



THE COMMITTEE AGENDA & REPORTS

for the meeting

Tuesday 2 February 2021
at 5:30 pm

in the Colonel Light Room
Adelaide Town Hall

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

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 Kurna 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 Kurna 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

Apology:

Councillor Martin

3. Confirmation of Minutes – 8/12/2020 [TC]

That the Minutes of the meeting of The Committee held 8 December 2020, be taken as read and be confirmed as an accurate record of proceedings.

4. Presentations

Nil

5. All reports in this section will be presented to Council

All reports in this section will be presented to Council on 9 February 2021 for consideration and determination

Strategic Alignment – Thriving Communities

5.1 City Connector Consultation Outcomes [2019/02429] [Page 2]

5.2 Recreation and Sport Grants Program - Round 1 Programs and Events [2016/03310] [Page 49]

5.3 Tennis SA Centre Court Development - Stage 2 [2018/03439] [Page 57]

Strategic Alignment – Dynamic City Culture

5.4 Playhouse Lane and Gilles Arcade partial road closure for the Queen’s Theatre Fringe Hub 2021 [2020/02199] [Page 79]

5.5 Proposed Event in the Park Lands – Air Groove 2021 [2020/01931] [Page 83]

Strategic Alignment – Enabling Priorities

5.6 Regulated Tree Removal (retrospective) – Peppermint Park / Wita Wirra (Park 18) [2002/00456] [Page 88]

5.7 2021 LGA Ordinary General Meeting - Items of business and voting delegate [2018/04054] [Page 91]

5.8 2020-2021 Quarter 2 Finance Report [2020/00150] [Page 94]

5.9 Ratings Policy 2021-22 [2020/00150] [Page 130]

6. Closure

City Connector Consultation Outcomes

ITEM 5.1 02/02/2021
The Committee

Strategic Alignment - Thriving Communities

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2019/02429
Public

Approving Officer:
Klinton Devenish, Director
Services, Infrastructure &
Operations

EXECUTIVE SUMMARY

In response to the decision of Council on 14 July 2020, the Administration has undertaken extensive community consultation on the City Connector service. The consultation aimed to ascertain the views of users and non-users of the service and to identify possible changes to improve the service. It also investigated what would encourage non-users to utilise the service. 739 people, including key stakeholders, took part in the consultation. The outcomes of the consultation process, combined with bus patronage data, have been used to inform this report.

The Deed of Agreement between the City of Adelaide (CoA) and State Government for the operation of the City Connector has been extended until 31 June 2021. The extension will allow for the implementation of possible changes resulting from this report prior to the execution of a new Deed of Agreement. The Department for Infrastructure and Transport (DIT) have committed to the ongoing funding of the City Connector in its current form. Should this report result in changes to the service that increase operational costs above the current level, CoA will be responsible for funding the entirety of the surplus amount.

As a consequence of DIT's renegotiated contracts for public transport operation, CoA's 2020/21 City Connector budget is insufficient to cover the costs of operating the service for the remainder of the financial year. A budget reconsideration of \$45,000 is sought in QF3 to cover the funding shortfall.

The consultation concluded that a strong majority of people are satisfied with the service in its current form. The main area for improvement suggested by users and stakeholders was for more intuitive naming for routes and stops, to assist those unfamiliar with the service.

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The following recommendation will be presented to Council on 9 February 2021 for consideration

That Council

1. Receives the consultation report included in Attachment A to Item # on the Agenda for the meeting of the Council held on 9 February 2021, including outcomes from community and stakeholder workshops, intercept surveys, telephone surveys and the YourSay platform, which received almost 750 responses.
2. Approves, subject to Council's support for the continuation of the service, a budget reconsideration of \$45,000 in QF3 to cover a funding shortfall resulting from DIT's new service contract, resulting in an annual budget of \$1.1m, indexed.
3. Notes the public support for the service and for the existing routes to remain unchanged.
4. Authorises the CEO or delegate to:
 - 4.1. Review the naming of routes and stops and to develop alternatives that would be more tourist-friendly and intuitive to residents.
 - 4.2. Undertake a review of service timetables and patronage with DIT to identify and remove the least utilised services from the timetable to achieve operational cost savings while minimising service impacts.
 - 4.3. Review the requirement of the service within one-year of the five-year renewal period, or if an alternative service is introduced (such as the North Adelaide tram extension), whichever occurs first.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Thriving Communities A safe, affordable, accessible, well-connected city for people of all ages and abilities, and all transport modes.
Policy	Not as a result of this report
Consultation	Public consultation undertaken, as detailed in this report.
Resource	Subject to the outcomes of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Opportunity to better promote the service to facilitate passengers and increase patronage.
20/21 Budget Allocation	\$1,013,585 General Operating
Proposed 21/22 Budget Allocation	\$933,911 General Operating. Will require review to reflect new service contract costs.
Life of Project, Service, Initiative or (Expectancy of) Asset	Deed of Agreement extends for five years, renewable up to a maximum of 25 years.
20/21 Budget Reconsideration (if applicable)	\$45,000 to address a funding shortfall resulting from DIT's new service contract.
Ongoing Costs (eg maintenance cost)	Approximately \$1.1 million per annum, indexed.
Other Funding Sources	50:50 funding arrangement with State Government, up to the current funding amount. Any cost increases beyond the existing resulting from this report will be 100% borne by CoA.

DISCUSSION

Background

1. At its meeting on 14 July 2020, Council resolved the following:
 - 1.1. *Asks the Administration to initiate and to report to the November Council meeting the outcome of an extensive consultation process, including at least one public meeting with City ratepayers and stakeholders on whether they would like;*
 - 1.1.1. *The continuation of the current City Connector routes, stops and service frequency/schedule*
 - 1.1.2. *Changes to the routes, stops and service frequency/schedule and, if so, the detail of such changes*
 - 1.1.3. *Improvements or changes to the Service not including routes, stops and service frequency/schedule.*
 - 1.2. *Prior to consultation administration to facilitate a workshop with elected members to review the current service and any alterations that maybe worthy of consultation.*
2. Due to the tight timeframes involved in preparing the consultation material, seeking feedback from The Committee, undertaking the consultation and processing and analysing the high number of results, it was necessary to postpone the Council reporting until February 2021. The postponement allowed for a more comprehensive review of the consultation feedback and the delivery of a complete outcome.
3. The Deed of Agreement between CoA and State Government governing the operation of the City Connector service was due to expire on 31 December 2020. State Government has agreed to a six month extension to the Deed, to allow for a review of the outcomes of the consultation and to prepare for any changes to the service resulting from the consultation prior to the signing of a new Deed of Agreement.

Current City Connector Service

4. The Free City Connector service commenced in 2014, replacing the former Free City Loop and Adelaide Connector bus services. The City Connector provides a service in the City and North Adelaide every 15-30 minutes, seven days a week.
5. The service operates in a loop covering North Adelaide and the City, with a 30-minute frequency in each direction, and a city loop, with a 15-minute frequency in each direction.
6. DIT had considered modifying the service as part of its Public Transport Services Review, to improve efficiency and remove duplication with the free city tram network. Ultimately the review was terminated prior to completion and DIT have committed to retaining the service in its current form.
7. Passenger counts undertaken in October / November 2019 recorded an average weekly patronage of approximately 14,800 passengers, which was a decline from the previous spring average of 18,000. Post-COVID-19, counts undertaken in October / November 2020 show a steep decline in patronage, to an average of approximately 8,300 passengers per week.

City Connector Operational Costs (\$1.1m per annum)

8. The service is funded jointly by CoA and DIT, with DIT managing the service through the metropolitan east-west bus service provider Torrens Transit.
9. The service costs CoA approximately \$1.1 million per annum which includes:
 - 9.1. \$1,050k contribution to DPTI to operate the service (indexed), inclusive of drivers, minor maintenance, fuel and operating six buses
 - 9.2. \$8k electricity for Tindo (electric bus)
 - 9.3. \$7k bus registration
 - 9.4. \$50k maintenance.

City Connector Asset Renewal Costs (\$180k per annum)

10. CoA owns three buses (two diesel buses and the Tindo electric bus) which are depreciating assets and will need to be replaced at the end of their economic lives, in addition to major lifecycle maintenance (including batteries for Tindo).

- 10.1. Tindo was purchased in 2007. The bus is powered by 11 batteries, which require replacement every 5 years at a total cost of approximately \$435k. Two new batteries will be installed this year, at a cost of approximately \$79k. The remaining batteries will need to be replaced within the next year at a cost of approximately \$356k. The current depreciated value of Tindo is \$385k. Replacement with another electric bus would cost between \$630k - \$810k, depending on the battery type used. The lifespan of Tindo is unknown.
- 10.2. CoA purchased the two diesel buses in 2014 at a cost of \$965k. The current depreciated value of the buses is \$609k. The buses have an approximate 25 year life.
11. DIT have committed to the ongoing funding of the City Connector in its current form. Should this report result in changes to the service that increase operational costs above the current level, CoA will be responsible for funding the entirety of the surplus amount.
12. DIT renegotiated its public transport operational contracts with service providers in 2020. The new contracts have resulted in an increase in service costs. Consequently, the amount budgeted by CoA for the operation of the service in the 2020/21 financial year is insufficient to cover the costs of operating the service. The Administration is seeking a budget reconsideration of \$45,000 in QF3 to cover the funding shortfall.

Consultation Process

13. External consultant URPS was engaged to undertake the consultation in collaboration with McGregor Tan and CoA's Community Engagement team.
14. A workshop was undertaken with The Committee on 15 September 2020, outlining and seeking feedback on the proposed consultation methodology.
15. Public consultation was undertaken from 17 September to 8 October. The consultation was promoted through bus stop signage, social media posts, the Your Say database and through direct invitations.
16. The consultation comprised the following elements:
 - 16.1. Surveys: online Your Say, intercept and phone / email surveys.
 - 16.2. Online workshops: two community workshops and one stakeholder workshop.
17. The consultation received a high level of engagement, with 739 respondents engaged across all elements.
 - 17.1. 513 people provided feedback via YourSay. Hardcopy responses were inputted to YourSay to facilitate interrogation of the results.
 - 17.2. 100 people were engaged via intercept surveys: 50 users and 50 non-users.
 - 17.3. 100 ratepayers were contacted via phone / email.
 - 17.4. 26 people took part in the community workshops.
 - 17.5. Representatives of 10 organisations were involved in the stakeholder workshop.
 - 17.6. Correspondence from residents related to the City Connector that did not form part of the formal consultation process was also taken into consideration.
18. URPS have produced a detailed engagement summary report, which provides in-depth analysis of the consultation process and outcomes. A copy of the URPS report can be viewed in **Attachment A**). An appendix to the report, which contains a detailed breakdown of survey responses from all elements of the consultation can be viewed at Link 1 view [here](#).

Other City Connector Surveys

19. When the Department for Infrastructure and Transport (DIT) was undertaking the Public Transport Services Review, the Hon. Rachel Sanderson MP, State Member for Adelaide, conducted a mailout survey of her constituents to obtain their views on the City Connector service. The survey received over 1,100 responses, with the majority of respondents wanting the existing service to continue.
20. The Minister sent a letter to the Lord Mayor for inclusion in the consultation process. The letter noted key takeaways from the Minister's survey process and suggested changes to the existing route. Also included were maps illustrating key origin and destination points indicated by respondents. The survey outcomes have been reviewed and considered as part of this assessment. A copy of the Minister's letter and the origin and destination maps can be viewed at Link 2 view [here](#).

Consultation Demographics

21. The consultation aimed to engage with a broad spectrum of people in order to achieve a diversity of perspectives on the service.

- 21.1. 64% of respondents were ratepayers, with two thirds of those residing in North Adelaide.
- 21.2. Over 60% of respondents were retirees.
- 21.3. The majority of respondents, 87%, were existing users of the service, with most using it frequently.

Views on the Existing Service

- 22. The vast majority of respondents are happy with the existing service, with 91% indicating they are either satisfied or very satisfied.
- 23. For non-users, half do not use the service as they prefer a different mode of transport. 11% of those surveyed were not aware of the service.

What do People Want from a Bus Service

- 24. Supporting residents to get around the city is seen as the top benefit of a free city transport service. Respondents also valued supporting people who may not be able to afford other forms of transport.
- 25. Two thirds of respondents want a service that follows a fixed route. There was little interest in on-demand or similar services.
- 26. Approximately 60% of respondents believe it is important that the service remains free of charge for all users.

What Could Be Improved

- 27. There was no clear preference for any particular improvements, with most respondents satisfied with the existing service.
- 28. A third of respondents would like increased frequency, while approximately 20% would like more destinations, longer operating hours, or better promotion.
- 29. There was no clear preference on new destinations. Less than half of respondents suggested a new stop and there was no clear trend among these. The most popular suggestion was the new Royal Adelaide Hospital, followed by the Adelaide Aquatic Centre. Both locations were suggested by less than 10% of respondents.
- 30. Participants in the stakeholder workshop suggested that timetables and maps and stop information could be easier to understand. A number of groups believed that this would benefit tourists, infrequent users, people with poor English and people with poor literacy skills. Numerous public respondents had similar views.

Patronage Analysis

- 31. Survey responses and suggested service improvements have been considered against City Connector patronage data, to identify whether desired improvements are warranted. 2019 patronage data has been used to base the assessment on pre-COVID-19 volumes. As noted, 2020 patronage numbers have declined by approximately 45%.
- 32. **Increasing service frequency.** To increase North Adelaide frequency to 15 minutes would require an additional four buses to service the route. With average weekday peak hour volumes of 255 passengers and an average of 211 passengers per hour during core business hours (8am – 6pm), spread over 61 stops and six buses, there is insufficient demand to warrant an increased service frequency. A table showing an hourly breakdown of patronage can be viewed at Link 3 view [here](#).
- 33. **New destinations.** The existing routes have been designed to allow a bus to complete the full North Adelaide loop in one hour and the city loop in 30 minutes. This allows for intuitive timetabling, with service frequencies of 30 minutes in North Adelaide and 15 minutes in the city. Adding new destinations would require an overhaul of the timetable, losing the intuitive service frequency and potentially requiring additional buses. As noted, the majority of survey respondents are satisfied with the existing route and there was no clear preference for new destinations, so modification of the route is not considered to be justified. A table showing daily patronage by stop can be viewed at Link 4 view [here](#).
- 34. **Longer operating hours.** Midweek services commence at 6:45am and terminate at 8:15pm, or 10:15pm on Fridays. Saturday services operate from 8:00am to 8:15pm and Sunday services from 9:30am to 8:15pm. Midweek patronage outside core hours (8am – 6pm) is significantly lower than during those hours. On weekends, the first and last hours of service experience much lower patronage. On all days the first and last services carry few to no passengers. Based on these usage patterns, expanding operating hours is not warranted.

Recommendations

35. As the City Connector service is jointly funded by CoA and DIT, consultation with and approval from DIT will be required to undertake any of the proposed recommendations. As noted previously, DIT have indicated that if changes to the service increase operational costs above the current level, CoA will be responsible for funding the entirety of the surplus amount.
36. The consultation process has highlighted the importance of the City Connector service to the community. The majority of respondents are happy with the service in its current form. It is recommended that the current route is retained.
37. A number of existing stops are under-utilised, with several servicing fewer than 10 passengers per day. However, as these stops are located on the existing route, their removal or retention would have no impact on service timetabling or operation. Consequently, it is recommended that all existing stops are retained.
38. Stops H1 and S1 on Halifax Street are located adjacent to residential developments. These stops are used as timing points on all routes and buses can remain at these stops for several minutes. Since the commencement of the City Connector service, apartment buildings have been constructed on both sides of Halifax Street adjacent the stops. If an alternative stop location can be found that will not impact adjacent properties and can accommodate layover buses without the need for civil works, it is recommended that the layover point is relocated.
39. Better promotion of the service would assist in making more non-users aware of the service and would benefit tourists. It is recommended that options to improve promotion of the service are investigated.
40. Users and tourism-orientated stakeholders indicated that the route and stop naming can be confusing for some. It is recommended that possible naming alternatives are discussed with DIT. Suggestions raised during consultation included naming the stops after adjacent landmarks and more clearly highlighting clockwise / anticlockwise and City / North Adelaide routes would be more tourist-friendly and intuitive for residents.
41. Patronage analysis indicates that the services near the start and end of the day have low utilisation. It is recommended that operating hours are assessed to determine the suitability of removing the least utilised services from the timetable. This would impact a relatively minimal number of users and would result in operational cost savings.

DATA AND SUPPORTING INFORMATION

Link 1 - URPS Engagement Summary Report Appendices

Link 2 - Hon. Rachel Sanderson MP, letter to the Lord Mayor outlining constituent survey information

Link 3 - City Connector Patronage – Hourly Breakdown

Link 4 - City Connector Patronage – Breakdown by Stop

ATTACHMENTS

Attachment A - URPS Engagement Summary Report

- END OF REPORT -



City of Adelaide
20ADL-0457
NOVEMBER 2020

**CITY CONNECTOR
BUS SERVICE
ENGAGEMENT SUMMARY REPORT
Volume 1**



City Connector Bus Service Engagement Summary Report

10 November 2020

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Prepared for	City of Adelaide
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Document history and status

Revision	Date	Reviewed	Approved	Details
1	26-10-2020	N. Halsey	Z. Hambour	Draft for client review
2	03-11-2020		Z. Hambour	With update to McGregor Tan results
3	10-11-2020		Z. Hambour	Final with edits from Council

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shaping great communities



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Executive summary

This engagement has highlighted that the City Connector Bus Service is highly valued, including by ratepayers who made up 68% of service users participating in the engagement. The engagement had a large number of participants (over 700 participants) and 90% of users of the service indicated that the service is important to them. The majority of users and stakeholders are satisfied with the service “as it is” and don’t want to see it diminished.

The service is valued because it enables people to affordably get around the city to participate in city life and access shopping (especially the Central Markets), services, appointments and entertainment. This is especially important for the growing residential and elderly population, people with disability, those without/limited access to a private vehicle (as are many city residents) and those with limited financial means. People value the convenience of the service, its frequency and that the routes enable people to easily access different part of the city.

People see the service as a cut above other public transport- it has a community feel, beyond the transactional and anonymous environment of a public bus. As a public and community service people believe that it should be funded by government and that the current joint arrangement between the City of Adelaide and the Department for Infrastructure and Transport is appropriate.

Although most (40%) users are happy with the service “as it is” most common suggestions for improving the service included increasing the frequency and duration of the service, improving promotion (eg. tourist information, easier to understand materials, working partners) and new destinations (eg. RAH, Aquatic Centre, south eastern city). Innovative ideas included giving buses and stops a unique identity, developing a real time App, including tourist and local business information on buses, and using more symbols in timetables, signage and maps to make them easier to understand.

Background

The City Connector Bus Service is a free public service in the City of Adelaide that connects different areas of the city and North Adelaide and provides a link to popular city attractions and shopping, dining and services destinations.

The service is funded jointly by City of Adelaide (Council) and the Department of Infrastructure and Transport (DIT). DIT had proposed modifying the route as part of its broader public transport services review, however, the process was terminated and DIT have confirmed that the existing service will remain unchanged. Following discussion of the proposed changes, Council resolved to engage with city ratepayers, community and stakeholders to understand:

- What people value about the service
- How people feel the service could be improved
- Who people think should fund the service
- The level of support for alternatives for free transport in the city.



How did we engage?

The engagement was undertaken over three weeks from Thursday 17 September until 5pm on Thursday 8 October 2020 within the context of the COVID-19 pandemic. Engagement tactics were used that could be safely undertaken considering social distancing requirements. A combination of surveys and online workshops with key stakeholders and the city community were undertaken.

The surveys were conducted using the same lines of enquiries through three different modes of delivery:

1. Your Say Adelaide survey
2. Intercept surveys in the field
3. Targeted survey of City of Adelaide rate payers.

The workshops were undertaken online: two community workshops and one stakeholder workshop.

Who participated?

A total of 739 people participated across all the engagement activities:

- 26 people in the online workshops
- 513 in the Your Say Adelaide survey
- 200 in the intercept and rate payer surveys.

64% of survey respondents were rate payers. Most respondents participate in city life for shopping (84%), play (81%) or as a resident (69%). About half of respondents were city workers (49%). Smaller proportions of respondents were business owners, students or tourists. The majority of respondents (87%) were users of the City Connector Bus Service. 68% of users were rate payers.

Of the respondents who use the service, most use the service frequently (31% a few times a week, 20% at least once a week and 12% daily), at off peak times (52%) or at various times of the day and night (31%). The City and North Adelaide Clockwise Route (98C) and the City and North Adelaide Anticlockwise Route (98A) were most commonly used by Your Say Adelaide respondents (both 59%).

What do people want from a city transport service?

The aspect that is very important to respondents in delivering a city transport service is that it is a public service available for everyone to use (81%). It is also very important that a service comes at a variety of times throughout the day (73%), runs on the weekend (68%) and follows a specific route (64%). The service being free of charge was less important however was still rated as very important by about one in two (58%) respondents.

Supporting residents to get around the city is seen as the top benefit of a free city transport service, followed by supporting people who may not be able to afford other forms of transport.



Why do people use the City Connector Bus Service?

