(3) (b) & (d) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 3 November 2020 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 7.3 [Central Market Arcade Redevelopment Project Update] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

The item contains certain information of a confidential nature (not being a trade secret) the disclosure of which could reasonably expect 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 on a third party.

More specifically, the disclosure of certain information in this project update could reasonably prejudice the commercial position of Council given that the City of Adelaide Council land holding is the subject of a commercial contractual arrangement.

Public Interest

The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances given that information within this project update pertains to a commercial contractual arrangement relating to a City of Adelaide land holding. The release of such information may severely prejudice the City of Adelaide Council and the community in this matter given the nature of such contractual arrangements.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 3 November 2020 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 7.3 [Central Market Arcade Redevelopment Project Update] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in s 90(3) (b) & (d) of the Act.

Deputy Lord Mayor, Councillor Hyde (Chair), Members of the public and Corporation staff present not directly involved with Items 7.1, 7.2 & 7.3 left the meeting at 8.06 pm, whereupon Councillor Couros (Deputy Chair) took the Chair.

Confidential Item 7.1

Traffic Signal Maintenance Contract Extension
Section 90 (3) (b) of the *Local Government Act 1999 (SA)*
Page 6

Confidential Item 7.2

The Stables of Victoria Park – Leasing Matter
Section 90 (3) (d) of the *Local Government Act 1999 (SA)*
Page 6

Confidential Item 7.3

Central Market Arcade Redevelopment Project Update
Section 90 (3) (d) of the *Local Government Act 1999 (SA)*
Pages 6 - 7

The meeting re-opened to the public at 8.14 pm.

Confidentiality Orders

Minute 20 - Item 7.1 – Traffic Signal Maintenance Contract Extension [TC]

In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* and because Item 7.1 [Traffic Signal Maintenance Contract Extension] listed on the Agenda for the meeting of The Committee held on 10 November 2020 was received, discussed and considered in confidence pursuant to Section 90(3) (b) of the *Local Government Act 1999 (SA)*, this meeting of The Committee do order that:

1. The resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2027.
2. The confidentiality of the matter be reviewed in December 2021.
3. The Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

Minute 21 - Item 7.2 – The Stables of Victoria Park – Leasing Matter [TC]

In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* and because Item 7.2 [The Stables of Victoria Park – Leasing Matter] listed on the Agenda for the meeting of The Committee held on 10 November 2020 was received, discussed and considered in confidence pursuant to Section 90(3) (d) of the *Local Government Act 1999 (SA)*, this meeting of The Committee do order that:

1. The resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2027.
2. The confidentiality of the matter be reviewed in December 2021.
3. The Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

Minute 23 - Item 7.3 – Central Market Arcade Redevelopment Project Update [TC]

In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* and because Item 7.3 [Central Market Arcade Redevelopment Project Update] listed on the Agenda for the meeting of The Committee held on 3 November 2020 was received, discussed and considered in confidence pursuant to Section 90(3) (d) of the *Local Government Act 1999 (SA)*, this meeting of The Committee do order that:

1. The resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until Council's Development Partner ICD provides an update to their media partners.
2. The confidentiality of the matter be reviewed in December 2021.
3. The Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked

Closure

The meeting closed at 8.14 pm.

Councillor Hyde (Deputy Lord Mayor)
The Committee Chair

Documents attached:

Minute 9 - Item 5.9 - Investigation of Subsidy Program for Retail and Hospitality Businesses, Distributed Separately

Minute 10 - Item 5.10 - Business Assistance, Distributed Separately

Investigation of subsidy program for retail and hospitality businesses

ITEM 5.9 03/11/2020
The Committee

Strategic Alignment - Strong Economies

Program Contact:
Michelle English, AD Economic
Development & Sustainability
8203 7687

VS2020/5827
Public

Approving Officer:
Ian Hill, Director Growth

EXECUTIVE SUMMARY

This report responds to Council's request to investigate the implementation of a program similar to myDarwin within the City of Adelaide in order to stimulate the local economy and drive customers to local businesses.

The City of Darwin (CoD) introduced myDarwin as a consumer subsidy program where the CoD provided rebates via a website application for consumer purchases made at participating businesses within the City of Darwin local government area. The CoD provided \$650,000 plus set up costs and internal staffing resources to operate the program.

On June 30, 2020, Council approved the City of Adelaide's Recovery Principles:

- Our rates, fees and charges approach is fair and equitable
- Financial borrowings adjusted to stimulate growth
- Proceeds from selling assets will build a 'future fund'
- Asset renewals will be prioritised based on audit condition and risk
- Asset enhancements will be delivered through partnerships
- We will seek Government funding for new infrastructure
- Our service delivery will reflect the needs of the community
- Investment is prioritised to support recovery.