The most common purpose of respondents for using the service was to access shops (64%). Around half of respondents use the service to access cultural and tourist destinations, entertainment, the Central Market, appointments and services.

The main reason most respondents (24%) use the service is because it is free. Other main reasons include a preference to use public transport instead of a private vehicle (18%), as well as the convenience of the destinations and bus stop locations (16% and 17% respectively). The results are largely similar for ratepayer users.

What do people value about the City Connector Bus Service?

Comments received through the surveys and workshops indicate that the service is highly valued by the community and stakeholders. There is a lot of support for the service and a strong desire that it is strengthened rather than diminished in any way.

The key reasons the service is valued include:

- That it enables the **elderly** and pensioners without cars to affordably and safely maintain being active and engaged in the community and access the services they need.
- It is very important service for **tourists**. It enables them to see more of the city and to access key city destinations simply.
- It is a **convenient** and easy to use service, especially because you can just go to a stop and know a bus will arrive.
- The service enables people to **access parts of the city, and to travel in directions not serviced by Adelaide Metro buses**. The east west nature of the service and the circular route is particularly valued.
- That it is **free**. An affordable service enables those with limited income and no other means of transport to get around.
- The service is seen **as an essential part of city living** that supports residents, families, the elderly and students to get around affordably and safely to key destinations such as education, the Central Market, appointments, entertainment and socialising. This is especially important for those who do not have, or have limited access to, a private vehicle.
- That the service has a **community feel**, beyond the transactional and anonymous environment of a public bus. People are friendly, have a good time and the drivers are very helpful.
- The bus supports people with **disability** to get around the city.
- The service assists in reducing **carbon emissions and traffic congestion** which is important in the face of climate change.
- The service supports the **economic growth** of city precincts by encouraging people to visit and use local businesses.

How satisfied are people with the City Connector Bus Service?

The service is highly valued. 91% of users of the service indicated that the service is either “very important” or “somewhat important” to them. And 91% of users are either “very satisfied” or “somewhat satisfied” with the service. These results are comparable to that for ratepayer users of the service.



How do people think the bus service should be improved?

Half of non-users of the service do not use it because they use another mode of transport. 11% of non-users did not know about the service.

For service users, most respondents (40%) are happy with the service and think it is “fine as it is”. Around a third (31%) would like to increase the frequency of the service. New or more destinations, extended hours, and better promotion were options indicated by around a 5th to a quarter of user respondents.

Suggestions for improving the service included:

- Changing the **timetabling of the service** including increasing the frequency of buses (eg to less than every 15 minutes), increasing provision on weekends and after hours (eg. for Central Market, entertainment and dining), ensuring buses run on time, and creating a real time App.
- Improving the **on-bus experience** including voice overs for approaching stops and tourist and local attraction information, displaying the route map (so people know where they are), providing tourist information materials, having regular bus drivers (to build relationships), a conductor for safety and assisting people with a disability, and increased cleaning (eg. COVID response)
- Using **environmentally friendly buses**, more bus **shelters** at stops, and making **stops and buses more recognisable** (give them an identity so they stand out), match **bus size** to demand
- Providing **easy to understand signage and materials** (eg. use symbols) for people with disability or English as a second language
- **Better promotion** of the service to increase patronage by general community and tourists, including through better partnerships with Tourism SA and local hotels and tourist attractions
- **Route adjustments** including going along Kintore Avenue instead of King William Street, and a route that avoids duplication with the tram
- **Remove the service and have free travel on Adelaide Metro buses** (eg. for tourists or for all people within the City)
- A few suggested that the service is not required at all.

The surveys also asked people if there was **one new destination** for the service in the City of Adelaide, where could it be? Most who responded stated that the current route meets their needs. Other frequent suggestions were the new Royal Adelaide Hospital, Adelaide Aquatic Centre and in the southern areas of the City such as the south Park Lands, Veale Gardens, Hutt Street and South Terrace.

Who should fund the City Connector Bus Service?

Most of respondents (62%) believe that a free transport service in the city should be funded through a partnership between State government and the City of Adelaide. This was also true for a slightly larger proportion of rate payers (68%).

This sentiment was also reflected in workshop feedback. Participants felt that the service was a public service, for public good and as such it is the role of government (local/state) to fund it. Some were concerned that if it were privately funded the focus would become on profit rather than community benefit- “it should be for people. Not profit.”. Most felt that the current joint funding arrangement was “perfect”.



Alternative modes for a free transport service

Of the alternative free transport options canvassed by the Your Say Adelaide survey, “a transport service that follows a dedicated route (eg. City Connector Bus Service)” would be used by most respondents (90%). This could indicate that most are happy with the current City Connector Bus Service. “Walking” was the next popular option (55%) followed by mini-bus (41%), taxi (40%), and “a transport option that takes me directly where I need to go (36%).

1.0 Background

The City Connector Bus Service is provided free and services the city and North Adelaide seven days a week. The bus service provides for 17,000-18,000 passenger trips in a usual week and up to 20,000 passenger trips per week in festival season.

The service runs on two loops – an inner-city loop and an extended loop around North Adelaide. It provides a link to popular city attractions and shopping, dining and services destinations.

Route 98A and 98C link the city and North Adelaide every 30 minutes, seven days a week and routes 99A and 99C link the main city destinations every 30 minutes on weekdays.

Together, routes 98 and 99 provide a coordinated 15-minute frequency on weekdays from North Terrace to Hutt Street, Hurtle Square, Whitmore Square, China Town, Central Market and Victoria Square.

The service runs from early in the morning until 7.15pm daily, with extra services running on Friday until 9.15pm.

The Department for Infrastructure and Transport (DIT) manages the service through the metropolitan east-west bus service provider Torrens Transit and it is funded jointly by City of Adelaide (Council) and DIT.

DIT had proposed modifying the route as part of their broader public transport services review. However, the services review has been discontinued and DIT have confirmed that the existing City Connector service will remain unchanged. Following discussion of the proposed route changes, Council resolved at its meeting on 14 July 2020 to initiate a consultation process with city ratepayers and stakeholders regarding the ongoing delivery of the service including gathering information about usage, routes, stops, service frequency and opportunities for improvement.

This report summarises the consultation or engagement process undertaken by the City of Adelaide and the key themes of feedback arising from the community, City of Adelaide rate payers and stakeholders about the City Connector Bus Service.



2.0 How did we engage?

The engagement was undertaken in the context of the COVID-19 pandemic. As such the engagement methodology used tactics that could be safely undertaken considering social distancing requirements.

The engagement was undertaken over three weeks from Thursday 17 September until 5pm on Thursday 8 October 2020.

2.1 Purpose of the engagement

The purpose of the engagement was to engage with City Connector Bus Service users, key stakeholders, rate payers and the broader community to better understand why people use or do not use the service. The engagement also aimed to understand the ways in which community and stakeholders envisage the service could be improved as well as their level of support for alternative transport methods for getting around the city. The information gathered through the engagement will assist Council decision making about the future provision and design of a city transport service.

2.2 Engagement objectives

The objectives of the City Connector Bus Service engagement were to:

- Understand the aspects of a city transport service that are most important
- Understand why people use or do not use the service
- Gauge the level of satisfaction with the service and how it is valued
- Understand how people consider the service could be improved (eg. destinations, frequency, times etc)
- Gauge the level of support for alternatives for a city transport service
- Gauge the level of awareness in the community that Council funds the service and if people think that local government should fund a free public transport service for all to use in the city
- Manage stakeholder expectations and concerns
- Understand community priorities and expectations to inform Council decision making.

2.3 Key lines of enquiry

The key lines of enquiry for the engagement included:

- What aspects are most important to you in a City Connector Transport Service?
- What do you think the main benefits of a City Connector Transport Service are?
- What alternatives to the City Connector Bus Service would you be willing to use if they were free? (eg. ride share, scooter, mini bus, on demand bus, metro bus and tram)
- Do you currently or have you previously used the City Connector Bus Service?
- Which loop do you use, how often and what time of day?
- Where do you most often travel on the service (eg. work, shops, education, appointments, tourist destinations, hospital, entertainment)
- What is the main reason you use the service? (eg. proximity of bus stops, free, times, "I'm dependent on it", "I don't have a car", "I prefer public transport")



- How satisfied are you with the City Connector Bus Service?
- How important do you think the City Connector Bus Service is to the city?
- How could the service be improved? (eg. new destinations, increased frequency, extended hours, less stops, better promotion or timetables)
- Which organisations do you think are responsible for the City Connector Bus Service? Who do you think should be responsible?

2.4 Engagement activities

The engagement was undertaken using a combination of surveys and workshops with key stakeholders, City of Adelaide ratepayers and the community.

The surveys were conducted using the same lines of enquiries through three different modes of delivery:

- Your Say Adelaide survey
- Intercept surveys in the field
- Targeted survey of City of Adelaide rate payers.

The workshops were undertaken online and included:

- Two community workshops
- One stakeholder workshop.

Table 1 below outlines the activities undertaken.

Table 1 – Engagement activities for the City Connector Bus Service consultation

Activity	Description
Your Say Adelaide survey	<p>A survey was established on Council’s Your Say Adelaide website (www.yoursay.cityofadelaide.com.au/connector-bus) from Thursday 17 September until 5pm on Thursday 8 October 2020.</p> <p>The Your Say online survey was promoted on coreflute signage established on every City Connector Bus Service bus stop, on City of Adelaide social media, to the Your Say Adelaide database, and via emails to stakeholders and Council networks.</p> <p>A fact sheet about the engagement was available from the Your Say Adelaide webpage and was printed in hard copy for placement at Council centres. Hard copies of the survey were available on request.</p> <p>A copy of the Your Say Adelaide engagement fact sheet and survey are provided in Volume 2 Part A.</p>
Intercept surveys	<p>MacGregor Tan were engaged to undertake and report on the intercept surveys. A key objective of undertaking the intercept surveys was to ensure that feedback was also obtained from people who do not use the service.</p> <p>Intercept surveys were undertaken in the field at bus stops and at other city locations. Trained survey staff approached people and asked them to complete the survey in situ using iPads or via paper copy if desired. A target of 50 surveys each of City Connector Bus Service users and non-users was set.</p>



Activity	Description
Rate payer survey	<p>MacGregor Tan were engaged to undertake and report on the rate payer surveys. The main objective for undertaking the rate payer survey was to ensure that rate payer feedback was represented in the results.</p> <p>A random survey of City of Adelaide rate payers was undertaken via email and over the phone. A target of at least 100 surveys was set.</p>
Online community workshops	<p>Two workshops were held to gather feedback from city residents and businesses and the broader community. The workshops were held online via Zoom. They were promoted through the same avenues as those for the Your Say Adelaide online survey.</p> <p>The workshops were held on:</p> <ol style="list-style-type: none"> 1. Tuesday 29 September 9.30-11.00am 2. Tuesday 29 September 7.00-8.30pm <p>The workshops were facilitated by URPS. They included a presentation the Senior Transport Planner from the City of Adelaide about the current operation of the City Connector Bus Service and then feedback from participants through group discussion about:</p> <ul style="list-style-type: none"> • What they value about the service • How they think it could be improved • Who they think should fund the service and • Their appetite for alternative free modes for getting around the City.
Key stakeholder online workshop	<p>An online workshop was held with representatives of key institutions and organisations in the city on/near the current City Connector Bus Service loops. The workshops were held online via Zoom and were by invitation. Invitations were sent to the following types of organisations:</p> <ul style="list-style-type: none"> • Cultural institutions • Medical institutions • Education institutions • Business associations and resident groups • Social services • Aged/disability care services <p>A full list of invitees is provided in Volume 2 Part B.</p> <p>The workshop was facilitated by URPS and included a presentation by the Senior Transport Planner from the City of Adelaide about the current operation of the City Connector Bus Service and then feedback from participants about:</p> <ul style="list-style-type: none"> • What their staff/clients/customers value about the current service • Any issues, opportunities, or improvements for consideration in the future operation of the service. <p>Participants discussed each topic in break out rooms before sharing their group's feedback in a whole group debrief.</p>

3.0 What did we hear?

This section presents the results of the engagement. The first subsection (3.1) presents a combined analysis of the key results across all the engagement activities. The following subsections (3.2-3.4) present the results of each of the engagement activities individually.

3.1 Combined analysis of all engagement activities

This section presents the combined analysis of the results of each engagement activity. The results of the Your Say Adelaide survey and rate payer and intercept surveys have been merged and key combined results are presented alongside related insights from the workshops. Verbatim comments

3.1.1 Who participated?

A total of 739 people participated across all the engagement activities:

- 26 in the online workshops
- 513 in the Your Say Adelaide survey
- 200 in the intercept and rate payer surveys.

64% of survey respondents were rate payers. Most respondents participate in city life for shopping (84%), play (81%) or as a resident (69%). About half of respondents were city workers (49%). Smaller proportions of respondents were business owners, students or tourists. (Figure 1)

Most respondents (519) reside in the City of Adelaide (Figure 2) and are users of the City Connector Bus Service (87%) - 68% of users are rate payers (Figure 3).

Of the respondents who use the service, most use the service frequently (31% a few times a week, 20% at least once a week and 12% daily), at off peak times (52%) or at various times of the day and night (31%). The City and North Adelaide Clockwise Route (98C) and the City and North Adelaide Anticlockwise Route (98A) were most commonly used by Your Say Adelaide respondents (both 59%). (Figure 4)

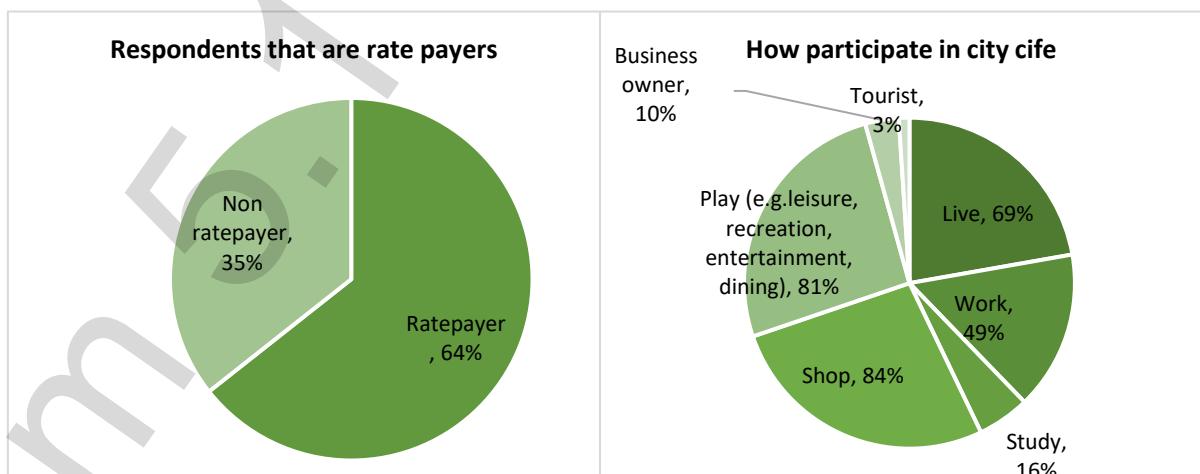


Figure 1 – Profile of survey respondents (all surveys combined)

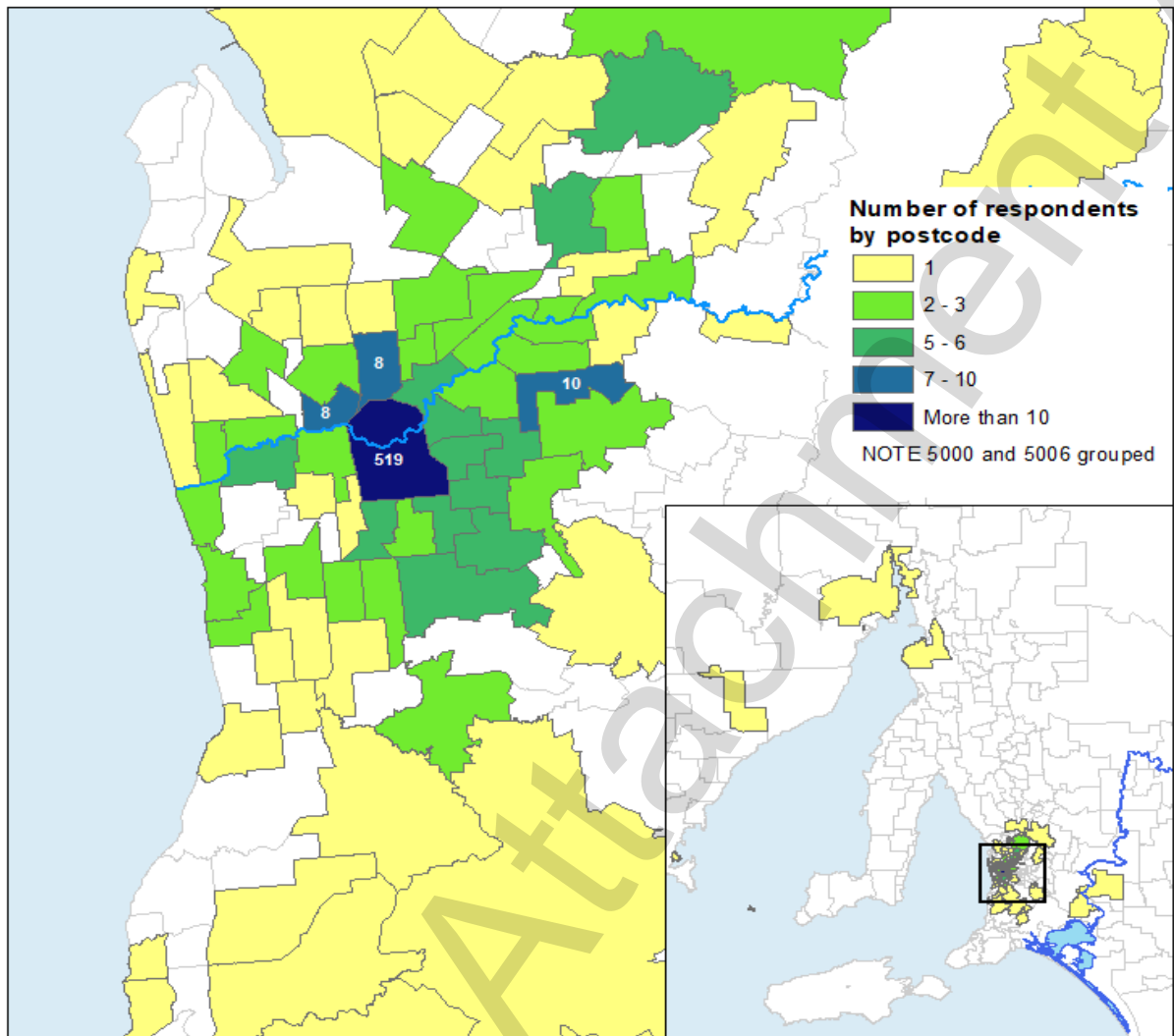


Figure 2 – Distribution of respondents by postcode of place of residence

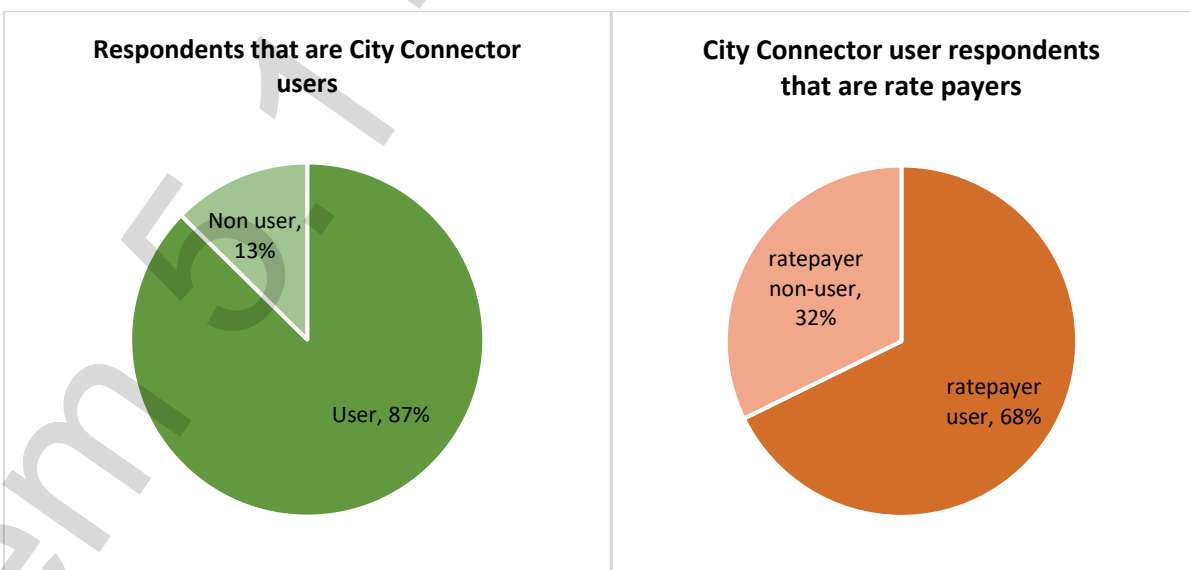


Figure 3 – proportion of respondents who are users of the City Connector Bus Service

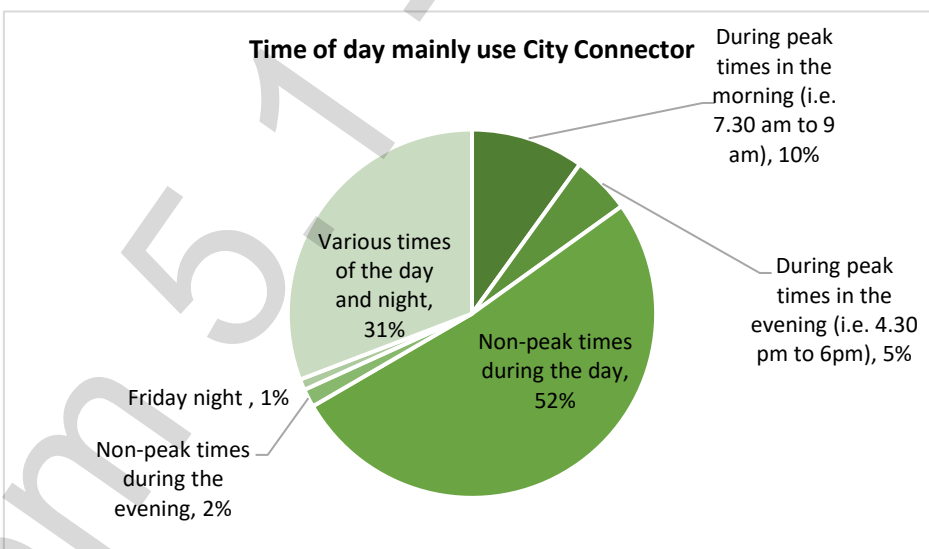
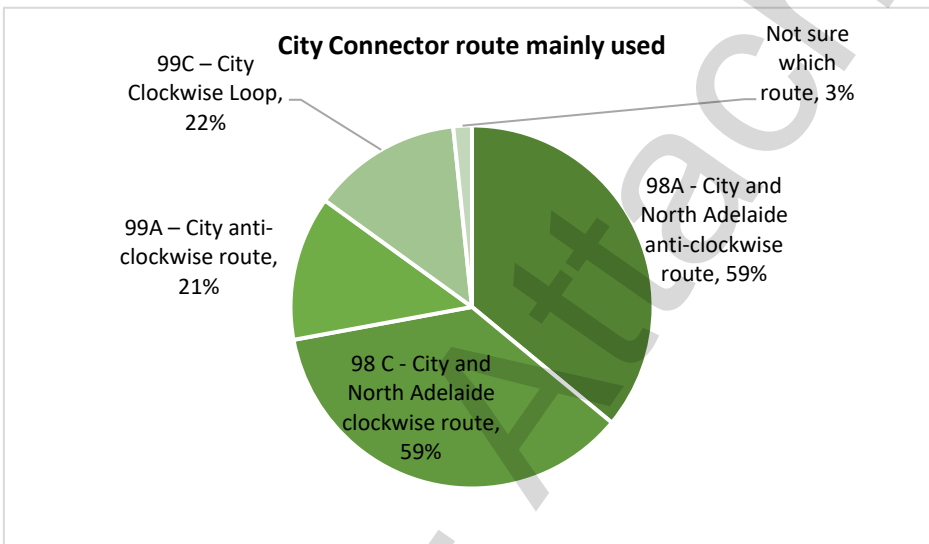
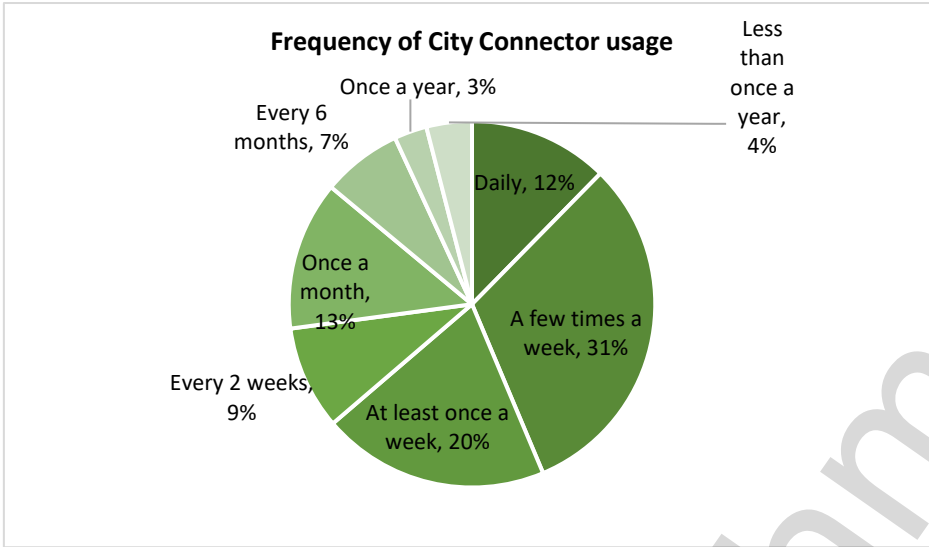


Figure 4 – Profiles of survey respondents that are City Connector Bus Service users (all surveys combined)

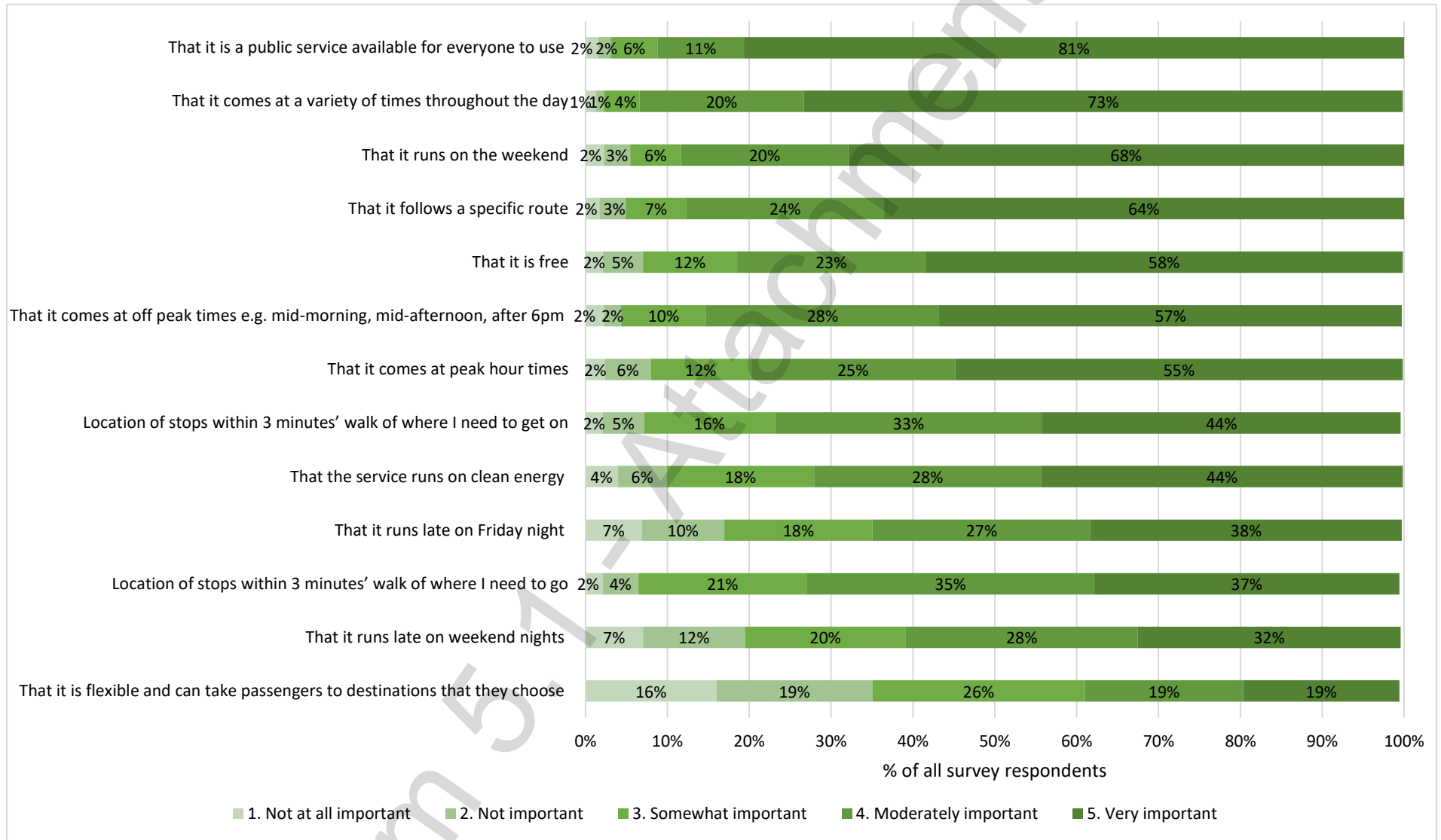


Figure 5 – Aspects important in a City Connector transport service identified by all survey respondents on a scale of 1 to 5.

3.1.2 What do people want from a city transport service?

The aspect that is very important to respondents in delivering a city transport service is that it is a public service available for everyone to use (81%). It is also very important that a service comes at a variety of times throughout the day (73%), runs on the weekend (68%) and follows a specific route (64%). The service being free of charge was less important however was still rated as very important by about one in two (58%) respondents. (Figure 5).

Supporting residents to get around the city is seen as the top benefit of a free city transport service, followed by supporting people who may not be able to afford other forms of transport (273 and 154 responses respectively). (Figure 6)

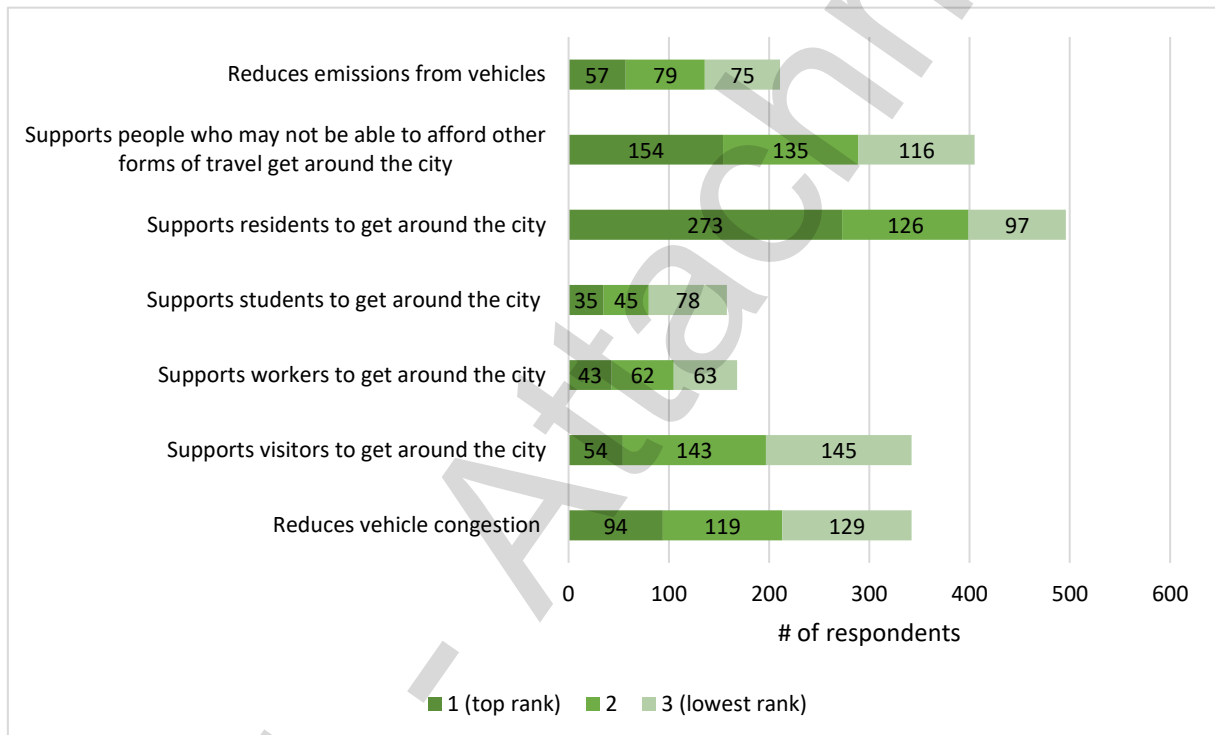


Figure 6 - “Top three benefits” of a free city bus service identified by all survey respondents (1 is the top rank benefit and 3 is the lowest ranked benefit)

3.1.3 Why do people use the City Connector Bus Service?

The most common reason respondents cited for using the service was to access shops (64%). Around half of respondents use the service to access cultural and tourist destinations, entertainment, the Central Market, appointments and services. (Figure 7)

The main reason most respondents (24%) use the service is because it is free. Other main reasons include a preference to use public transport instead of a private vehicle (18%), as well as the convenience of the destinations and bus stop locations (16% and 17% respectively). The results are largely similar for ratepayer users. (Figure 8)

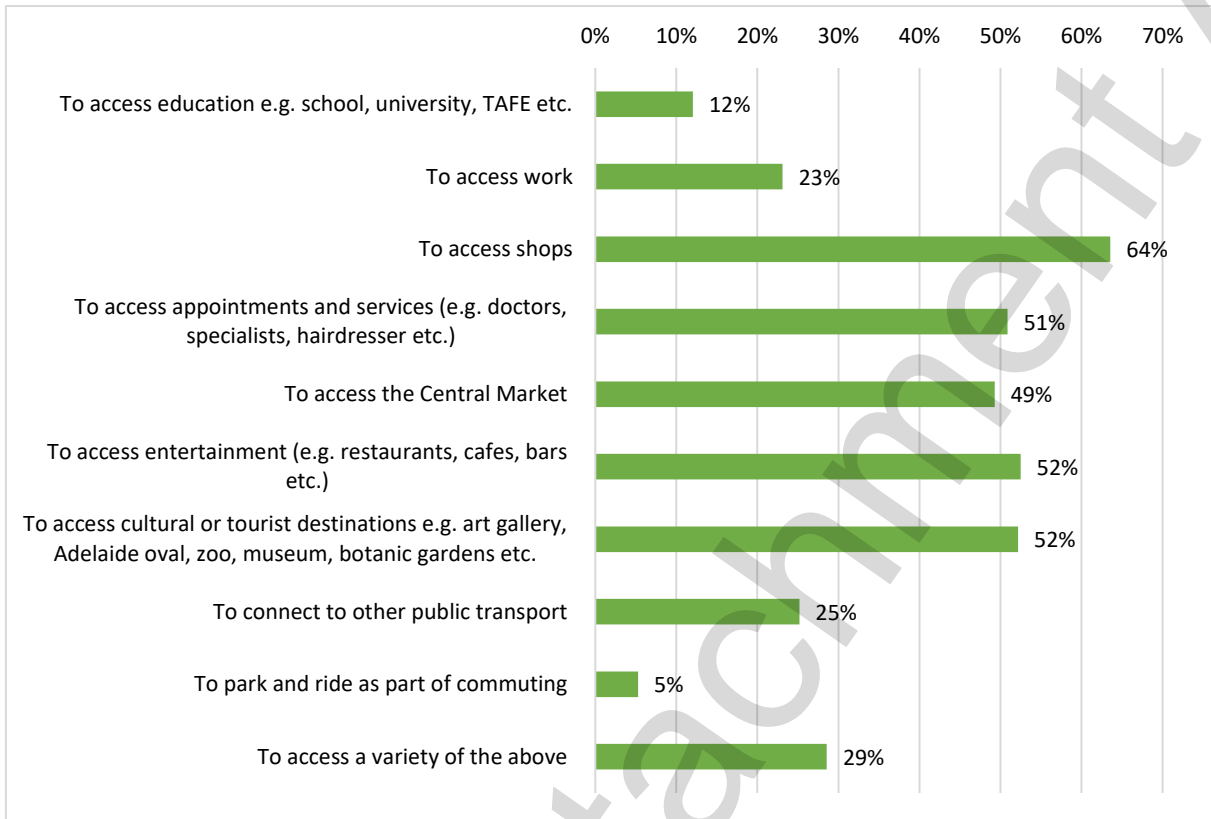


Figure 7 –Main destination types all survey respondents use the City Connector Bus Service to access (bus service users)

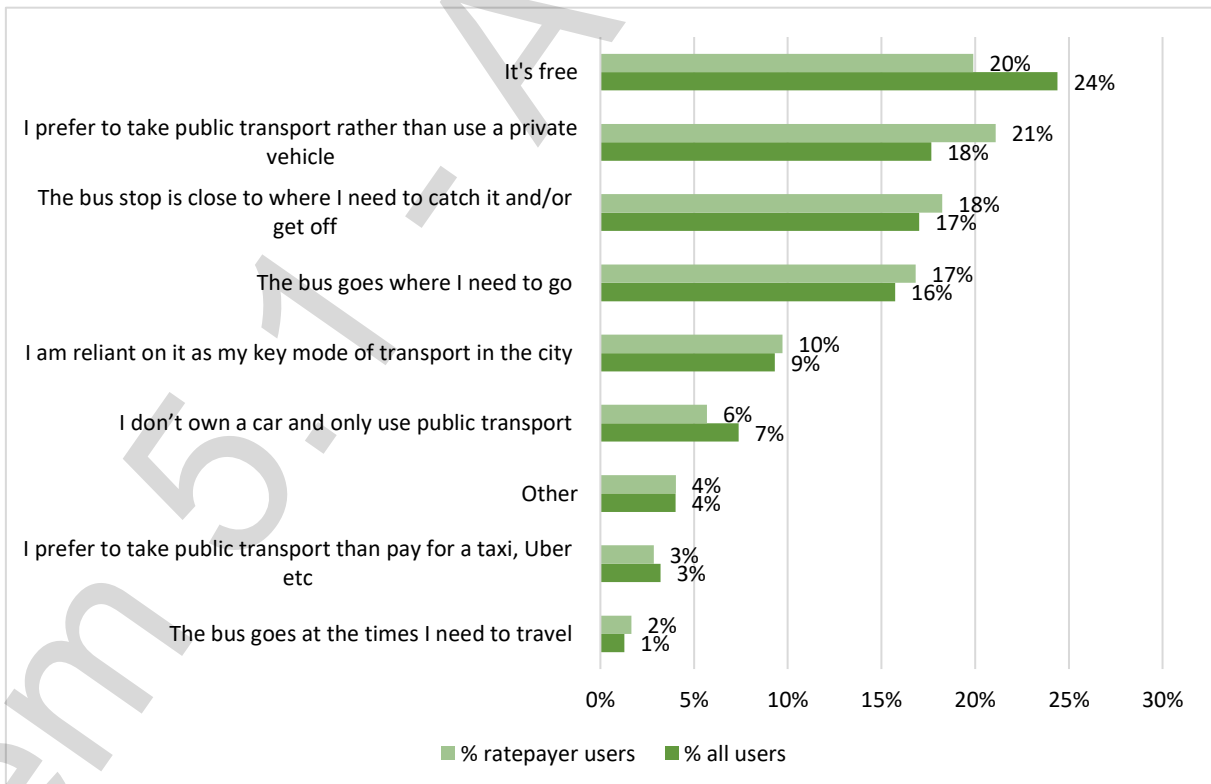


Figure 8 – Main reason for all survey respondents and ratepayers for using the City Connector Bus Service



3.1.4 What do people value about the City Connector Bus Service?

Comments received through the surveys and workshops indicate that the service is highly valued by the community and stakeholders. There is a lot of support for the service and a strong desire that it is strengthened rather than diminished in any way.

The key reasons the service is valued include (where a quote is not provided the feedback came through online discussion at one of the workshops):

- That it enables the **elderly** and pensioners without their own cars to affordably and safely be active and engaged in the community and access the services they need. Elderly users have varying levels of mobility- some may be solely reliant on the bus; others walk one way and return on the bus. Stakeholders commented that the city has an ageing population and so demand will increase.
"It allows elderly people to continue living active and engaged lives, residents at the helping hand to visit their doctor, people experiencing homelessness in south ward to travel to different services, and lets people more freely move from shop to shop around the city."
"Extremely important, especially for elderly and those who do not drive. It is a service to the public, do not focus on profit!!"
- It is very important service for **tourists**. It enables them to see more of the city and to access key city destinations simply. Tourists regularly use the bus to get to local attractions (eg the Zoo) and these locations value the service for supporting customers to get to them.
"It is a hugely popular service for guests visiting the North Adelaide accommodation sector. It would be a huge disadvantage for these hotels & other providers to lose this service."
"With catching the bus frequently, I have spoken to many tourists both from overseas and interstate who have said they wouldn't have visited other parts of Adelaide if not for the free bus service."
- It is a **convenient** and easy to use service, especially because you can just go to a stop and know a bus will arrive.
"It is convenient in terms of where it stops. I like the fact it is used by the community and by tourists and students (in non-pandemic times). Running half hourly means you don't need to look up a timetable. I cannot "choose one" from the survey list!"
"Quicker than walking to Nth Adelaide."
- The service enables people to **access parts of the City**, and to travel in directions not serviced by Adelaide Metro buses. The east west nature of the service and the circular route is valued in particular. The service enables people to get to one part of the city without having to catch an Adelaide Metro bus into the CBD and another out to reach their destination.
"The East-West components of the circular routes [are] particularly rare and are only accessible on this bus with no alternative public transport option."
- That the service is **free** was considered very valuable to multiple types of users including new arrivals, those accessing social services, pensioners, students and city residents in general.
- It enables people to get around the city easily for **entertainment, socialising and dining**. In particular, it enables residents to safely get home after "a few drinks" and the increased service provision during the Fringe Festival is valued.
"It is invaluable during fringe & festival times to travel safely at night."
- It **enables residents to access city destinations**, especially the Central Market. This is important as many residents share a car or don't have one and need to be able to affordably get around. Families regularly use the bus to get children to school and childcare with prams in tow- multiple



families with prams can travel together on one bus. Stakeholders commented that with infill development and density increasing in the city, residential demand will increase.