Since the introduction of restrictions arising from the COVID-19 pandemic, Council has provided over \$11.2 million of support to small businesses in the city and North Adelaide. This has occurred through a range of measures, including the \$4M City Support Package, rate relief, UPark Plus, waiving of fees, new and expanded grants, rebates and incentives, city activation and installations, specialised business advice and support services, as well as the #MyAdelaide marketing campaign to encourage people to return to the city.

The City of Adelaide's economic recovery response has been targeted to support small businesses and the two sectors (Accommodation & Food Services and Arts & Recreation Services) that have been most significantly impacted by COVID-19.

The easing of physical distancing requirements since June has seen a corresponding rebound in the city's economy and visitation rates as city workers, students and visitors return.

The following recommendation will be presented to Council on 10 November 2020 for consideration

That Council:

1. Notes the advice that implementation of a consumer subsidy program, similar to the myDarwin initiative, within the City of Adelaide is not a cost-effective option to support small and medium businesses in the city and North Adelaide.
2. Notes that the initiative is not funded within the 2020-21 Business Plan and Budget adopted by Council.
3. Notes that the initiative, if implemented, will have a material impact (over \$1M) on the financial position of the City of Adelaide.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Strong Economies
Policy	Approved Recovery Principles for the City of Adelaide 2020 – 2021 Business Plan and Budget
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Financial impacts are material and not in line with the long-term financial management plan.
Opportunities	Not as a result of this report
20/21 Budget Allocation	Funding to implement a similar initiative to the myDarwin program in the City of Adelaide is not provided within current budget provisions.
Proposed 21/22 Budget Allocation	If the initiative were to be supported, it would need to be funded through increased borrowings. Allowance would need to be made in the 2021-2022 Business Plan and Budget for interest and repayments against these borrowings.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
20/21 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. Council at its meeting on 11 August 2020 resolved:

“That Council:

1. *Notes that the City of Adelaide is currently reviewing ways to innovate and support all businesses in the CBD and North Adelaide with a priority to bring customers back to the city and support the local economy.*
2. *Notes that the City of Darwin have created an innovative way to stimulate the local economy and drive customers to local businesses*
3. *Requests administration investigate the City of Darwin my.Darwin program with a view to implementing the same technology using #MyAdelaide as a web application that offer discounts to participating merchant outlets and assist with small business and create a circular economy within the City of Adelaide.”*

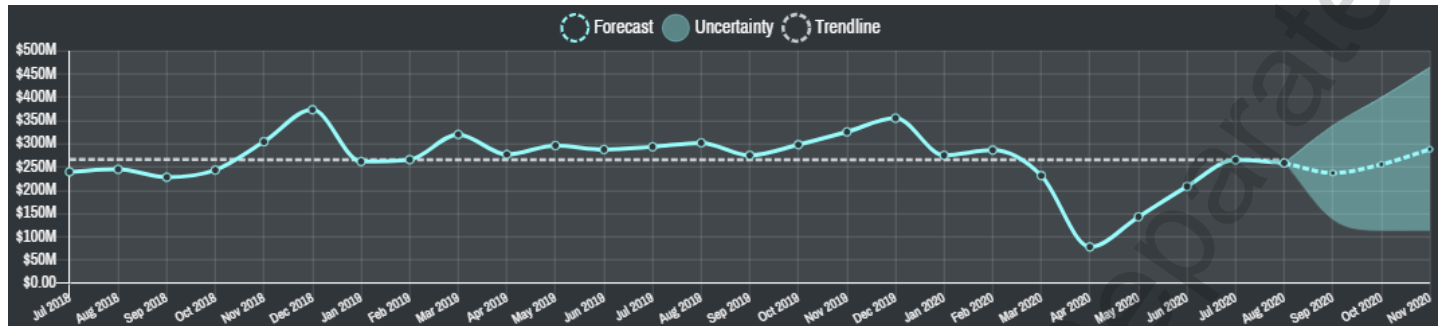
City of Darwin - myDarwin Program

2. The City of Darwin (CoD) covers 112km², incorporating the CBD and two thirds of metropolitan Darwin. It has a population of approximately 83,000 residents and contains 766 retail, accommodation, and food businesses.
3. myDarwin is a financial subsidy, web-based program, developed by the (CoD) to provide rebates for consumer purchases made at participating businesses within the CoD's boundaries. The program was initiated by the CoD during June and July to support retail, hospitality and tourism businesses that were impacted by COVID-19.
4. The program provided an immediate 25% discount with a minimum spend to the consumer at the point of sale, with that discount being redeemed by the merchant at a determined interval. The merchant was reimbursed weekly by the CoD.
5. Consumers registering with the myDarwin program were assigned unique discount codes. They were then able to browse through different categories of participating merchants and present their discount code at the point of sale. Consumers were allocated \$40 worth of discounts each day and continued to enjoy a discount on their daily purchases until the funding for the program was depleted.
6. Merchants registered via the platform and (once processed and eligibility was confirmed) were able to redeem vouchers presented by consumers. The functionality of the platform enabled merchants to view transactions for previously redeemed discount codes.
7. The CoD developed myDarwin with an initial \$300,000 to fund discounts. Due to the success of the program, additional funding of \$350,000 was provided bringing the total contribution from the CoD to \$650,000 (excluding program administration costs).
8. The program was taken up by 49% of businesses (377 out of 766 businesses), with 31,425 registered users and 18,000 active users. Each active user received discounts from approximately three different businesses during the period.
9. The program was promoted via television, radio and digital advertisements and through social media channels.
10. A survey undertaken by the CoD found that 61% of consumers using the myDarwin program did not increase the value of their planned expenditure or undertake additional unplanned expenditure.

City of Adelaide – COVID-19 economic impacts

11. The City of Adelaide (CoA) covers 16km² and has a population of approximately 25,500. There are 1,338 retail, accommodation and food business within the CBD and North Adelaide (1.7 times more than the CoD).
12. Accommodation & Food Services and Arts & Recreation Services sectors have been the most impacted by COVID-19 within the City and North Adelaide.
13. The city and North Adelaide experienced its most significant decline in total spend in April 2020 (down 72% compared to April 2019) with spend increasing over May, June and July 2020.
14. By August 2020, total spend had significantly recovered, however remained 14.5% lower than August 2019. This is shown in Graph 1 below:

Graph 1



Source: Spendmapp.com.au (2020)

15. The spend data is reflected in pedestrian traffic data within Rundle Mall, being at its lowest during April 2020 (approx. 20% of 2019) and bouncing back to 85% of pre-pandemic levels by September 2020.
16. Anecdotal evidence suggests that regional and suburban Adelaide centres have not been impacted as significantly as the CBD as a result of city workers working remotely and shopping locally.
17. Ongoing border restrictions have also impacted the number of international and interstate tourists and students in the City.
18. Compared to international circumstances where second and third waves of COVID-19 infections have occurred, Adelaide, South Australia and Australia (with the exception of Victoria) have so far avoided the most significant health and economic impacts associated with the pandemic.
19. Considering the current global context and the uncertainties surrounding the future of the pandemic, it would be prudent to ensure that the City of Adelaide is able to provide further support for city businesses and residents should any outbreak (with the consequent physical distancing measures be reintroduced) occur over the next 6-12 months.

City of Adelaide Economic Recovery Response

20. The \$11.2M support provided by the CoA to aid in the City and North Adelaide's economic recovery has targeted small to medium businesses, with a specific focus on the most impacted sectors.
21. A summary of support measures provided by the CoA are provided in the table below.

City Support Package	\$4,000,000
Rate relief (freezing general rate in dollar for all ratepayers and 10% special discretionary rate)	\$2,730,000
Waiving of fees* (UPark, outdoor dining fees, fees & charges at 19/20 levels)	\$2,700,000
Grants, rebates and incentives (Christmas and Outdoor Activation)	\$1,125,000
Events and Festivals, Splash activations	\$ 297,000
Marketing campaigns (inc #MyAdelaide Staycation, Rundle Mall Win it All! Campaign**)	\$ 185,000
Recover and Reimagine projects	\$ 100,000
Frozen rent increases	\$ 77,000
Total	\$11,214,000

*Foregone revenue through implementing capped price UPark Plus charges between April to September compared to revenue from early bird rates.