"I find it a very convenient way of getting to various destinations in the city and back without having to drive. If I had to drive, I would probably go to the suburbs where the parking is free."

"It's free and it takes me to the central market to do my shopping each week. Also to meet friends in the market."

- The service has a **community feel**, beyond the transactional and anonymous environment of a public bus. People are friendly, have a good time and the drivers are very helpful.

"The drivers are so friendly and they become like your extended family. We have made friends who use this route."

"This is a wonderful service and has become a community hub. I have met a diverse range of people from my area and a supportive community grow from this little bus."

- The bus supports **students** (primary, high and tertiary) to get around the city and expands the horizons of international students. It also enables those with physical disability to reside independently at university colleges in North Adelaide

- The bus supports people with **disability** to get around the city.

"It's great because we know it always takes a wheelchair."

"It is wheelchair accessible AND free."

- The service assists in reducing **carbon emissions and traffic congestion** which is important in the face of climate change.

"It reduces private vehicle movement in the city."

"I think the push for the bus to be run on solar energy was a great choice and definitely encourages me to use the bus over other non-green alternatives"

- The service is seen as an **essential part of city living**

"Essential part of living in the city, and one of the reasons we chose to live here."

"The City Connector Bus Service is an essential service for residents, workers, students, young families, the elderly, marginalised individuals, tourists and students."

"The service threads through the financial, cultural, historical, commercial and tertiary education life of the city like no other."

"It is a great service, as it travels along routes not otherwise easily accessed."

- The service supports the **economic growth** of city precincts by encouraging people to visit and use local businesses.

3.1.5 How satisfied are people with the City Connector Bus Service?

The service is highly valued. 91% of users of the service indicated that the service is either “very important” or “moderately important” to them. And 91% of users are either “very satisfied” or “somewhat satisfied” with the service. These results are comparable to that for ratepayer users of the service. (Figure 9 and Figure 10)

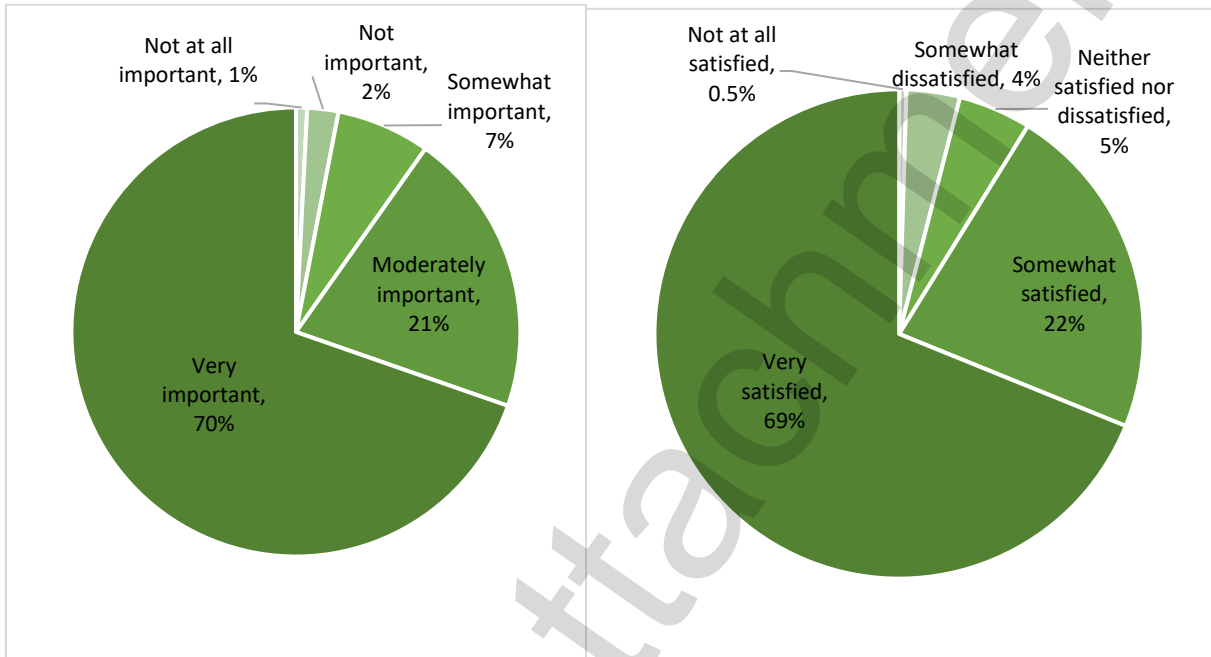


Figure 9 – Level of importance of and satisfaction with the City Connector Bus Service by users in all surveys

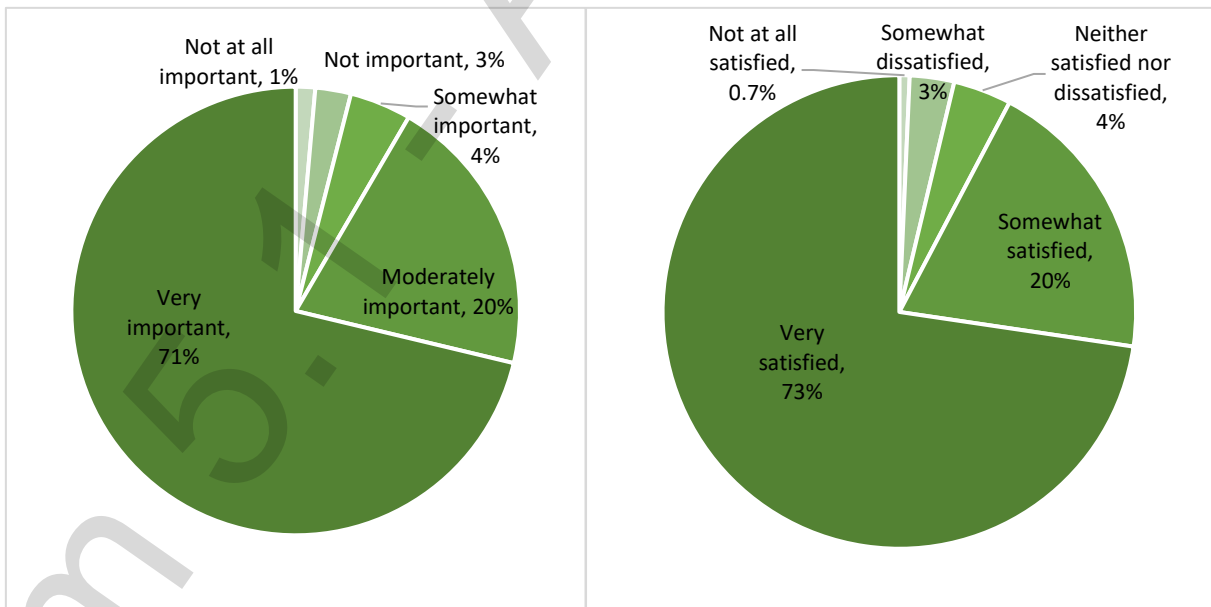


Figure 10 - Level of importance of and satisfaction with the City Connector Bus Service by rate payer users in

3.1.6 How do people think the bus service should be improved?

Half of non-users of the service do not use it because they use another mode of transport. 11% of non-users did not know about the service (Figure 11).

For service users, most respondents (40%) are happy with the service and think it is “fine as it is”. Around a third (31%) would like to increase the frequency of the service. New or more destinations, extended hours, and better promotion were options indicated by around a 5th to a quarter of respondents. (Figure 12)

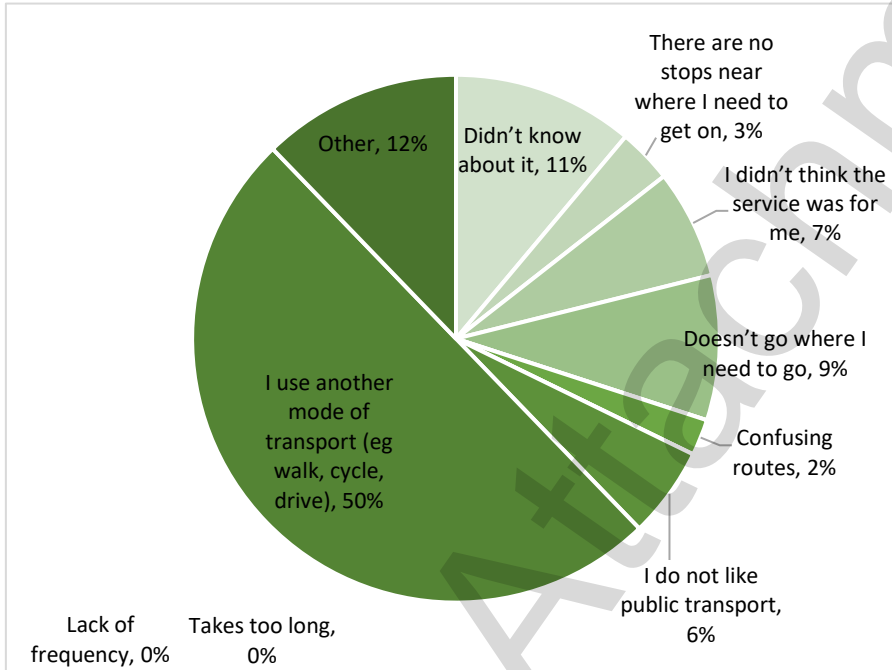


Figure 11 – Main reason for non-use of the City Connector Bus Service by non-users in all surveys.

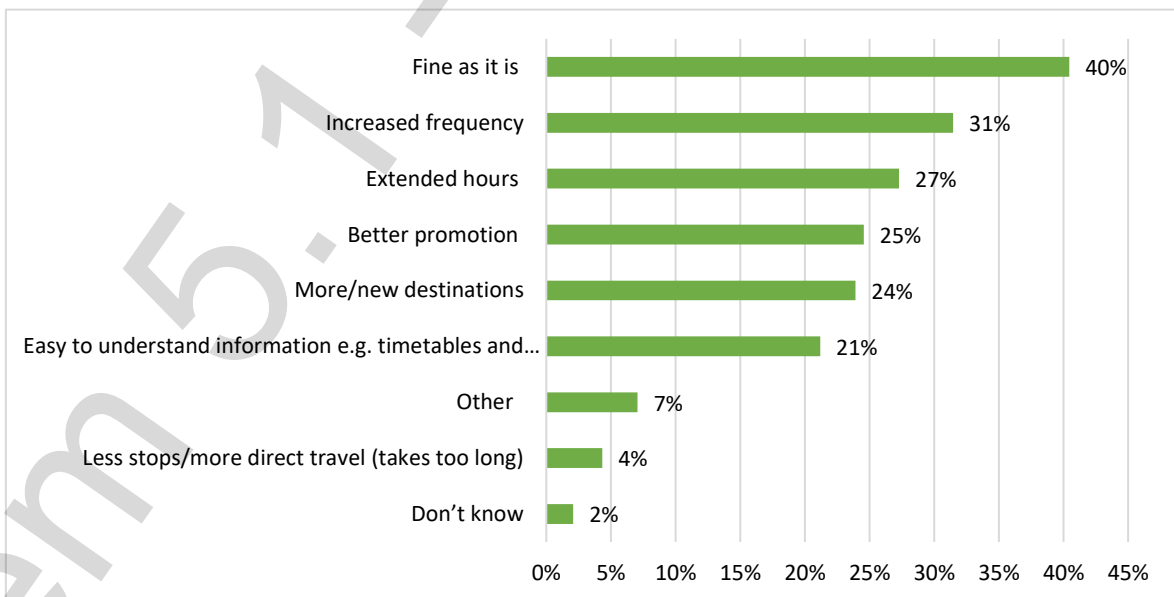


Figure 12 – Options selected by respondents for improving the City Connector Bus Service across all surveys



Comments provided in the surveys or at the workshops about how the service could be improved included:

- Feedback about the **timetabling of the service** such as increasing the frequency of buses (eg to less than every 15 minutes), increasing provision on weekends and after hours (eg. for Central Market, entertainment and dining), ensuring buses run on time, and creating a real time App
"It often doesn't run to time so I'm never sure if I've missed it or it's still coming and I worry I'll be late for where I need to get to"
"dedicated timetable app"
"Extended weekend hours would be very welcome, especially during the summer months and festival time."
"The buses should be run later in the day and more frequently."
"Public transport systems need to provide real time information on when the next service is and have a frequency of < 15 min to be useful."
- Improving the **on-bus experience** including voice overs for approaching stops and tourist and local attraction information, displaying the route map (so people know where they are), providing tourist information materials, having regular bus drivers (build relationships), a conductor for safety and assisting people with a disability, and increased cleaning (eg. COVID response)
"More services with approaching stop voiceover"
"Printed journey maps, city maps and tourist information could be provided on the bus."
"a conductor for security and to help any passengers with disability"
"Have advertisements on board for city attractions, entertainment, restaurants, bars etc."
"Make sure the buses used are clean, sanitised regularly, and have enough capacity for commuters."
- Suggestions for bus infrastructure including using **environmentally friendly buses**, more bus **shelters** at stops, and making **stops and buses more recognisable** (give them an identity so they stand out), match **bus size** to demand
"only use environmentally friendly buses - not just for the connector buses but all buses in the metro area to avoid air pollution"
"not using the smaller bus during peak hour, it's impractical and inconvenient"
"Easier to find Stops, or More stops. When it comes to areas I don't frequent often with this service, like North Terrace, I often walk back and forth, looking for the stop to return home."
"There is underutilisation of the service in the middle of the day. Could a minibus be used at these times?"
It's too hard to distinguish the 98/99 buses from any other bus. Consider a distinctive livery that stands out from all the others (like your green one does).
- Providing **easy to understand signage and materials** (eg. use symbols) for people with disability or English as a second language
- **Better promotion** of the service to increase patronage by general community and tourists, including through better partnerships with Tourism SA and local hotels and tourist attractions
"I think it's not used as it's not understood."
"I believe the service could be marketed & promoted better for residents/tourists to fully appreciate the benefits and increase usage."
- **Route adjustments** including going along Kintore Avenue instead of King William Street, and a route that avoids duplication with the tram



“After AFL matches at Adelaide Oval the Connector Buses do not stop at the Parliament House stops It would be better if the buses went along Kintore Avenue with stops in both directions at the Victoria Drive end for use by patrons after the AFL matches.”

“Needs closer integration with free tram stops and timings.”

“The old name and route was far superior and more widely liked and used.”

- **Remove the service and have free travel on Adelaide Metro buses** (eg. for tourists or for all people within the City)

“Remove service and provide free metro passes for tourists.”

“I'd prefer a resident's metro card that allows you to travel free on metro buses within the parklands.”

“Perth is the gold standard of CBD transport: A system similar to the CAT system in Perth would be great.”

- One resident requested to **move the layover stop on Halifax Street** away from a residential area (bus idling all day is disruptive)
- A few suggested that the service isn't required at all.

“No need for it. Adelaide is flat and easy to get around via walking, cycling or electric scooter, and already has a free tram service”

The surveys also asked people if there was **one new destination** for the service in the City of Adelaide, where could it be? Most who responded stated that the current route meets their needs. Other frequent suggestions were the new Royal Adelaide Hospital, Adelaide Aquatic Centre and in the southern areas of the City such as the south Park Lands, Veale Gardens, Hutt Street and South Terrace.

Verbatim comments received through the surveys are provided in Volume 2 Part F to this report.

3.1.7 Who do people think should fund the bus service?

Most of respondents (62%) believe that a free transport service in the city should be funded through a partnership between State government and the City of Adelaide. This was also true for a slightly larger proportion of rate payers (68%).

This sentiment was also reflected in workshop feedback. Participants felt that the service was a public service, for public good and as such it is the role of government (local/state) to fund it. Some were concerned that if it was privately funded the focus would become on profit rather than community benefit- “it should be for people. Not profit.”. Most felt that the current joint funding arrangement was “perfect”.

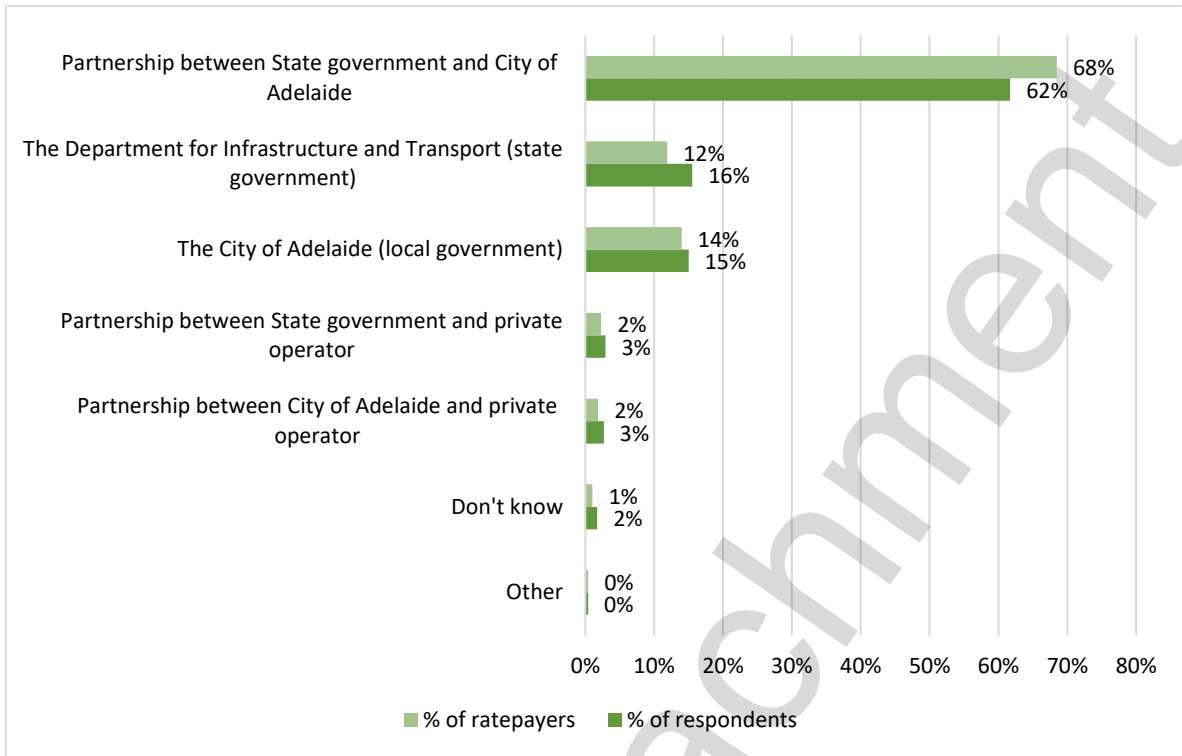


Figure 13 – Who should fund a free transport service in the City for use by all (all surveys)

3.2 Your Say Adelaide survey

513 surveys were received through Council's Your Say Adelaide page. 50 were hard copy surveys. The Your Say Adelaide summary report is provided in Volume 2 Part C. This section summarises highlights of the results.

Where graphs are not provided for figures in the text below, refer to Volume 2 Part C to see all graphs.

3.2.1 Who completed the survey?

Most people that completed the survey identified:

- That they live (84%), shop (88%) and play (84%) in the city. Around half identified as a city worker (48%) and a fifth as a student (19%)
- As rate payers (70%)
- As fulltime employees (27%), pensioners (20%) or "other" which was predominantly retirees (23%)
- As a household with an older couple or single with no children living at home (62%)
- As living or working within 3 minutes (56%) or 3 to 6 minute walk (26%) from a City Connector bus stop.

Almost all Your Say Adelaide respondents were users of the City Connector Bus Service (98%). Of these most use the service frequently (35% a few times a week, 22% at least once a week and 15% daily), at off peak times (51%) or at various times of the day and night (32%). The City and North Adelaide Clockwise Route (98C) and the City and North Adelaide Anticlockwise Route (98A) were most commonly used by Your Say Adelaide respondents (both 74%).

3.2.2 What do people want from a city bus service?

The aspects of a City Connector transport service that are very important to more than 50% of Your Say Adelaide respondents (Figure 14) are that it:

- Is a public service available for everyone to use (83%)
- Comes at a variety of times throughout the day (79%)
- Runs on the weekend (73%)
- Follows a specific route (67%)
- Is free (64%)
- Comes at off peak times e.g. mid-morning, mid-afternoon, after 6pm (62%)
- Comes at peak hour times (55%).