**This campaign is funded through the Rundle Mall Differential Separate Rate.

22. The \$4M City Support Package included 100% rent free for tenants, community and Park Lands leases/licence fees, Adelaide Central Market tenants, Rundle Mall levy for a period of three months, with a further 50% rent deferral for three months.
23. The Small Business Task Force has provided advice to city business and has been in direct contact with over 950 businesses. In addition, over 160 businesses have registered for the City Business Support Package, which will continue to provide specialised advice and support services to City and North Adelaide businesses until June 2022, including:

- 23.1. Access to a business advice hotline
- 23.2. Accounting, statutory and compliance information
- 23.3. Tenants' landlord advisory service
- 23.4. Mental health support services
- 23.5. Digital capability coaching
- 23.6. Grants and tenders support
- 23.7. Learning webinars, seminars and virtual conferences
- 23.8. Access to the Business SA resource library.
24. Delivery of community led Recover + Reimagine activations and initiatives, including:
 - 24.1. Live music in city streets
 - 24.2. 140 outdoor heaters for city hospitality businesses
 - 24.3. Extensions to outdoor dining in Leigh Street, Peel Street and Gilbert Place
 - 24.4. Festival lighting and potted colour (Melbourne, O'Connell and Hutt Streets, Hindmarsh Square)
 - 24.5. City activations to bring the community into the city (eg art trail, school holiday activities, cycling lessons, community mural)
25. Outdoor Activation Grants of \$1.15M (CoA \$850k, State Government \$300k) have assisted 172 small businesses to better utilise outdoor areas and improve streetscapes.
26. New UPark Plus membership program (over 15,000 members) providing touch-free parking options and \$8 all day parking from April to June.
27. Funding of up to \$10k to assist events and festivals to meet physical distancing requirements as a result of COVID-19.
28. Delivery of the #MyAdelaide and the #MyAdelaide Staycation campaigns to draw people back into the city. City and North Adelaide based tourism and accommodation providers were invited to participate in the #MyAdelaide Staycation campaign by offering discounted rates or value-added services promoted by CoA. The campaign has already (August and September) delivered over 220 bed nights and \$46k in bookings for participating businesses.
29. Rundle Mall "WIN it all" campaign drawing shoppers back into the city and delivering an increase in average spend per entry to \$279, compared to normal average spend of \$98.
30. Adelaide Central Market offering phone/email orders and in-car pick up, voluntary Sunday trading and a new "Your Local" campaign to drive visitation.
31. Delivery of a Christmas Incentive Scheme providing funding of \$2-20k to support city businesses, artists, performers and communities celebrate Adelaide's diverse community and dynamic city culture during the Christmas period (eg window art, live music and performances, community events and small festivals and markets).
32. Further details of the CoA's Economic Recovery Response are shown at Link 1 view [here](#).

Analysis of myDarwin concept for the City of Adelaide

33. The myDarwin Program is based on the city council providing a direct subsidy for consumer purchases at city retail, accommodation, and food businesses.
34. The cost to access the web-based program is approximately \$20k, comprising an initial purchase cost of \$7k as well as an annual licence of \$5k and an annual hosting fee of \$7.2k.
35. CoA would need to provide funding of approximately \$1.1M (\$650k x 1.7) to deliver an equivalent level of support to city and North Adelaide businesses. Based on the CoD experience this is likely to be fully expended within two months.
36. There is no guarantee that a \$1.1M investment would drive significant additional spending in the city or North Adelaide, given the results of the CoD's survey indicated that the myDarwin Program did not drive additional expenditure beyond what would have been spent without the intervention in over 60% of consumer purchases.
37. Implementation of the program is not consistent with the following CoA's Recovery Principles endorsed by Council:

- 37.1. Our rates, fees and charges approach is fair and equitable
 - 37.2. Financial borrowings adjusted to stimulate growth
 - 37.3. Proceeds from selling assets will build a 'future fund'
 - 37.4. Asset renewals will be prioritised based on audit condition and risk
 - 37.5. Asset enhancements will be delivered through partnerships
 - 37.6. We will seek Government funding for new infrastructure
 - 37.7. Our service delivery will reflect the needs of the community
 - 37.8. Investment is prioritised to support recovery.
38. It is considered that the targeted support delivered by the #MyAdelaide Staycation and Rundle Mall "WIN it all" campaigns are more cost-effective methods of enticing tourists and shoppers to come into the city, stay and increase city spending.
39. To date, the #MyAdelaide Staycation has delivered \$46.3k in bookings and 223 bed nights. The Rundle Mall "WIN it all" campaign with a \$50 minimum consumer spend, and a \$28k total prize pool has delivered an average spend per entry of \$279, compared to normal average spend of \$98.
40. In addition, UPark Plus offers partnership opportunities for city businesses. As part of the UPark Plus Rewards program, city businesses can offer discounts and special deals to 15,000 UPark Plus members. Customers can redeem rewards by simply showing their UPark Plus card to participating businesses.

Implementation of myDarwin concept in City of Adelaide

41. While implementation of myDarwin concept is not recommended for the CoA, if Council were to support this initiative, it would be important to ensure businesses understand how the program would work (eg how to redeem and receive payments). This could be achieved by a combination of on-line and face-to-face delivery to accommodate as many of the 1,338 retail, accommodation and food businesses as possible.
42. CoA staff resources would be required to deliver the training, set up processing of business and consumer registrations, answer support questions via email, telephone and in person, and to process payments. This would require a redirection of staff away from existing program delivery.
43. The initiative would also require marketing campaigns targeted at businesses and consumers. Launch of the initiative could occur through #MyAdelaide and be promoted through CoA's existing direct email and social media channels. Funding for the marketing campaign would need to be allocated to drive awareness of the initiative.

DATA AND SUPPORTING INFORMATION

Link 1 - City of Adelaide Economic Recovery Response

ATTACHMENTS

Nil

- END OF REPORT -

Business Assistance

ITEM 5.10 03/11/2020

The Committee

Strategic Alignment - Strong Economies

Program Contact:

Michelle English, AD Economic
Development & Sustainability
8203 7687

VS2020/5827

Public

Approving Officer:

Ian Hill, Director Growth

EXECUTIVE SUMMARY

This report responds to Council's request for opportunities to support small and medium businesses within the City of Adelaide through a framework for a cash reimbursement where businesses could apply for financial assistance equivalent to 50% of the commercial rates payable for quarter 2 of the 2020-21 financial year.

In acknowledging the challenges many of the city's small and medium businesses have faced arising from the COVID-19 pandemic, Council has responded with a range of assistance measures.

As at 11 October 2020, 80% of 2020-21 Quarter 1 total rates (commercial and residential) had been paid (leaving 20% unpaid). Of the 20% unpaid rates, approximately 4% (\$1.046 million) of rates were under a hardship arrangement, leaving 12% (\$4.848 million) as remaining unpaid and the ratepayer not having applied for hardship. The commercial rates component of the unpaid, non-hardship group is 71% (\$3.5 million).

Funding for additional support initiatives, such as a cash reimbursement for businesses, is currently not included in the 2020-21 Business Plan and Budget adopted by Council. If further support initiatives are to be provided, Council's direction will be required to determine how the initiative will be funded, noting the operating deficit is currently forecast to be \$39 million. In addition, a \$20 million reduction in operating expenditure is reflected in the 2020-21 budget and in the Long-Term Financial Plan, which is yet to be realised.

This report is presented to Council for noting and it is not recommended that the cash reimbursement framework is approved at this time.

The following recommendation will be presented to Council on 10 November 2020 for consideration

That Council:

1. Notes the assistance valued at over \$11.2 million that has been provided to small and medium businesses within the City of Adelaide by Council in response to the COVID-19 pandemic since March 2020 and the support initiatives available for businesses from the Australian Government, especially through the 2020-21 Federal Budget.
2. Notes the potential cash reimbursement framework, the number of businesses the cash reimbursement would apply to, the costs, sample application form, Attachment A to Item # on the Agenda for the meeting of the Council held on 10 November 2020, and the approval process as detailed in the report.
3. Notes the approximate cost of \$3.077 million associated with the cash reimbursement initiative that would apply to approximately 4,416 small and medium businesses within the City of Adelaide if the initiative as proposed was introduced.
4. Notes such an initiative would require additional loan funding or an adjustment to current budgeted works to progress.
5. Notes the City of Adelaide's current forecast operating deficit is \$39 million and such an initiative, if approved, will result in an increased deficit of at least \$42.0 million. Increasing operating deficits via a cash reimbursement of rates is not a sustainable financial support instrument and is not recommended by Administration.
6. Notes that a cash reimbursement initiative, if progressed will have a material impact on the financial position of Council.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Strong Economies
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Financial impacts are material and not in line with the long-term financial management plan.
Opportunities	Not as a result of this report
20/21 Budget Allocation	Funding for this initiative is not provided within current budget provisions.
Proposed 21/22 Budget Allocation	If the initiative is supported, it will need to be funded through increased borrowings. Allowance will need to be made in the 2021-22 budget for interest and repayments against these borrowings.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
20/21 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. Council at its meeting on 11 August 2020 resolved:

“That Council:

1. *Prepares the framework for a cash injection to be provided to small and medium sized businesses within the City of Adelaide, whereby businesses could apply for a cash injection that is equivalent to fifty per cent of the commercial rates payable for Q2 of the 2020-21 Financial Year on the property their business occupies.*
2. *Pursuant to the above, Administration produces clear criteria upon which an application for which a cash rebate may be assessed, including, but not limited to:*
 - 2.1 *Size of the business*
 - 2.2 *Proof of address*
 - 2.3 *PAYG tax records*
 - 2.4 *Business Activity Statements*
3. *Requests that the framework, the number of businesses the cash injection will apply to, the costs and the application form and process come back to council for approval at a Special Council Meeting to be held as soon as possible at a time determined by the CEO.”*

2. The following is a summary of support currently provided to small and medium businesses within the City of Adelaide:

Government of South Australia

3. Further to the advice to Council on 9 June 2020 on State Government Support, the Government of South Australia has announced a further six month extension of the land tax relief scheme which supports landlords providing significant rent reductions for resident and commercial SME tenants impacted by COVID-19 restrictions.
4. The State Government is funding a \$4m Great State voucher system as part of a tourism stimulus package. The Great State vouchers provide a \$100 off per booking for accommodation with participating hotels in the city and North Adelaide for travel between 15 October to 11 December 2020 inclusive, excluding Saturday night stays. A number of hotels within the City of Adelaide have registered to participate in this program and the initiative is expected to have flow on economic benefits for a range of City businesses.
5. The arts and cultural sector in South Australia has been supported by the South Australian government with the most recent announcement of \$10.2 million to support:
 - 5.1. Collaboration and partnerships: supporting collaboration and partnerships between artists and arts organisations to create jobs and foster the evolution of arts practice in a COVID-safe environment.
 - 5.2. Theatre and festival recovery: enabling theatres and festivals to re-open by supporting the creation, development and presentation of work in a COVID-safe environment, to create jobs for artists and arts workers, and technical and production crew.
 - 5.3. Digital innovation: generating digital innovation by supporting the development and curation of new digital content, building sector skills and capability, and investing in technology and digital expertise.
 - 5.4. Mentorship: supporting strategy and business development for arts organisations through mentorships to increase their capacity.
6. Further support initiatives are anticipated to be contained within the State Government’s budget due to be handed down on 10 November 2020.

Australian Government

7. Further to the advice to Council at its meetings on 9 June 2020 and 14 July 2020 on support provided to small and medium businesses by the Australian Government, the JobKeeper Payment has been adjusted and extended and will be available to eligible businesses and not-for-profits until 28 March 2021.
8. The City of Adelaide (CoA) continues to comply with the Federal Government’s National Cabinet Mandatory Code of Conduct – SME Commercial Leasing Principles During COVID-19. In accordance with the Code, for 2020-21, Council has frozen rent increases for commercial tenants, and additionally, has decided not to apply a CPI increase, at an estimated cost of \$77,000.
9. Measures in the Federal Budget will support city ratepayers and businesses, providing a much-needed economic boost to the city and community in COVID-19 recovery, through accelerated tax relief, business stimulus and concessions, and wage subsidies.

10. City businesses will benefit from the COVID-19 response and new measures including:
 - 10.1.1. Structured Finance Support Fund to support continued access to funding markets for small and medium enterprises (SMEs) impacted by the pandemic
 - 10.1.2. Global Business and Talent Attraction Taskforce - \$29.8m over 2 years
 - 10.1.3. Up to \$40bn of new loans supported through the Coronavirus SME Guarantee Scheme, up to 50% of new loans to be guaranteed by the Government
 - 10.1.4. Tax free cash flow boosts between \$20,000 and \$100,000 to eligible small and medium businesses and not for profits that employ people
 - 10.1.5. Increased small business entity turnover threshold from \$10m to \$50m
 - 10.1.6. Instant asset write-off expanded for businesses <\$5bn turnover
 - 10.1.7. Temporary full expensing and loss carry-back
 - 10.1.8. \$6.9m over 2 years from 2019-20 to increase support for all businesses through the business.gov.au Contact Centre
 - 10.1.9. \$5m over 2 years for a campaign to encourage support for local businesses
 - 10.1.10. \$50m to support businesses participating in business events and trade shows.
11. Further details of support provided through the 2020-21 Federal Budget are shown at Link 1 view [here](#).

City of Adelaide

12. To date, the CoA has provided \$11.2M in to aid in the City and North Adelaide's economic recovery.
13. A summary of support measures provided by the CoA are provided in the table below.