Supporting residents and people who may not be able to afford other means of transport to get around the city are seen as the top benefits of a free city bus service by most Your Say Adelaide respondents (Figure 15 and Figure 16). Reducing vehicle congestion and emissions are also seen as a considerable benefit (if the results for each are combined).

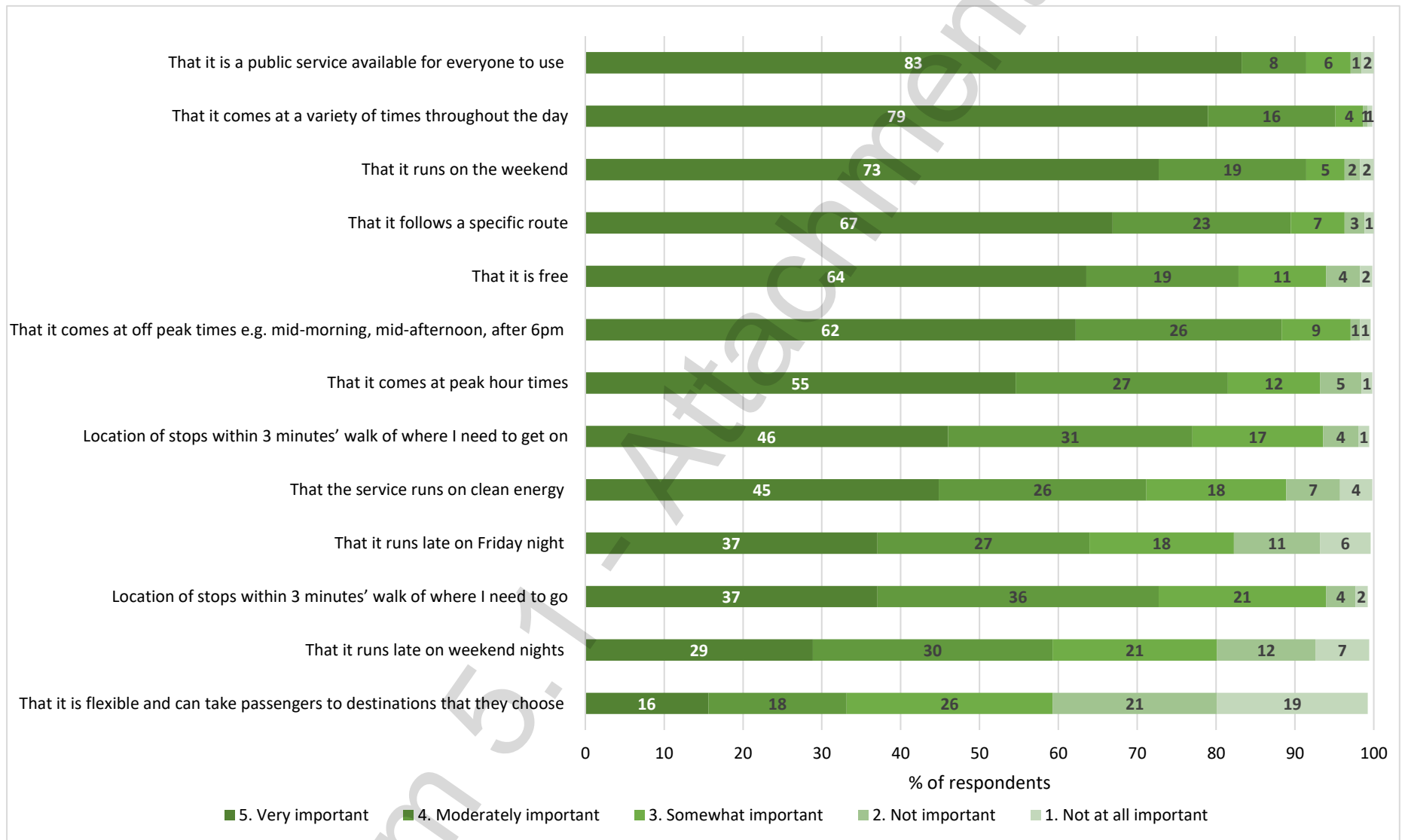


Figure 14 – Aspects important in a City Connector transport service identified by Your Say Adelaide survey respondents on a scale of 1 to 5.

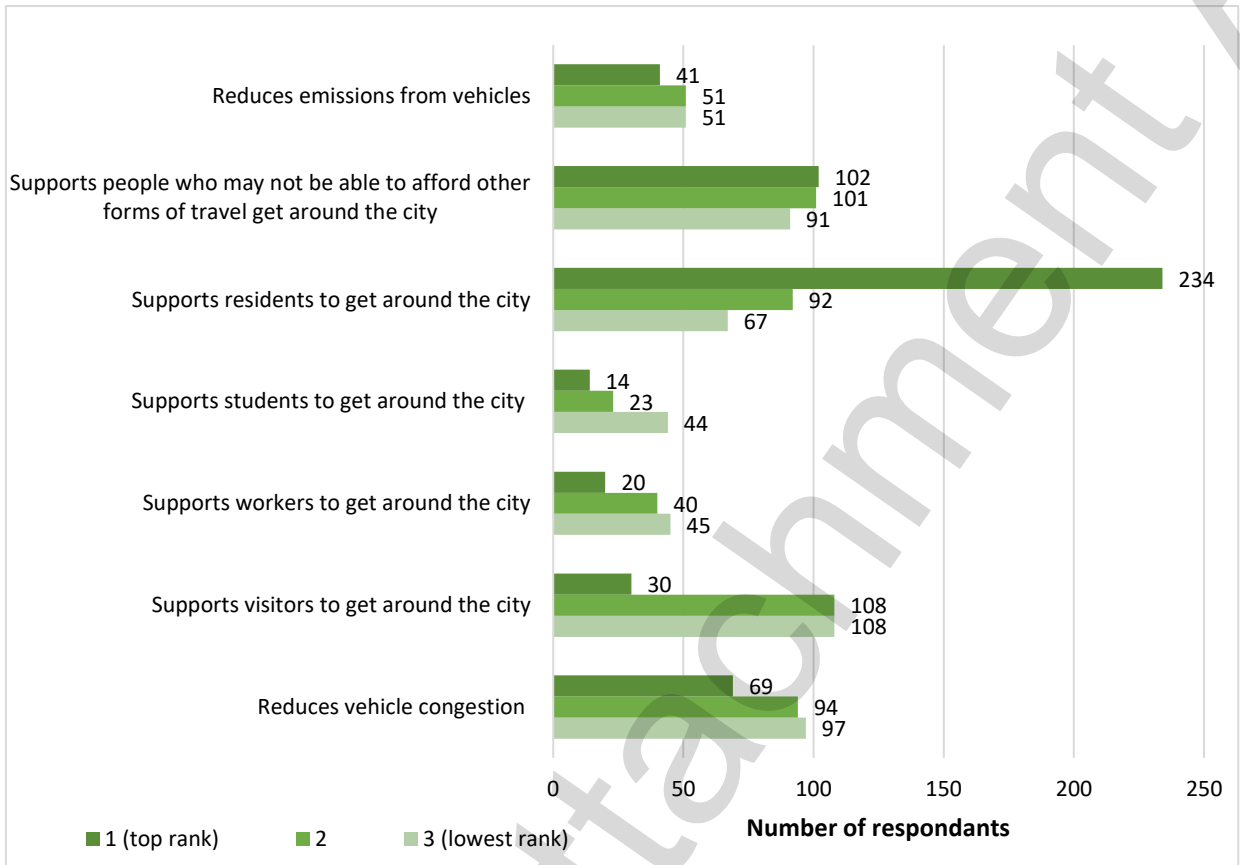


Figure 15 – Count of benefits identified by Your Say Adelaide respondents as their “top three benefits” of a free city bus service, where 1 is their top ranked benefit and 3 is the lowest ranked benefit

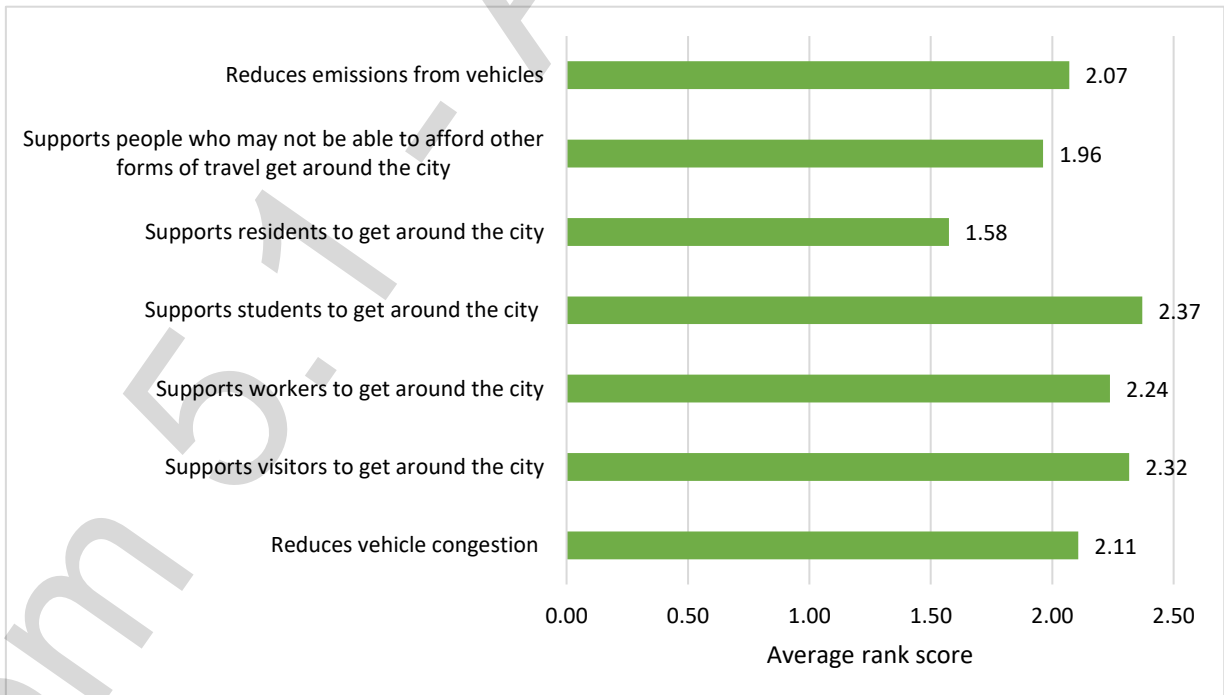


Figure 16 – Average rank score of benefits identified by Your Say Adelaide respondents as their “top three benefits” of a free city bus service, where a lower score represents greater benefit

3.2.3 Why do people use the City Connector Bus Service?

The types of destinations Your Say Adelaide respondents mainly use the City Connector Bus Service to access are shown in Figure 17. Accessing shops is the most common reason (71%) for using the service. Accessing cultural or tourist destinations, entertainment, the Central Market, appointments and services were each a main reason for about 60% of respondents.

Figure 18 shows the main reason Your Say Adelaide respondents use the service. The main reason for most was because “it’s free” (25%). Around 16-18% of respondents use the service because they prefer to use public transport instead of a private vehicle or because the bus goes to where they need to go and the stops are conveniently located. 11% of users are reliant on the service as their key mode of transport in the city and 7% do not own a car and only use public transport.

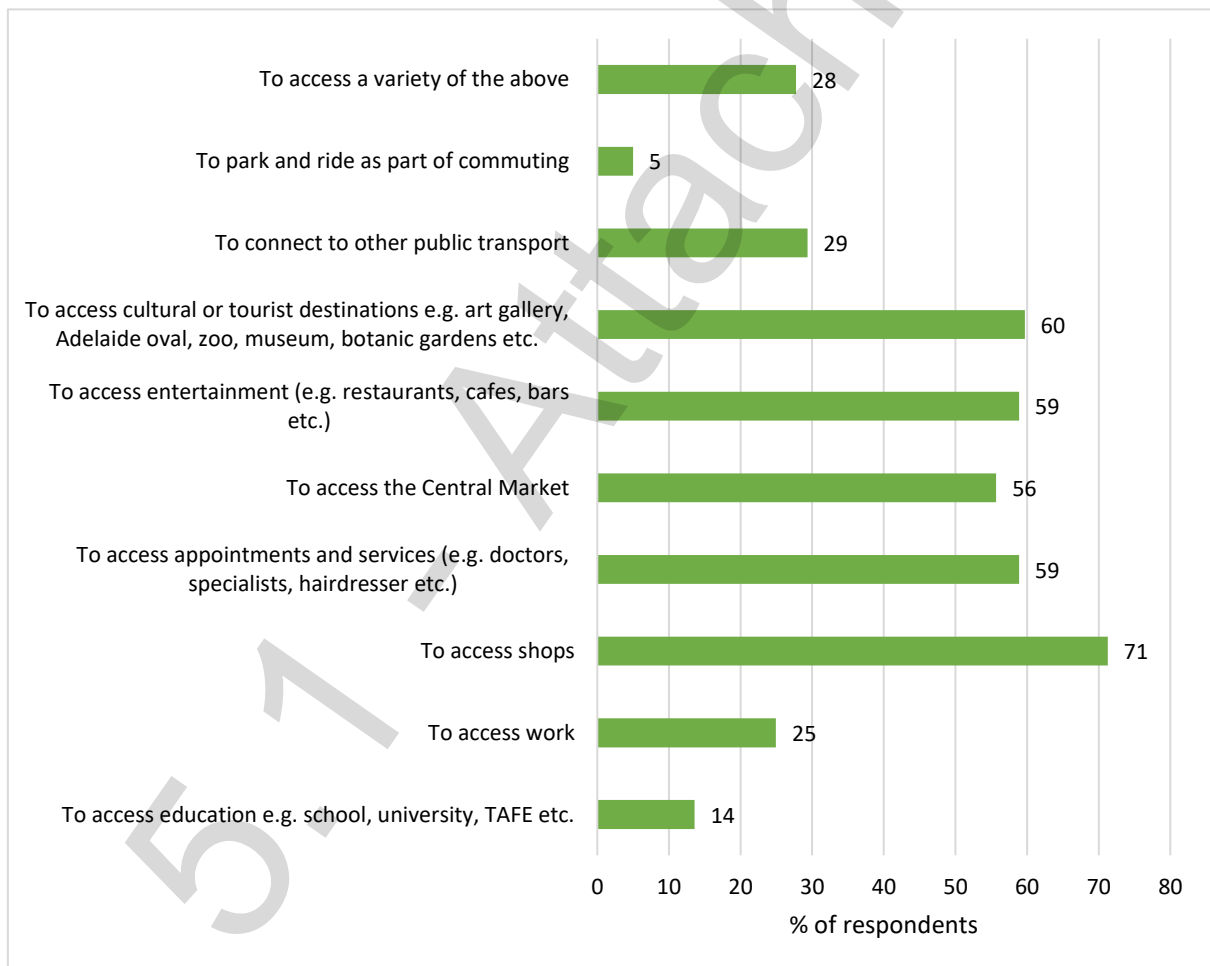


Figure 17 – Main destination types Your Say Adelaide respondents use the City Connector Bus Service to access (% of respondents that are users)

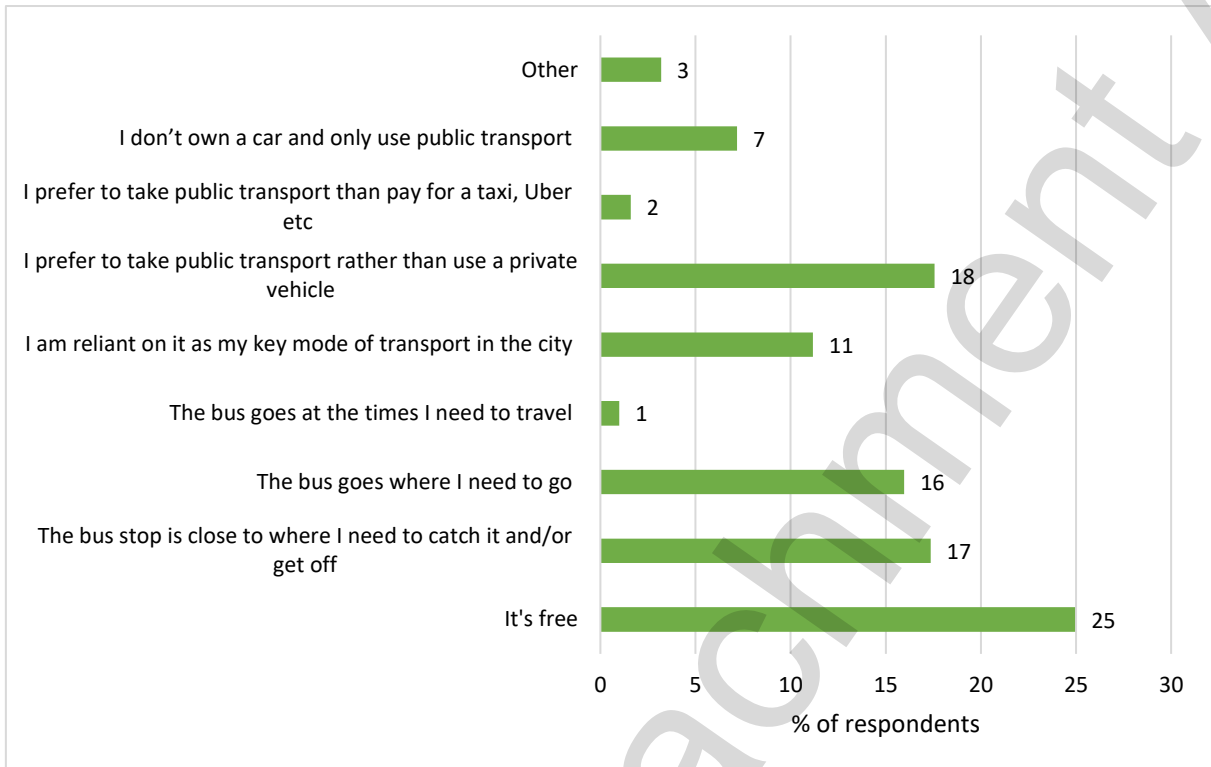


Figure 18 - Main reason Your Say Adelaide respondents use the City Connector Bus Service (% of respondents that are users)

3.2.4 How satisfied are users of the City Connector Bus Service?

The City Connector Bus Service is highly valued by Your Say Adelaide respondents that are users of the service.

78% of users identify the service as “very important” to them. The service is important on some level to 98% of users (i.e. “very important”, “moderately important” and “somewhat important” combined). (Figure 19)

Additionally, the majority of users (75%) are “very satisfied” with the service. 93% of users are satisfied on some level (i.e. “very satisfied” and “somewhat satisfied” combined). (Figure 20)

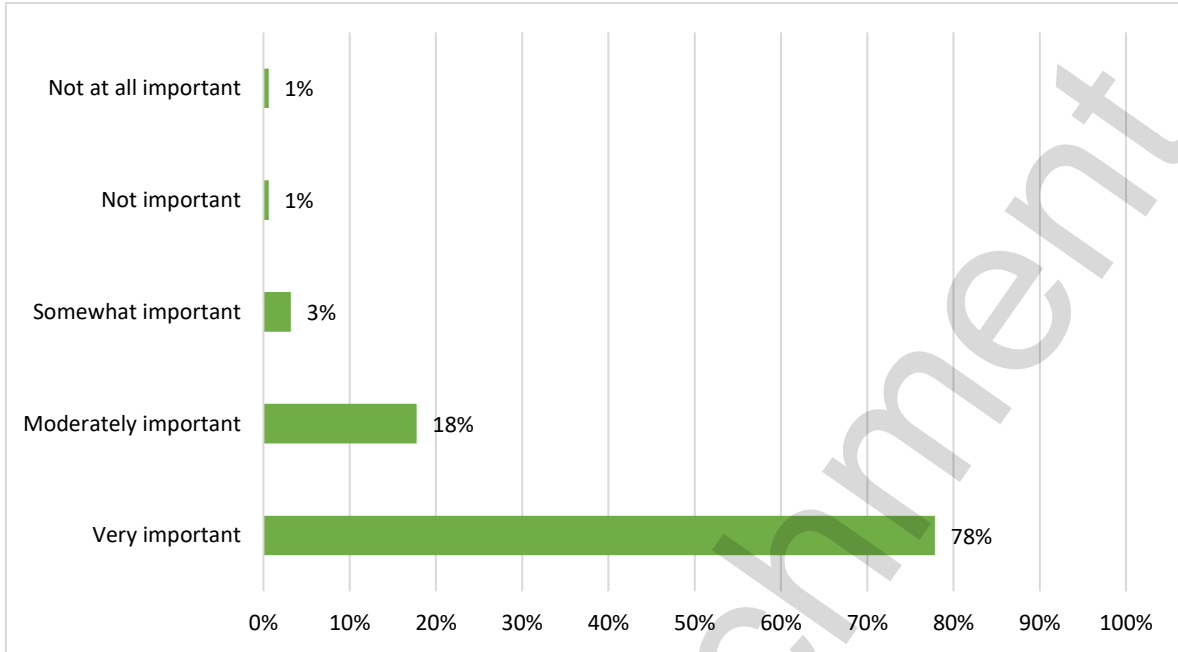


Figure 19 – Level of importance of the City Connector Bus Service to Your Say Adelaide respondents that are users of the service.

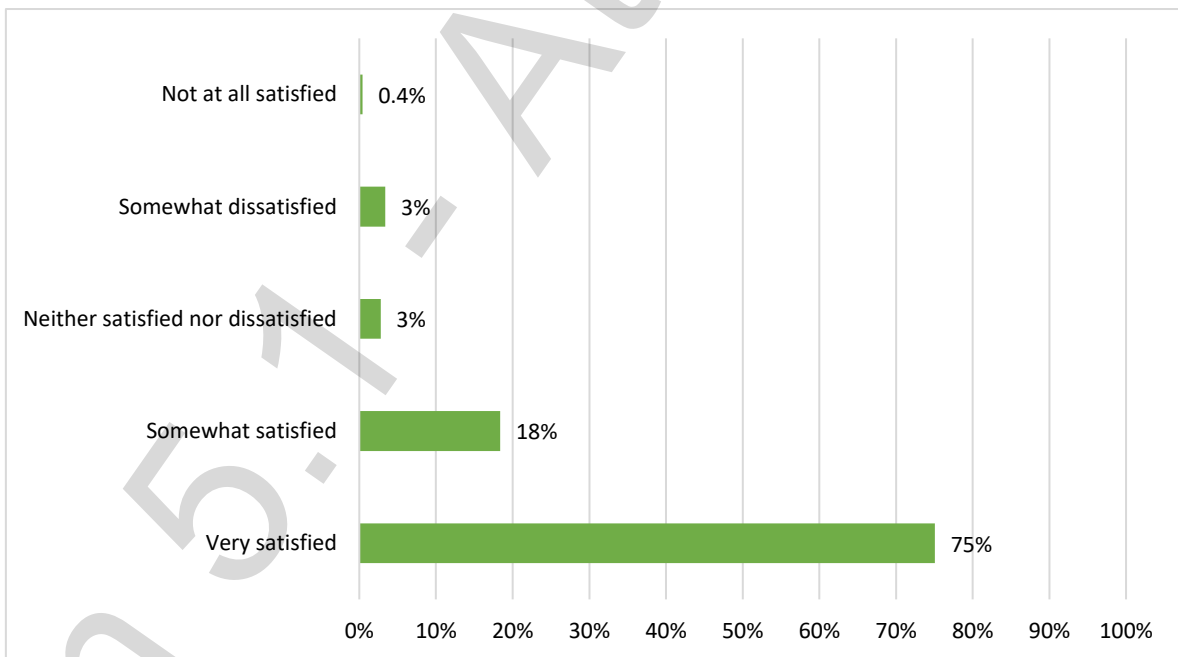


Figure 20 – Level of satisfaction the City Connector Bus Service to Your Say Adelaide respondents that are users of the service.

3.2.5 Why don't people use the City Connector Bus Service and how could it be improved?

The main reason Your Say Adelaide respondents who don't use the service do not use it, is because they use another mode of transport such as walking, cycling or driving (67% of non users). The feedback provided by the few respondents who do not use the City Connector Bus Service on what changes could be made to encourage them to use the service varied. Of the 10 comments received, the most frequent suggestion was for a more environmentally friendly bus fleet. Other suggestions included:

- “more walkable connected corridors (especially in the summer) from stops to destination areas”.
- suggestions for routes and destinations eg “a loop around the terraces ... i.e. West, North, East, South Terrace” and “a route driving to all public services including the aquatic centre, libraries, museums and zoo”
- Better promotion (“what it is and where it goes”)
- “A better interface between stops and resident’s needs” abd moving the layover stop on Halifax Street.
- The service encourages “the wrong users”
- That there is “no need for it. Adelaide is flat and easy to get around via walking, cycling or electric scooter, and already has a free tram service”
- Concern that people using the service park all day in North Adelaide; “this prevents patrons and workers of North Adelaide businesses from finding car parks for appointments and frequenting cafes for lunch”.

Most users of the service indicated that the service is “fine as it is”. The options for improving the service most selected by users were increasing the frequency and extending the hours of the service.(Figure 21)

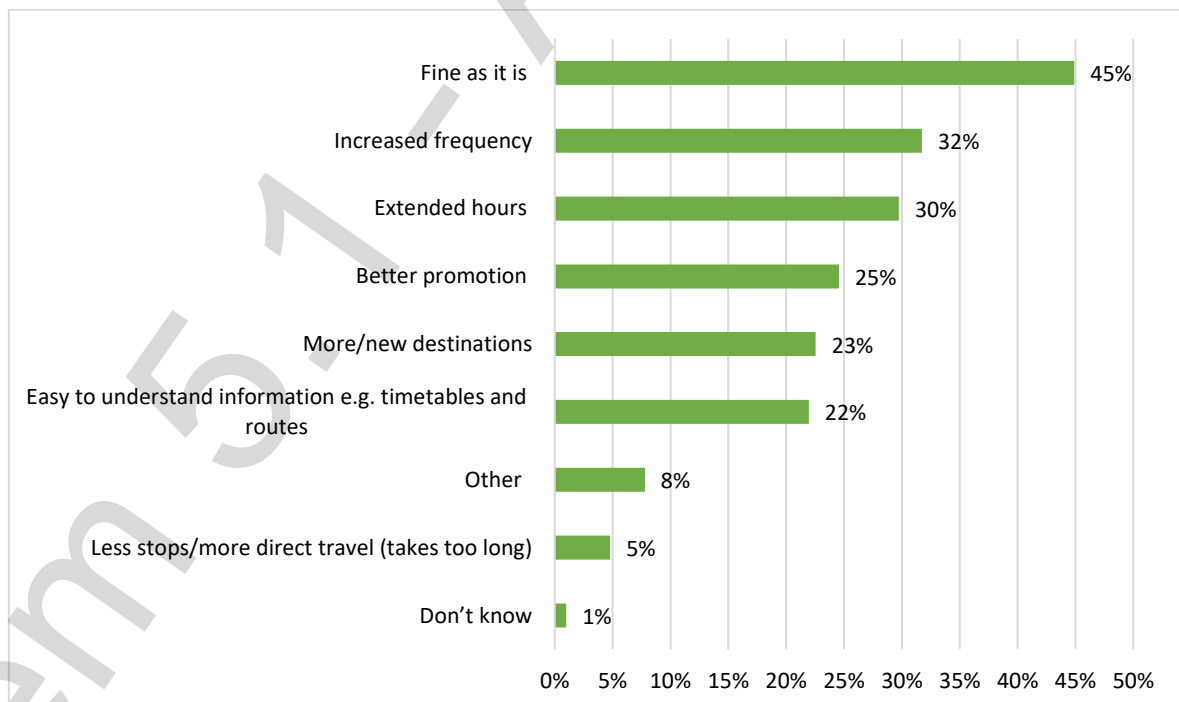


Figure 21 - Options selected by Your Say Adelaide respondents for improving the City Connector Bus Service.



Feedback provided by users as to how the service could be improved included:

- Ensuring the service is for use by the elderly, disabled and ratepayers.
- Remove service and provide free metro passes for tourists.
- Easier to find stops, or more stops. "When it comes to areas I don't frequent often with this service, like North Terrace, I often walk back and forth, looking for the stop to return home".
- Improve the timeliness of the service "Be on time... the bus is always late between 5pm and 6pm."
- New destinations (eg. Royal Adelaide Hospital, Adelaide Aquatic Centre, Hutt Street)
- Conductors for safety and assistance
- A real time App "Way (e.g. via app) to know in real time how long the wait will be for the bus"
- Environmentally friendly bus fleet
- More services with approaching stop voiceover
- Tourist and local business information on the buses; "Printed journey maps, city maps and tourist information could be provided on the bus."
- Match bus size to demand; "not using the smaller bus during peak hour, it's impractical and inconvenient"
- Increasing frequency and duration; "earlier and more frequent services in the morning + use the green bus's all the time"
- Revised routes; "After AFL matches at Adelaide Oval the Connector Buses do not stop at the Parliament House stops It would be better if the buses went along Kintore Avenue with stops in both directions at the Victoria Drive end for use by patrons after the AFL matches."
- More cleaning
- The route clearly shown inside the buses so people understand where the bus stops are
- Better timetables and route information.

Users were also asked if there was one new destination for the service in the City of Adelaide, where could it be? Most who responded stated that the current route meets their needs (146 respondents). Other frequent suggestions were the new Royal Adelaide Hospital (48 respondents), Adelaide Aquatic Centre (34 respondents) and in the southern areas of the City (30 suggestions) such as the south Park Lands, Veale Gardens and South Terrace. A full list of suggestions is provided at the end of Volume 2 Part C.

3.2.6 Who should fund the service?

Most Your Say Adelaide respondents (68%) believe that the City Connector Bus should be funded as a partnership between the State Government and the City of Adelaide. 14% felt that it should be funded by State Government alone and 13% felt that it should be funded by the City of Adelaide alone.

3.2.7 Alternative modes for a free transport service

Most Your Say Adelaide respondents (81%) do not use any other free transport service in the city. The 16% of respondents who selected that they use "other" services mostly referred to the tram and the Senior's Card. 3% use the City of Adelaide Central Market Shopping Bus and only 0.5% access student shuttle buses.

Of the alternative free transport options canvassed by the survey, “a transport service that follows a dedicated route (eg. City Connector Bus Service)” would be used by most respondents (90%). This could indicate that most are happy with the current City Connector Bus Service. “Walking” was the next popular option (55%) followed by mini-bus (41%), taxi (40%), and “a transport option that takes me directly where I need to go (36%).(Figure 22)

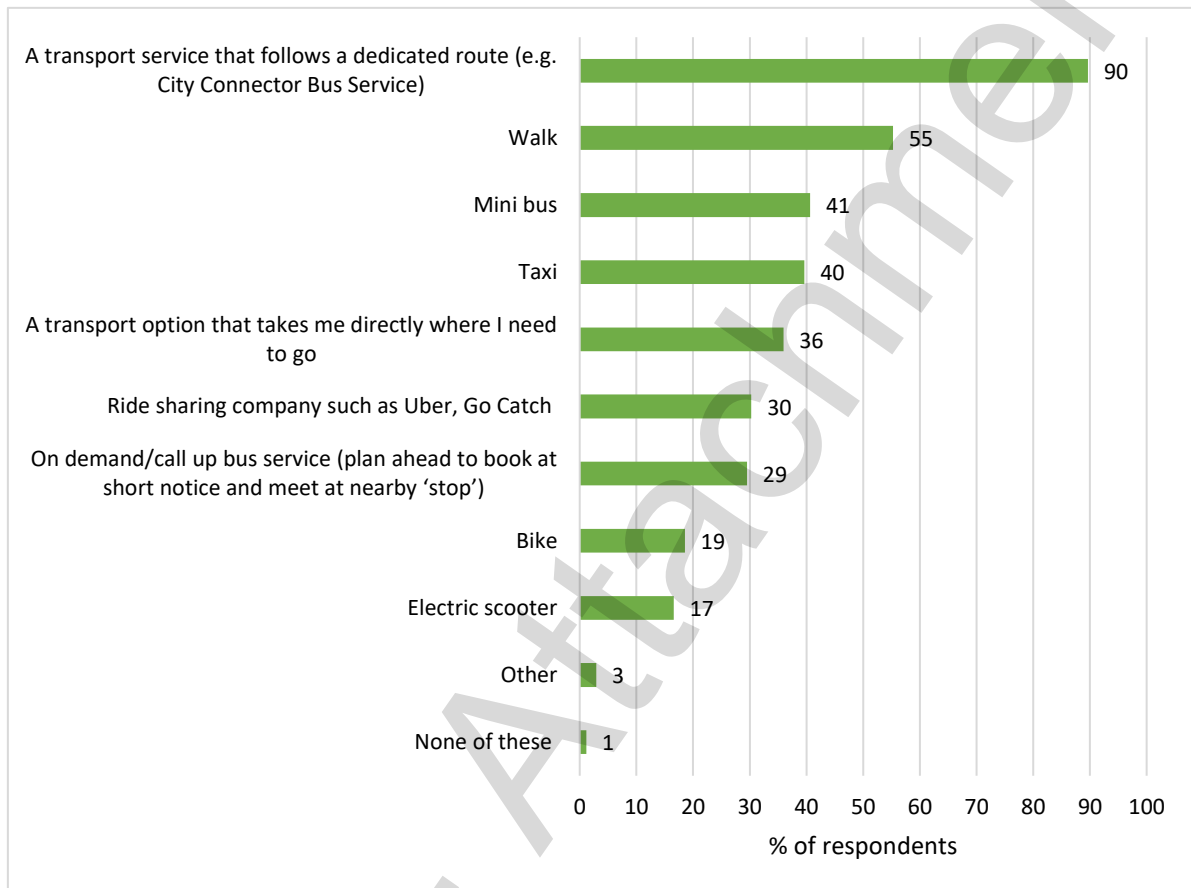


Figure 22 – Percentage of Your Say Adelaide survey respondents who would use alternative free city transport options.

3.3 Intercept and rate payer survey

The results of the intercept and rate payer survey were combined by MacGregor Tan in the report in Volume 2 Part D. Following is an excerpt from the executive summary of the report.

A city transport service being available for everyone to use (74%) was considered the most important characteristic in the provision of a city transport service by participants in this survey. Conversely, the service being free of charge was less important however was still rated as very important by nearly one in two (45%) respondents. Respondents felt the key benefit of a free transport service was to support people who may not be able to afford other forms of transport around the city (56%), followed by support for residents (52%) and visitors (48%) to get around the city.

The majority of respondents surveyed (61%) have used the City Connector bus service, with over 4 in 5 residential ratepayers of the City of Adelaide (83%) having used the service in the past. The ratepayers living within 3 to 6 minutes walking distance from a bus stop are more likely to be the users than those not in proximity of a bus stop for the City Connector. The usage of the bus service was much lower among business ratepayers (53%) and non ratepayers (51%) as they prefer other modes of transport such as walking, cycling, driving etc. (47%).

Among the users of the City Connector, residents were likely to be more frequent City Connector users (62%) i.e. using the service at least once every two weeks compared to the business ratepayers (14%) and non ratepayers (25%) who were less frequent users of the City Connector.

The survey found clockwise routes were more popular than anti-clockwise routes, with nearly one in three respondents indicating they commonly use 98C (30%) or 99C (31%). The City Connector Service is used for a variety of reasons such as accessing shops (32%) and entertainment (26%). Residents were likely to use the bus for a variety of different activities compared to other segments including accessing shops, entertainment, going to the Central Market, cultural / tourist attractions, along with personal affairs such as going to appointments and services, work and connecting to other public transport services.

The City Connector Bus service is considered important by majority of users (68%) with almost all bus users satisfied (82%) with the service. Frequent users (the residential ratepayers) placed higher importance (78%) on the service and had marginally higher satisfaction levels (84%).

In terms of suggestions for improvement, increased frequency and addition of new destinations were the top suggestions. However, when probed for the destination, there was no clear preference with a few respondents indicating Royal Adelaide Hospital and East Terrace as possible additions. A few non ratepayers also indicated their preference to add outer suburbs and Norwood into the free service routes. Most of the frequent users i.e. the resident ratepayers are happy with the service the way it is.

Almost half of non users of the service had no suggestions for improvements (42%), however, a few mentioned that more promotion / advertising / information about the bus service (27%) could encourage them to use the service.

With regards to the funding of the City Connector Bus service, more than half (56%) of the respondents believed that 'The City of Adelaide (local government)' to fund the service – which was more likely to be residents (72%) compared to business owners (53%) and non ratepayers (48%). When asked about who should be responsible for funding the City Connector bus service, a similar proportion (56%) indicated that it should be a joint responsibility of the State Government and the City of Adelaide to fund the City Connector. Users (62%) and ratepayers (65%), both residents (67%) and business (63%), were more likely to indicate this than the non users (46%) and non ratepayers (47%).

3.4 Online workshops

This section summarises the key themes of feedback received through two community and one stakeholder online workshops.

3.4.1 Community workshops

What do people value?

Participants commented that they value the service because it enables people with limited physical mobility to get around easily. The elderly, such as those in aged care in North Adelaide, regularly use the service to access appointments and participate in other activities in the community. Many of these residents do not have their own car and have limited funds. The bus enables them to affordably get out and about and is important for their quality of life. It also supports them to stay active as some people may have the stamina/mobility to walk to a destination but rely on the bus for the return journey. Proximity of bus stops near to their home and destination is important. These factors were also suggested to be true for university students living with physical disability that reside at university colleges in North Adelaide.

Use of the bus is also valued by families who use the bus to get to childcare, schools and cultural destinations. They appreciate the ease of getting prams on the bus and to be able to travel with multiple families. The bus was especially helpful to get “little legs” up the hill to North Adelaide- this benefit was also appreciated by elderly participants.

For some adult participants, the bus was seen as a safe way to get to and from restaurants, bars, entertainment and to have a “couple of drinks” and not be concerned about driving or paying for taxis. The expansion of the service during the Fringe Festival was seen as a positive.

For residents with no car or a shared vehicle, the bus provided an easy alternative to get around without a car. Parking in the city was also seen as expensive and catching the bus avoided this expense while also reducing carbon emissions – climate change was an important issue to some.

It was raised that the service is regularly used by the new arrival community (ie. refugee community) in North Adelaide, and that it provides an important and easy to understand service to those with limited English, funds and knowledge about Adelaide.

The service was also seen as important to support people who use social services such as the Hutt Street Centre and those in Whitmore Square. Many of these people are dependent on the service as their only way to get around the City.

Participants also commented that the service is regularly used by tourists as it visits key city attractions. It enables people to easily orient themselves and reach tourism locations. Its value in supporting local tourism and business was appreciated.

It was also commented that it “isn’t just the elderly” or those in need who use the service. It is also used by city workers (such as young professionals) and is important for supporting business precincts such as Hutt and O’Connell Streets.



A key reason people value the service is that it connects different areas of the city and key destinations – it “goes everywhere you need to go”. In particular, the ability to travel east west and access the Central Market is important. It was felt that these directions of travel are not supported by the paid public transport system.

People also appreciate its predictability. That you can go to a bus stop and know that you only need to wait 15 minutes (during the week) and that it generally runs on time. This was seen to benefit all the user groups.

People commented that it is a “community service”. It serves the diversity of the local community and has a community feel- “it is the only bus where everyone gets off and says thank you to the driver”, “the drivers are always welcoming and helpful”.

One person commented that it provides a very affordable, good value for money, service based on the operating cost and number of trips taken.

How could the service be improved?

Mostly, participant feedback was strong that they value the service “as it is”. Some were concerned that it may get scaled back or changed and want it to stay as it is. One participant felt strongly that the service could be even better by making any bus in the city free.

Better promotion of the service was the main area for improvement suggested by participants. The objectives of these suggestions were three-fold: to improve awareness/use (“you need to use it to know how it can benefit you”), to support local tourism, and to make materials user friendly. Suggestions included:

- Better promotion of the service across city accommodation, locations and venues
- Include icons on the timetable to represent key destinations (eg. Central Market, Zoo, Royal Adelaide Hospital etc)
- To include more tourist information on the buses (eg. audio, video, advertisements, materials) or on the timetables
- To simplify the timetable to make it easier for people with poor English proficiency or disability to understand
- Make the bus recognisable (give it an identity) so that people see it and know what it is
- Share stories, (eg have local ambassadors) to help promote the service

In terms of how the service operates, suggestions were made to:

- Have later operation on Friday nights and weekends (eg 10pm)
- Operate the City Loop on weekends so that it is easier to get to the Central Markets
- Have a 15 minute service frequency for North Adelaide (at least during school pick up and drop off times. School numbers growing at Botanic High will increase demand)
- Consider new Calvary Hospital could be a potential destination
- Go up Kintore Avenue instead of King William Street, which can get congested
- Increasing frequency to below 10 minutes.

One person is impacted by a City Connector Bus Service “lay over” zone below their apartment. Buses idling in the zone create significant noise and fumes which is disruptive and impacts their quality of life. They would like to see this layover zone moved to a less residential location.

Who should fund the service?

All participants felt that the service should be funded by state and or local government, rather than privately.

People felt that it is a public service, for public good and as such it is the role of government to fund it. Some were concerned that if it was privately funded the focus would become on profit rather than community benefit- “it should be for people. Not profit.”

Most felt that the current joint funding arrangement was “perfect”. One person commented that Council should have a role because “City businesses benefit” from the service. Another suggested that the service should be solely funded by the State government as is the approach in other states where local government only focuses on special community transport services (eg. for elderly or those with mobility issues). One person postulated if a levy for local businesses would help drive local precinct development.

Interest in other free alternatives?

Largely participants felt that alternatives would not be suitable replacement for the City Connector Bus Service.

Perspectives offered included that scooters, walking and bikes are not suitable in hot or wet weather or if people have mobility issues, and smaller buses would be challenging for people with mobility issues, prams or for larger groups. Babies and young children cannot travel in Ubers. It was also commented that a bus generates less carbon emissions than multiple cars. Participants also like the predictability of going to a known bus stop and knowing the bus comes at a given frequency (eg, every 15 minutes), rather than the idea of requesting a lift via an App.