Table 1

City Support Package	\$4,000,000
Rate relief (freezing general rate in dollar for all ratepayers and 10% special discretionary rate)	\$2,730,000
Waiving of fees* (UPark, outdoor dining fees, fees & charges at 19/20 levels)	\$2,700,000
Grants, rebates and incentives (eg Christmas and Outdoor Activation)	\$1,125,000
Events and Festivals, Splash activations	\$ 297,000
Marketing campaigns (inc #MyAdelaide Staycation, Rundle Mall Win it All! Campaign**)	\$ 185,000
Recover and Reimagine projects	\$ 100,000
Frozen rent increases	\$ 77,000
Total	\$11,214,000

*Foregone revenue through implementing capped price UPark Plus charges between April to September compared to revenue from early bird rates.

**This campaign is funded through the Rundle Mall Differential Separate Rate.

14. Further details of the CoA's Economic Recovery Response are shown at Link 2 view [here](#).

Business Assistance – Cash Reimbursement Framework

15. There are approximately 7,416 rate assessments in the CoA within the \$0 to \$10,000 annual rate payments range. Some businesses may receive more than one rate assessment linked to their business. If all rate assessments in this range receive the cash reimbursement this would cost approximately \$3.077 million.
16. There are approximately 5,000 businesses within CoA of which 4,416 (City of Adelaide Land Use Survey and Employment Census 2016 [the Census]) are small enterprises. The Census defines a "micro business" as one with five or fewer employees and a "small business" as one with 6 to 19 employees.
17. For the purposes of the cash reimbursement framework an assumption has been made that the provision of a cash reimbursement would apply to small and medium sized businesses of up to 20 employees, that pay up to \$10,000 in council rates per annum.
18. Is it proposed that the cash reimbursement framework would target micro and small businesses within the City of Adelaide that:

- 18.1. employ between 1 - 20 employees; and
 - 18.2. occupy non-residential properties; and
 - 18.3. contribute between \$0 to \$10,000 in council rates annually for the space they occupy.
19. Eligible businesses would be able to apply for a cash reimbursement equivalent to 50% of the second quarter 2020-21 financial year rate.
20. A sample application form is shown in **Attachment A**.

Eligibility

21. For micro and small businesses to be eligible to receive a cash reimbursement from Council, the following criteria are proposed:
- 21.1. The business must have a physical presence i.e. be a 'bricks and mortar' business located within the City of Adelaide local government area.
 - 21.2. The business must have been physically located within a non-residential premise in the City of Adelaide local government area for a period of at least six months.
 - 21.3. The business must employ between 1-20 employees.
 - 21.4. As a tenant, the business pays rates between \$0 - \$10,000.
 - 21.5. The business must not be a government entity, organisation or subsidiary.
 - 21.6. Only one assessment application per business will be accepted.
 - 21.7. Businesses that are tenants of the City of Adelaide are not eligible for the cash reimbursement.
 - 21.8. Assessments that currently receive 100% rebate under the *Local Government Act 1999 (SA)* including Churches, Mosques and Chapels, the Adelaide Zoo, community services, etc are not eligible.

Application process

22. In applying for the cash reimbursement the business must complete an application form (either online or in hard copy) and provide the following details:
- 22.1. Proof of address to ensure the business is located within the City of Adelaide.
 - 22.2. Proof that the business has been operating within the City of Adelaide for at least six months.
 - 22.3. Proof of employee numbers through PAYG Australian Taxation records.
 - 22.4. Bank account details for the business to enable a direct transfer to be made.
 - 22.5. Advice of rates assessment number. This can be provided via a copy of the rates notice or written proof from the landlord confirming the proportion of rates per annum that the business is responsible for.
23. Administration would verify the information in the application to confirm eligibility and value of the reimbursement due, prior to authorising payment.

Cost of cash reimbursement grant

24. The approximate cost of the initiative is in the order of \$3.077 million.
25. Additional administrative costs will be in the order of \$203,000. This is calculated at a rate of \$46/hour to confirm eligibility and process the cash reimbursement, with an assumption of 1 hour processing time for up to 4,416 eligible applications.
26. Based on the proposed criteria, eligible businesses could receive up to a maximum of \$1,250, with the actual amount dependent on the applicable total annual rate for the 2020-21 financial year.

Promotion of the cash reimbursement grant

27. The availability of the cash reimbursement grant would be promoted via CoA's digital channels and through existing email databases.
28. A CoA representative could also visit potential businesses to promote and provide advice in relation to the grant. The cost for this service would be in the order of \$115,000, based on \$90/hour for a temporary resource visiting approximately 28 businesses per day. It is proposed that eight temporary resources would be employed to deliver this service within a month.
29. Apart from the potential cost for this cash reimbursement, which is unbudgeted, Table 2 outlines the Advantages and Disadvantages of implementing a cash reimbursement initiative.