One person suggested that smaller on-demand buses are being trialled in Mount Barker.

3.4.2 Stakeholder workshop

What do people value?

Stakeholders appreciate the convenience of the service– in particular, the proximity of stops and that it is a circular rather than a linear route.

The fact that the bus is free is considered important as it provide an accessible service to people on low incomes including the elderly and people accessing social services (eg. people experiencing homelessness).

The way the bus service connects residents (especially the elderly) to services and opportunities is valued. People can access business precincts (eg. O’Connell St, Central Market), health care (Royal Adelaide Hospital) as well as social opportunities. It was also appreciated that the service can “widen the horizons of international students”, who tend to walk the same path from university to home, by showing them more of what the city has to offer.



It was highly valued that the service supports people with limited mobility (eg. elderly in aged care or university students with a disability living at residential colleges in North Adelaide) to get to where they need to.

Stakeholders reflected that the service is important in supporting tourists by providing an easy way to navigate the city and reach destinations (eg. the Zoo). Cruise ship visitors have been seen regularly on the bus.

Another benefit of the service identified by stakeholders was that it assists in addressing climate change by reducing carbon emissions from private vehicle use. It also helps to avoid the challenges and costs of parking private vehicles in the city.

One person commented that it provides “good return on investment” based on the operating cost and number of trips taken. Another said that the service is “fun” and “people enjoy catching the bus”. Another commented that it is important to have the service because “all capital cities have free bus services”.

Issues and opportunities for the future operation of the service

Stakeholders raised some trends that need to be considered for the future operation of the service:

- 65+ are the fastest growing demographic in the City of Adelaide. Helping Hand are also opening an additional location in North Adelaide. Having a bus service to support the growing number of older people to connect with services, destinations and opportunities will be important
- Urban infill in the city will increase the residential population and the number of people who will access the service
- Growing tourist numbers and city events will increase demand on the service.

Again, promotion was raised as an area for improvement. Suggestions included:

- Making timetables and maps easier to understand. Especially, for people with poor English proficiency or disability
- Increasing the use of symbols
- To have “you are here” on a map on each bus stop
- To introduce an app for the timetable and route information
- To include more tourist information on the buses (eg. audio, video, advertisements, materials) – “a roaming visitor information service”
- To work with partners to improve promotion, eg. the SA Tourism Commission.

Stakeholders largely value the service as it is – “the route is good” and “it services a lot of people”. They do not want the service to be changed substantially or to be diminished. They think a scheduled service is better than an on-demand service. However, some improvements suggested for infrastructure and the operation of the service included:

- Providing shelters at bus stops (eg. on Hutt and Halifax Streets)
- Potential destinations: outer city limits, Victoria Park, Grote Street area and surrounds, new Royal Adelaide Hospital
- Increase weekend service frequency to 15 minutes to better service tourism and events
- Increase accessibility for prams and people with disability
- Low emissions buses (eg. “the Tindo angle”)
- Make the service more fun and friendlier. Use regular drivers.



3.5 Written submissions

Although written submissions were not provided as one of the options to participate in the engagement, two written submissions were received. These are provided in Volume 2 Part E.

Item 5.1 - Attachment A



Volume 2

To manage report length, the following sections are available in Volume 2 to this report:

- Part A – Your Say Adelaide fact sheet and survey
- Part B – Stakeholder workshop invitees and participants
- Part C – Your Say Adelaide Summary Report
- Part D – Intercept and rate payer survey report
- Part E – Written submissions
- Part F – Verbatim comments from surveys

Recreation and Sport Grants Program - Round 1 Programs and Events

ITEM 5.2 02/02/2021
The Committee

Strategic Alignment - Thriving Communities

Program Contact:
Christie Anthoney, AD City
Culture 8203 7444

2016/03310
Public

Approving Officer:
Clare Mockler, Deputy CEO &
Director City Shaping

EXECUTIVE SUMMARY

The purpose of this report is to seek Council approval for a Recreation and Sport Grant allocation of \$20,000 to One Culture Football Ltd from the 2020-21 grants budget.

The applicant has requested multi-year funding under the 'Program' category for three years, a total of \$60,000. When assessed against the existing Recreation and Sport Grants 2020-21 Program Guidelines, we would ordinarily recommend funding this program for all three years: Year One (\$20,000), Year Two (\$17,500), Year Three (\$15,000).

However, following Council's resolution at its meeting on 9 June 2020 that future funding commitments be subject to a review of guidelines, including the criteria for multi-year funding, we are recommending funding of \$20,000 for Year One only.

.....

The following recommendation will be presented to Council on 9 February 2020 for consideration

That Council:

1. Approves a 2020-21 Recreation and Sport Grant allocation of \$20,000 to One Culture Football Ltd for the delivery of the 'Football3 for Social Change' program in the City as per Attachment A to Item # on the Agenda for the meeting of the Council held on 9 February 2021.
 2. Notes the request by One Culture Football Ltd for multi-year funding for the delivery of the 'Football3 for Social Change' program over three years for a total of \$60,000.
 3. Notes that based on assessment under the existing Recreation and Sport Grants 2020-21 Program Guidelines, Administration would ordinarily recommend funding of: Year One (\$20,000), Year Two (\$17,500), Year Three (\$15,000), subject to Council approval of a budget allocation in each respective financial year.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Thriving Communities The activity in this report supports the achievement of the Thriving Community Outcomes including healthy and resilient communities and increase community use of and access to the Adelaide Park Lands.
Policy	The recommendation contained within this report aligns with Council's Recreation and Sport Grants Program Operating Guidelines .
Consultation	Not as a result of this report
Resource	Administration of Council's Grants Program is undertaken within existing resource allocations.
Risk / Legal / Legislative	All grant recipients are required to provide a Risk Management Plan, Public Liability Insurance, and satisfactorily acquit their project at completion.
Opportunities	The Recreation and Sport Grants Program extends the community value achieved by Council, by enabling community organisations to deliver the City of Adelaide's strategic priorities according to community need and opportunities.
20/21 Budget Allocation	\$20,000 from the 2020-21 Recreation and Sport Grants Program budget of \$182,000.
Proposed 21/22 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	12 months
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	The total cost of the recommended project is \$120,000 with an in-kind matching funding contribution of \$64,500 by the applicant and other supporting partners.

DISCUSSION

1. The Recreation and Sport Grants Program consists of the following categories:

Grant Category	Rounds per year		Maximum amount per application	Length of funding agreement	Approval
1 – Community Facilities	One (1)	Round 1 (March)	\$70k	1 year	Council (over \$10k) CEO (under \$10k)
2 – Programs	Two (2)	Round 1 (August) Round 2 (March)	\$20k	1-3 years	Council (over \$10k) CEO (under \$10k)
3 – Events	Two (2)	Round 1 (August) Round 2 (March)	\$10k	1-3 years	Council (over \$10k) CEO (under \$10k)
4 – Quick Response	Open all year	All year	\$2k	1 year	Associate Director

2. Round 1 of the Recreation and Sports Grants Program in 2020-21 was delayed due to restrictions associated with the COVID-19 pandemic. The delayed round closed in October 2020 and received six applications with requests totalling \$75,410.
3. Of the six applications received, four were recommended for funding. Three of these were approved for funding under CEO delegation:
- 3.1. Two applications under the 'Programs' category (\$16,500 in total funding)
- 3.2. One application under the 'Events' category (\$8,000 in total funding).
4. The fourth application recommended for funding, under the 'Programs' category, is the subject of this report. This is a multi-year funding application from One Culture Football Ltd for the delivery of the 'Football3 for Social Change' program in the City, for a total of \$60,000. When assessed against the existing Recreation and Sport Grants 2020-21 Operating Program Guidelines, we would ordinarily recommend funding this program for all three years: Year One (\$20,000), Year Two (\$17,500), Year Three (\$15,000).
5. However, following Council's resolution at its meeting on 9 June 2020 that future funding commitments be subject to a review of guidelines, including the criteria for multi-year funding, we are recommending funding of \$20,000 for Year One only.
6. Details on this application and the assessment criteria we have assessed it against are summarised in **Attachment A**.
7. The table below provides a financial breakdown of the Recreation and Sport Grants funding approved to date, the grant recommendation in this report and the funding amount remaining:

Recreation & Sport Categories	Council approval requested (this report)	Committed funding previously approved	Budget allocation 2020/21	Amount remaining for 2020/21
1 – Community Facilities		\$105,755		
2 – Programs	\$20,000	\$4,000 (from multi-year funding) + \$16,500	\$182,000	\$11,755

3 – Events		\$8,000		
4 – Quick Response		\$15,990		
Total 2020/21	\$20,000	\$150,245		

8. Subject to Council approval of the \$20,000 funding recommended in this report, the budget remaining for allocation in 2020/21 is \$11,755. We anticipate that this remaining budget will be fully allocated through Quick Response Grants, which are open throughout the year. As such, we believe there is no benefit in calling for a second round of Programs and Events applications in 2020/21.

DATA AND SUPPORTING INFORMATION

[Recreation and Sport Grants Program Operating Guidelines.](#)

ATTACHMENTS

Attachment A – 2020/21 grant recommendation over \$10k for Council approval

- END OF REPORT -

ATTACHMENT A - 2020/21 grant recommendation over \$10k for Council endorsement

RECREATION AND SPORT GRANTS PROGRAM

The purpose of the Recreation and Sport Grants Program is to provide financial support to eligible clubs, groups, educational institutions and organisations to ensure the outcomes of Council's Strategic Plan are realised. The Recreation and Sport Grants Program embraces all Community Outcomes of Council's strategic plan with a particular emphasis on the Thriving Communities Outcomes.

CATEGORY 2 – PROGRAMS

The purpose of the Programs Funding Category 2 is to support the development of ongoing sport or physical activity programs that increase the participation, wellbeing and resilience of the community.

LIMIT OF FUNDING

Maximum funding \$20k per year for up to 3 years

FUNDING OPPORTUNITIES

Twice per year, funding permitting

ASSESSMENT CRITERIA

No.	Consideration	Weighting %
1	Community Benefit <ul style="list-style-type: none"> • The application identifies a clear benefit for the community, particularly residents of the city, and will lead to an increase in participation in community level sport and recreation • The application demonstrates evidence and/or clear reason for why the project has been developed • A plan for engaging the target group is outlined • Inclusiveness of all members of our community and accessibility for all • Low or no cost for disadvantaged groups 	40%
2	Strategic <ul style="list-style-type: none"> • The application identifies clear outcomes, which are aligned to the strategic priorities of City of Adelaide • The application demonstrates consideration of one or more of the following documents: <ul style="list-style-type: none"> ➤ Active City Strategy ➤ City of Adelaide Strategic Plan 2020–2024 ➤ Adelaide Park Lands Management Strategy 2015–2025 	30%
3	Activation <ul style="list-style-type: none"> • The application responds to one or more of the Recreation and Sport Grant program priority areas 	20%

ATTACHMENT A - 2020/21 grant recommendation over \$10k for Council endorsement

	<ul style="list-style-type: none"> The application outlines a strategy for supporting participants to continue their participation beyond the project/program 	
4	Financial Risk <ul style="list-style-type: none"> The application outlines a plan for delivery – including consideration of risk, integration with other partners and innovation The project proposed represents good value for money for City of Adelaide and outlines a clear level of investment from the applicant (financial and in-kind). It is clear what measures will be used to evaluate if it has been successful in achieving the stated outcome/s – including qualitative and quantitative measures 	10%
Total		100%

ATTACHMENT A - 2020/21 grant recommendation over \$10k for Council endorsement

RECREATION AND SPORT GRANTS PROGRAM - DETAILS OF RECOMMENDATIONS FOR FUNDING (OVER \$10k) – CATEGORY 2: PROGRAMS

Organisation	Description	Previous Funding	Request	Other Funds – In kind	Other Funds - Cash	Total Project Cost	Rating Criteria Out of 10	Recommendation
One Culture Football Ltd	<p>Football3 for Social Change With the support of Council, One Culture Football have successfully developed their brand and program since 2017, engaging over 300 young people from 40 different countries. The program has partnered with Adelaide Utd and several local soccer clubs, providing participation pathways and employment opportunities for participants.</p> <p>‘Football3 for Social Change’ is a program designed to engage young people in outdoor recreation where they learn sport skills, life skills and develop personal positive wellbeing in an inclusive atmosphere. The weekly soccer program taking place on the grounds of Adelaide High School in Ellis Park/Tampawardli (Park 24), targets 13-24 year old’s from all backgrounds but with a particular focus on international students, new arrivals, and multi-cultural groups.</p> <p>One Culture Football will deliver regular 2-hour sessions for ten weeks per school term across terms 1, 3 and 4, resulting in 30 sessions per year across three years. These sessions aim to provide a safe space for participants to play football and engage with their community on a positive level.</p>	<p>2017/18 \$20,000</p> <p>2018/19 \$17,000</p> <p>2019/20 \$15,000</p>	<p>Year 1 \$20,000</p> <p>Year 2 \$20,000</p> <p>Year 3 \$20,000</p>	<p>Year 1 \$21,500 (Applicant & partners including Ozharvest, Adelaide Utd & Adelaide Comets FC)</p> <p>Year 2 \$21,500 (Applicant & partners including Ozharvest, Adelaide Utd & Adelaide Comets FC)</p> <p>Year 3 \$21,500 (Applicant & partners including Ozharvest, Adelaide Utd & Adelaide Comets FC)</p>	<p>Year 1 \$0</p> <p>Year 2 \$0</p> <p>Year 3 \$0</p>	<p>Year 1 \$41,500</p> <p>Year 2 \$41,500</p> <p>Year 3 \$41,500</p>	7.85	<p>Year 1 (2020-21) - \$20,000 It is recommended that funding will go towards operating costs, marketing, equipment hire and various site fees to support the delivery of this program for three (3) school terms.</p> <p>This program aligns with several outcomes of Council’s Strategic Plan, particularly within the Thriving Communities and Dynamic City Culture Outcomes including:</p> <ul style="list-style-type: none"> • Increase community use of and access to the Adelaide Park Lands • Healthy and Resilient Communities • Safe and welcoming community spaces • Celebration of diverse community culture and creativity <p>Funding is subject to One Culture Football Ltd:</p> <ol style="list-style-type: none"> 1. Agreeing and adhering to the grant schedule and key performance indicators set by the City of Adelaide. 2. Delivering ten (10) sessions per school term across terms One (1), three (3) and four (4) 3. Delivering regular targeted sessions in at least two City based schools 4. Measuring and tracking participants recruited to the program including those returning regularly 5. Measuring the number of CoA residents participating in the competition 6. Undertaking regular feedback from participants to measure the social impact of the program. 7. Use of approved Council logo on all marketing and promotional communications 8. Provision of an annual report at the end of each calendar year 9. Providing the City of Adelaide with an evaluation report and acquittal at the end of Year 1.

ATTACHMENT A - 2020/21 grant recommendation over \$10k for Council endorsement

	<p>In addition One Culture Football will deliver regular 1.5 hour sessions in two City based high schools per year. These sessions will focus more on the social aspects of the football3 for social change model, supporting young people to develop personal life skills through sport and recreation participation.</p> <p>Across both elements of delivery, it is anticipated that around 200 young people will benefit from this program.</p> <p>Funding is sought to assist delivery with Council's funds supporting operating costs, facility hire and marketing.</p>								
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Tennis SA Centre Court Development – Stage 2

ITEM 5.3 02/02/2021
The Committee

Strategic Alignment - Thriving Communities

Program Contact:
Christie Anthoney, AD City
Culture 8203 7444

2018/03439
Public

Approving Officer:
Clare Mockler, Deputy CEO &
Director City Shaping

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's approval for enhancements to facilities at the Memorial Drive Tennis Centre in Tantanya Wama (Park 26).

In 2017, following a statutory community consultation process, Tennis SA was granted a 42 year lease over the Memorial Drive Tennis Centre that allows for the administration of tennis, conducting tennis related activities and for entertainment by way of concerts or similar functions.

In January 2020, the inaugural Adelaide International was held at Memorial Drive following delivery of a new roof canopy and LED lighting over centre court.

The State Government has allocated \$44m in 2020-21 for stage two of the enhancement of centre court including new northern and eastern stands. Collectively, the enhancements will ensure the City has a venue that can host major tennis tournaments and large scale cultural events with permanent seating for over 4,000 people.

These works will result in an increase in building footprint over the existing leased hardstand areas.

Tennis SA is seeking landlord consent to support their Development Application to the State Commission Assessment Panel and enable works to be well advanced by the next major tennis event in January 2022.

The Adelaide Park Lands Authority considered this at its meeting on 27 January 2021.

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The following recommendation will be presented to Council on 9 February 2021 for consideration

That Council:

1. Approves the enhancement of facilities leased by Tennis SA at the Memorial Drive Tennis Centre in Tantanya Wama (Park 26) as per the Tennis Centre Court Concept Plan and Demolition Plan shown in Attachment A and Attachment B to Item # on the Agenda for the meeting of the Council held on 9 February 2021, subject to the project incorporating 'green landscape' initiatives.
 2. Authorises amendments being undertaken to the existing 42 year lease agreement between the City of Adelaide and Tennis SA Inc, including:
 - 2.1. A market rent review to recognise the improvements which are capable of accommodating expanded uses and or increased use of the facilities.
 - 2.2. Changes to the Lease Plan to recognise additional built form and the reconfiguration of courts in the care and control of Tennis SA.
 3. Notes that a statutory consultation process on the existing 42 year lease agreement occurred in 2017 and there are no requirements to undertake additional community consultation nor place the lease before both Houses of Parliament as a result of these amendments to the existing lease agreement.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Thriving Communities Our Strategic Plan seeks to expand Adelaide’s global reputation as a ‘magnet city’ through world class events, festivals and activation.
Policy	This matter is consistent with the Adelaide Park Lands Management Strategy including: Strategy 1.1 - Create a network of activity hubs attracting visitors and tourists and supporting the recreational needs of people of all ages, abilities and cultures Strategy 1.3 - Promote the Park Lands as a visitor and tourist destination Strategy 1.6 - Strengthen the role of the Park Lands as a regional destination for competitive sport and a variety of active and passive forms of recreation
Consultation	Community consultation occurred prior to execution of the 42 year lease agreement with Tennis SA in 2017. Tennis SA will continue to engage with the Stadium Management Authority.
Resource	The project will be funded by Tennis SA and its partners. Existing staff resources will be utilised to provide advice in relation to the Development Application for these works and in amending the lease agreement.
Risk / Legal / Legislative	The works proposed in this report will require Development Approval. Due to the value of this project, approval will be facilitated through the State Commission Assessment Panel.
Opportunities	This project will enable Tennis SA to continue to attract major sporting and cultural events and leverage the Park Lands to provide lifestyle experiences.
20/21 Budget Allocation	As per the existing lease agreement, Tennis SA will be required to cover all of Council’s legal costs in relation to amendments to the lease. Approximately \$2,500 will be allocated to an independent Market Rent review.
Proposed 21/22 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Asset life linked to the lease term (ends 2057)
20/21 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Tennis SA will remain responsible for all repairs and maintenance including capital and structural items as per the lease agreement.
Other Funding Sources	This project will be externally funded.

DISCUSSION

1. In 2017, following a statutory community consultation process, Tennis SA and the City of Adelaide entered into a 42 year lease agreement over the Memorial Drive Tennis Centre in Tantanya Wama (Park 26), which was backdated to commence on 1 July 2015 and expire on 30 June 2057. The lease allows for the administration of tennis, conducting tennis related activities and for entertainment by way of concerts or similar functions.
2. On 26 September 2017, Council resolved to note *'the Adelaide Park Lands Authority support for the Tennis Australia Anchor Project redevelopment proposal to upgrade and enhance tennis facilities along War Memorial Drive as illustrated in the Landscape Master Plan and Concept Design Package identified as Attachment A to Item 12.7 on the Agenda for the meeting of the Council held on 26 September 2017'* (Link 3 view [here](#)).
3. The Anchor Project (ie master plan) is being delivered across multiple stages, as described below:
 - 3.1. Stage 1A – Resurfacing and reconfiguration of courts plus two new pavilions (Completed)
 - 3.2. Stage 1B – Freestanding roof canopy and associated works (Completed)
 - 3.3. Stage 2 – Centre court improvements (This Report)
4. The completion of the first stages (1A and 1B) enabled Tennis SA to secure a new major tennis tournament, with the Adelaide International being held for the first time in January 2020.
5. The 2020-21 State Budget included an allocation of \$44m for stage two works including:
 - 5.1. Replacement of the northern stand
 - 5.2. A new eastern stand
 - 5.3. Upgrades to the existing southern stand and court surfaces
 - 5.4. Changes to site entry/exit
 - 5.5. Improved event infrastructure (e.g. screens, lighting, public address systems).
6. These works will result in fit for purpose facilities required for tennis competitions, vastly improve the spectator experience and provide the City with a large scale cultural venue with a seating capacity of 6,341 (4,385 permanent).
7. In providing these improved event facilities, Tennis Australia has guaranteed South Australia hosting an international tennis event for ten years.
8. The proposed works will result in an increase in building footprint of approximately 1,534sqm. The increased building footprint will occur entirely on existing hard stand areas.
9. A Concept Plan of the proposed enhancements is shown at **Attachment A**. Demolition of the existing facilities to enable these enhancements is shown at **Attachment B**.
10. The project reduces the number of centre courts from four to three, with the eastern stand partially constructed on the fourth court. Tennis SA has indicated that community access to the remaining three courts will be sustained outside of event times. Tennis SA leases another eight 'outside' courts at the Tennis Centre, that are also available for use by the community.
11. Due to the value of the proposed works, development approval will be sought through the State Commission Assessment Panel. In the interim, Tennis SA has written to us seeking landlord consent for the project, Link 1 view [here](#).