Cash reimbursement grant – Advantages and Disadvantages

30. The table below provides a high level summary of the advantages and disadvantages of implementing the cash reimbursement framework within the CoA as an economic recovery response.

Table 2

Advantages
<ul style="list-style-type: none"> • Targets over 4,000 micro and small businesses within the CoA that employ staff. • The \$10,000 annual rate limit minimises the financial impact on the CoA to \$3M.
Disadvantages
<ul style="list-style-type: none"> • Businesses will need to prove their annual rate is less than \$10,000 per annum. Depending on an individual's lease, rates may not be specified in outgoing. This may create transaction costs for the business and the landlord to define tenants' proportion. • Landlords may not support the proposal for a rate reimbursement to their tenants, if they have already provided a range of support for their tenants and/or are suffering their own hardship. • In some cases, tenants may be on payment plans and may not have paid the full amount of the rates component in their outgoing. • It provides a support opportunity to all businesses paying \$0-\$10,000 in annual rates irrespective of whether they have been financially impacted by COVID-19 restrictions. • A number of small businesses that pay over \$10,000 per annum in rates will be ineligible. • The \$3M cost to deliver the cash reimbursement will deliver minimal economic output for the CoA.

31. Noting the advantages of implementing the cash reimbursement framework are outweighed by the disadvantages and the material impact such an initiative would have on the financial position of Council due to the increase in operating deficit, the implementation of this initiative is not recommended by Administration.

DATA AND SUPPORTING INFORMATION

Link 1 – What the 2020-21 Federal budget means for Adelaide

Link 2 – City of Adelaide Economic Recovery Response

ATTACHMENTS

Attachment A - Application Form: Cash Reimbursement Framework

- END OF REPORT -

SMALL BUSINESS CASH REIMBURSEMENT

ELIGIBILITY FOR THE SMALL BUSINESS REBATE

For small and medium businesses to receive a cash injection grant from Council, the following criteria must be met:

- The business must have a physical presence i.e. be a 'bricks and mortar' business located within the City of Adelaide local government area.
- The business must be physically located within a non-residential premise for a period of at least six months.
- The business must employ between 1-20 employees.
- As a tenant the business pays rates between \$0 - \$10,000.
- The business must not be a government entity or organisation.
- Only one assessment application per business will be accepted.
- Businesses that are tenants of the City of Adelaide are not eligible for the cash reimbursement.
- Assessments that currently receive 100% rebate under the Local Government Act 1999 (SA) including Churches, Mosques and Chapels, the Adelaide Zoo, community services etc are not eligible.

APPLICATION PROCESS

To apply for the rate reimbursement, applicants must complete an application form (either online or in hard copy) and provide the following detail:

- Proof of address to ensure the business is located within the City of Adelaide
- Proof that the business has been operating within the City of Adelaide for at least six months
- Proof of employee numbers through PAYG Australian Taxation records
- Bank account details for a direct transfer to be made
- Advice of rates assessment number – can be provided via a copy of rates notice or proof of proportion of rates per annum that the business is responsible for is between \$0 - \$10,000.

WHO TO CONTACT FOR ASSISTANCE?

If you have questions or require assistance with the completion of this form, then please contact us via:

Telephone: (08) 8203 7203

Email: customer@cityofadelaide.com.au

In-person at our Customer Centre, 25 Pirie Street, Adelaide
(open Monday to Friday from 8:30 am to 5:00 pm)

By post at The City of Adelaide, GPO Box 2252, Adelaide, SA, 5001

SMALL BUSINESS CASH REIMBURSEMENT

PLEASE COMPLETE THE SMALL BUSINESS CASH REIMBURSEMENT APPLICATION FORM

Send your completed form, Proof of employee numbers through PAYG Australian Taxation records, proof of address, rates notice or proof of proportion of rates and proof that the business has been operating within the City of Adelaide for at least six months to:

Mail: The City of Adelaide, GPO Box 2252, Adelaide, SA, 5001

Email: customer@cityofadelaide.com.au

SECTION 1. BUSINESS AND PAYMENT DETAILS

Business owner name

Trading name

Registered business (trading) name (if applicable)

Number of workers

ABN:

Daytime contact number

Mobile number

Email

***BUSINESS ADDRESS (MUST NOT BE A PO BOX)**

Unit number/Street number/Property number
(include Lot or DP number if applicable)

Street name

Suburb

State

Postcode

PAYMENT DETAILS

Account Name

BSB

Business account number

Business account name

Has your business been operating in the City of Adelaide for longer than 6 months?

Yes

No