Adelaide Park Lands Building Design Guidelines

12. We have reviewed the concept against the Adelaide Park Lands Building Design Guideline. The following is a summary of our review:
 - 12.1. This is a quality proposal that understands the context in which it is to be incorporated.
 - 12.2. The proposal successfully combines the materiality of the existing site (red brick) with the future architectural language / vision of the precinct (the white tensile roof structure of the adjacent Adelaide Oval).
 - 12.3. The design language of the proposal unites with the Adelaide Oval's design language to create a clearly identified 'precinct' within the Park Lands.
 - 12.4. A design solution enables 841 temporary seats to be stored within the new eastern stand.

- 12.5. The project incorporates a range of sustainability features including:
 - 12.5.1. High performance glazing and building envelope
 - 12.5.2. Thermal massing through heavyweight construction materials
 - 12.5.3. LED lighting and water efficient fixtures and fittings.
- 12.6. Lift access will be provided to the new northern and eastern stands.
- 12.7. There is no evidence of greening in the proposed landscape and it is recommended that opportunities for greening be explored.

Review and Amendment of the 42 Year Lease agreement

- 13. The completion of proposed Stage 2 works will result in a culmination of infrastructure changes to the Memorial Drive Tennis Centre since execution of the existing lease agreement in 2017. Special Condition 2 'Expanded Redevelopment' contained within Item 6 of the First Schedule of the lease agreement, provides Council with the avenue to undertake a review of the terms and conditions of the lease where an upgrade and redevelopment results in improvements which are capable of accommodating expanded uses and or increased use of the facility. A copy of the existing lease agreement is provided at Link 2 view [here](#).
- 14. Amendments to the existing lease will enable us to formally document and recognise all development works undertaken to the leased area including:
 - 14.1. Changes to the Tennis SA lease plan and Memorial Drive Tennis Club (MDTC) lease plan as a result of reconfiguring tennis courts
 - 14.2. Acknowledging additional built structures
 - 14.3. Rental adjustment following an independent market rent review.
- 15. We have received legal advice indicating that the existing lease agreement satisfactorily foresees the proposed works and therefore related amendments to the existing lease agreement will not require a new community consultation process as outlined in the *Local Government Act (SA) 1999* and *Adelaide Park Lands Act 2005 (SA)*.

Next Steps

- 16. Subject to Council approval, we will write to Tennis SA advising of landlord consent for stage two works.
- 17. Tennis SA would like to complete the majority of these works prior to the next Adelaide International in January 2022.
- 18. We will continue to work with Tennis SA in making the necessary amendments to the existing lease agreement to ensure it accurately reflects the enhanced site.

DATA AND SUPPORTING INFORMATION

Link 1 – Letter from Tennis SA requesting landlord consent

Link 2 – Tennis SA Park Lands Lease Agreement

Link 3 – Council report 26 September 2017

ATTACHMENTS

Attachment A – Tennis SA Centre Court Development Concept Plan

Attachment B – Demolition Plan – Tennis SA Centre Court Development

- END OF REPORT -

DESIGN PRESENTATION

TENNIS CENTRE COURT DEVELOPMENT STAGE 2

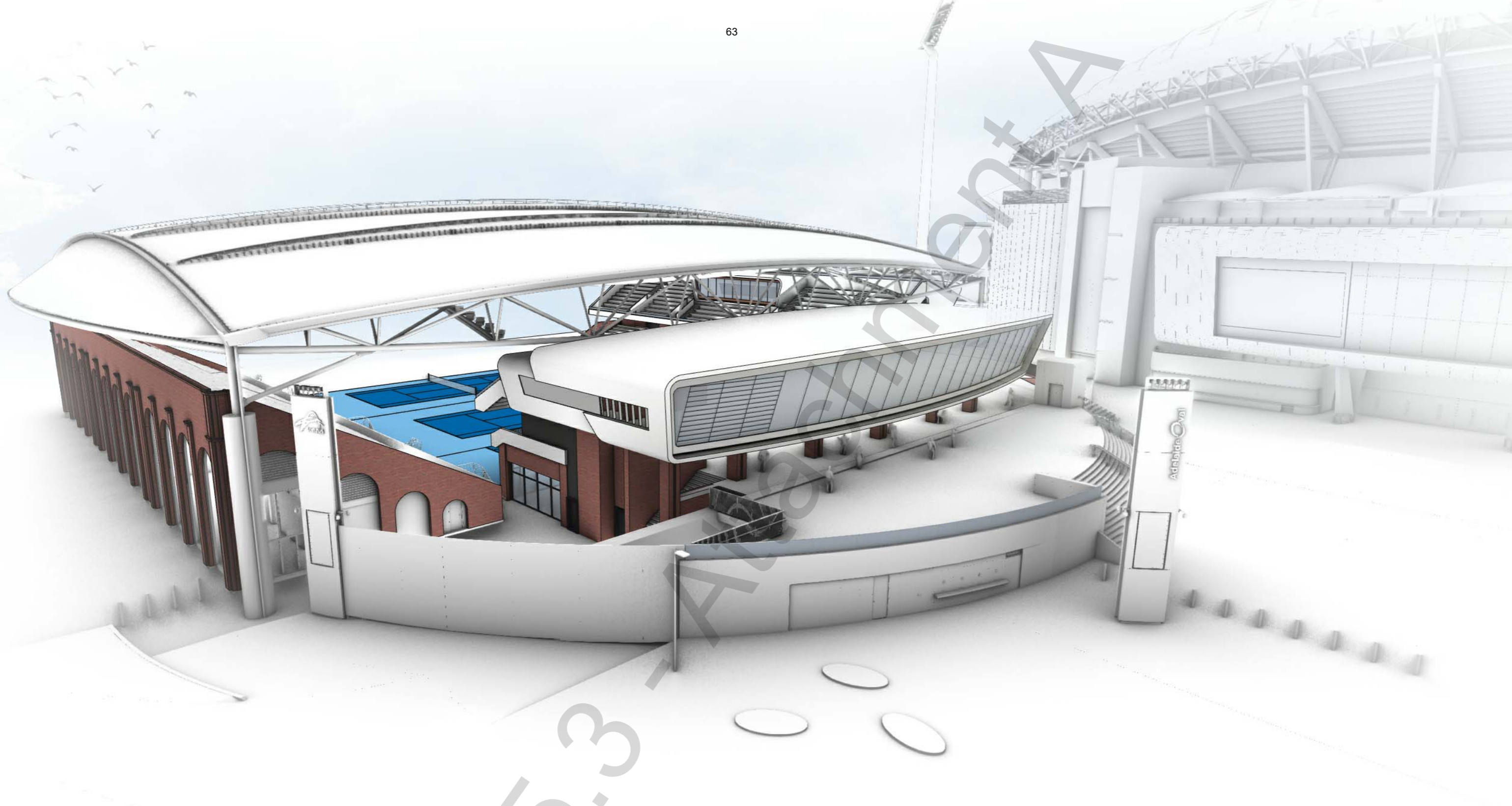
War Memorial Drive, North Adelaide SA 5006

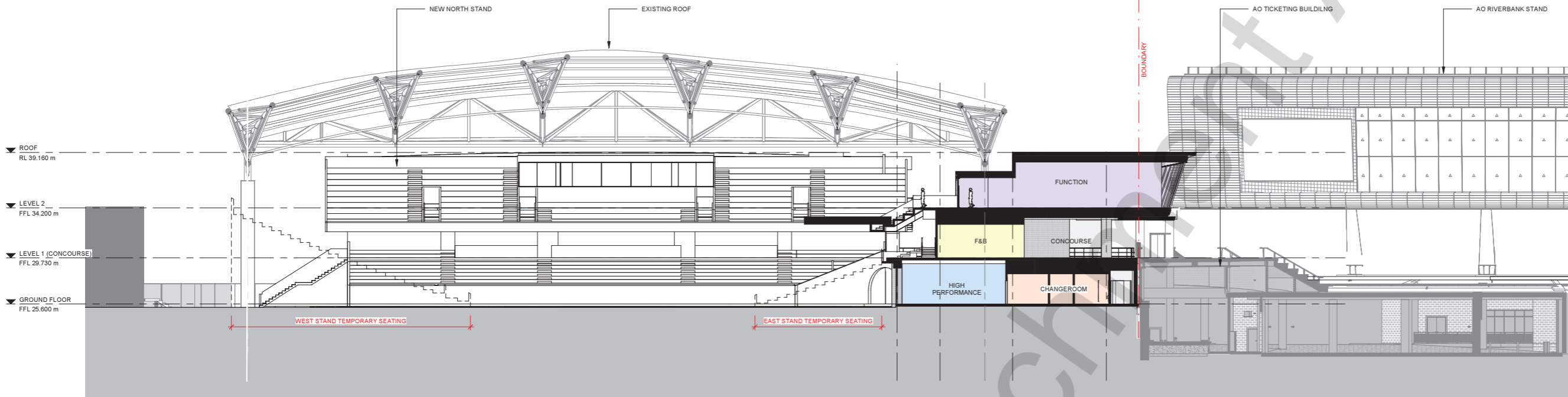
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14 January 2021

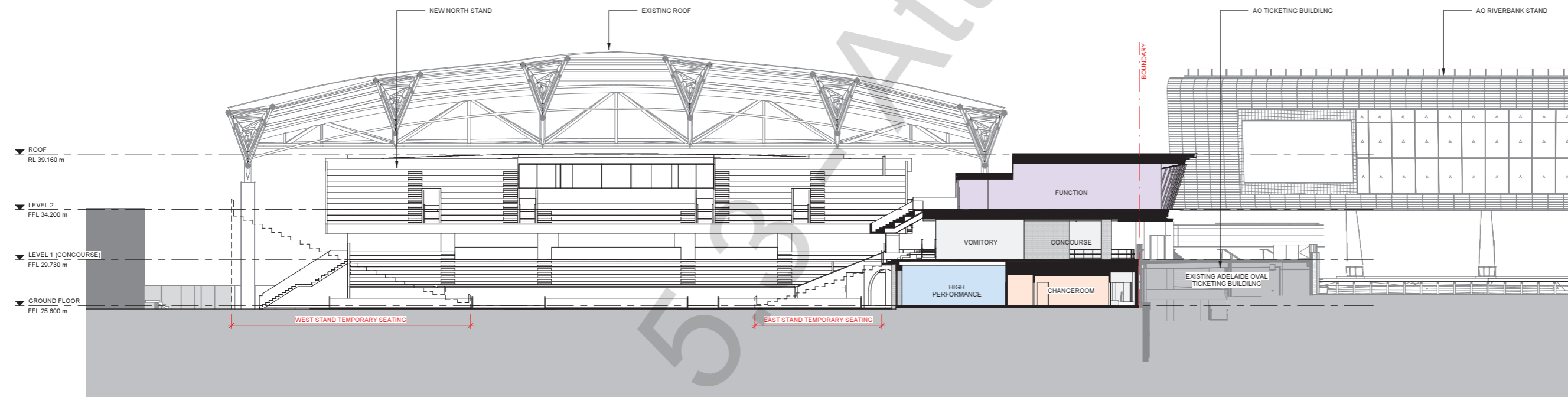




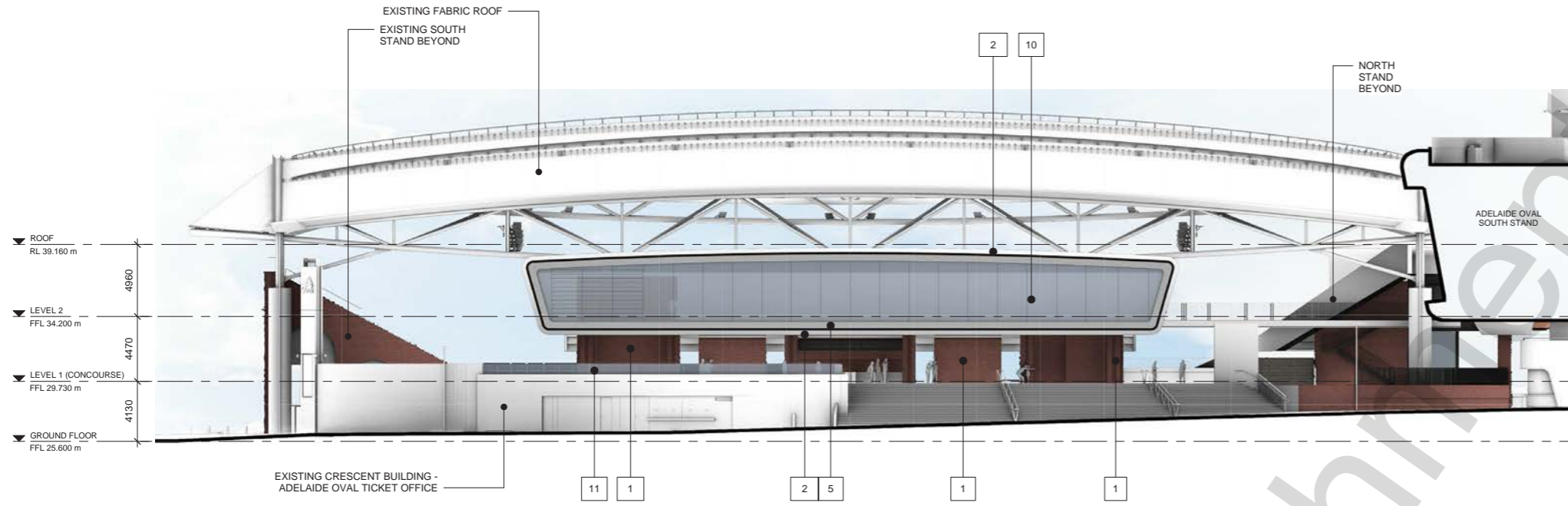




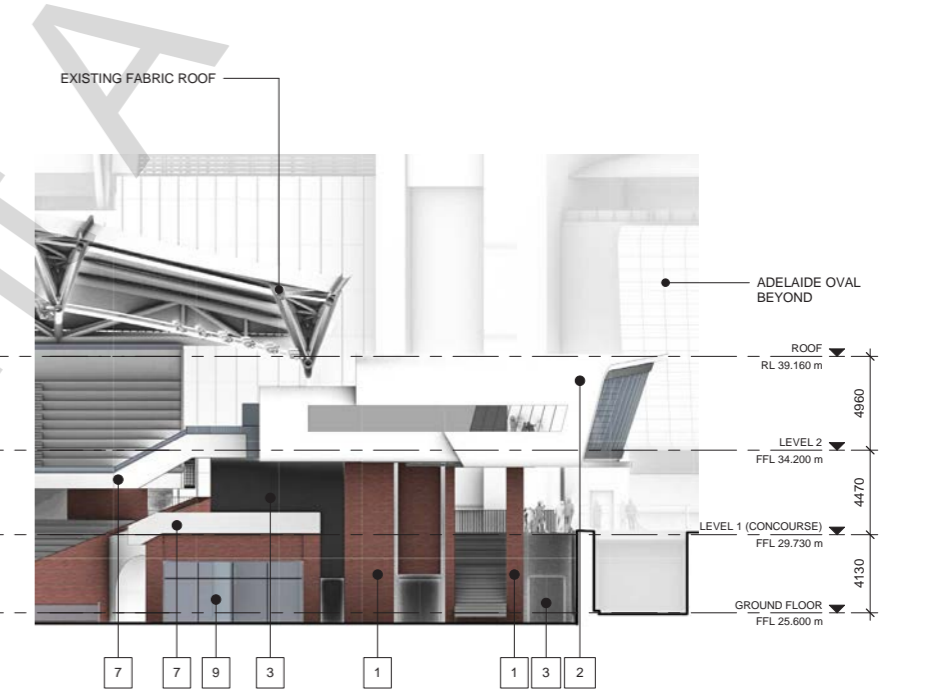
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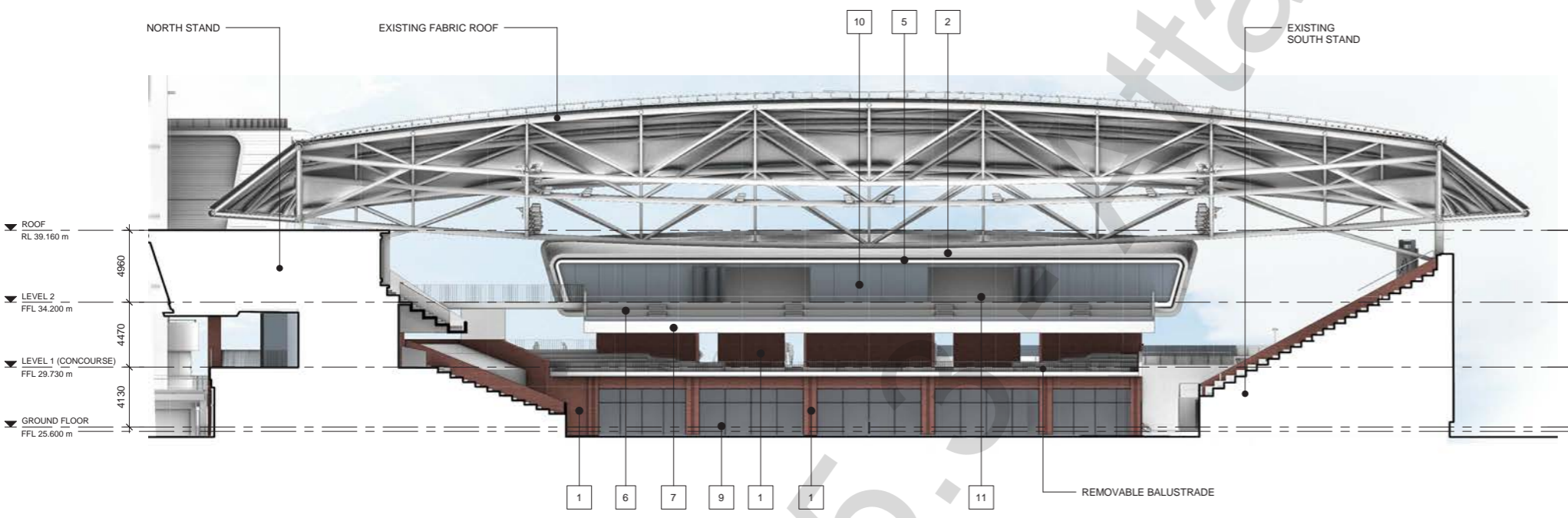
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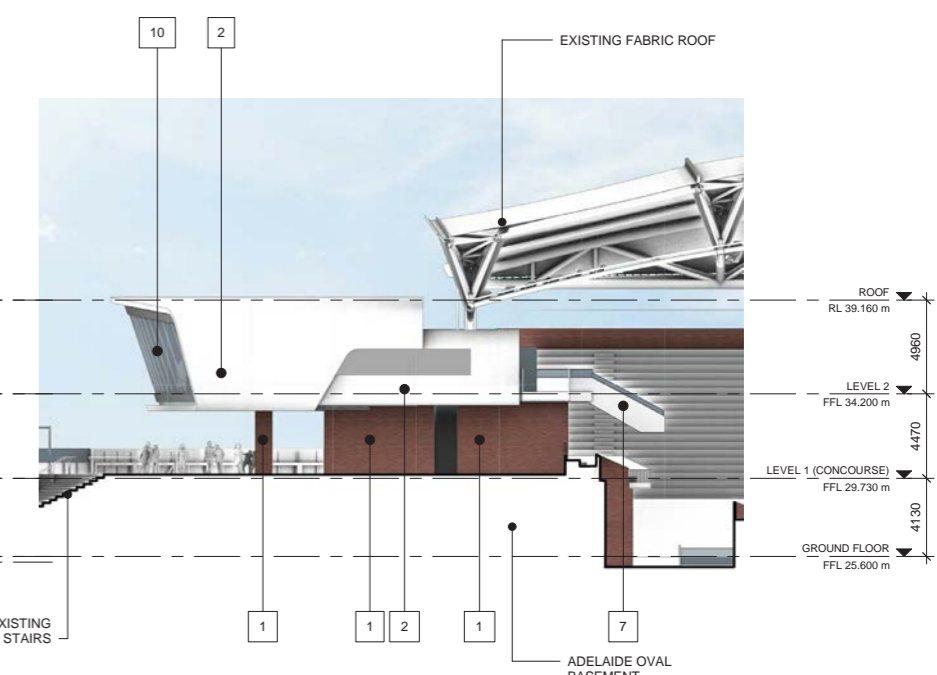
1 EAST ELEVATION
SCALE 1 : 200



2 SOUTH ELEVATION
SCALE 1 : 200



3 WEST ELEVATION
SCALE 1 : 200



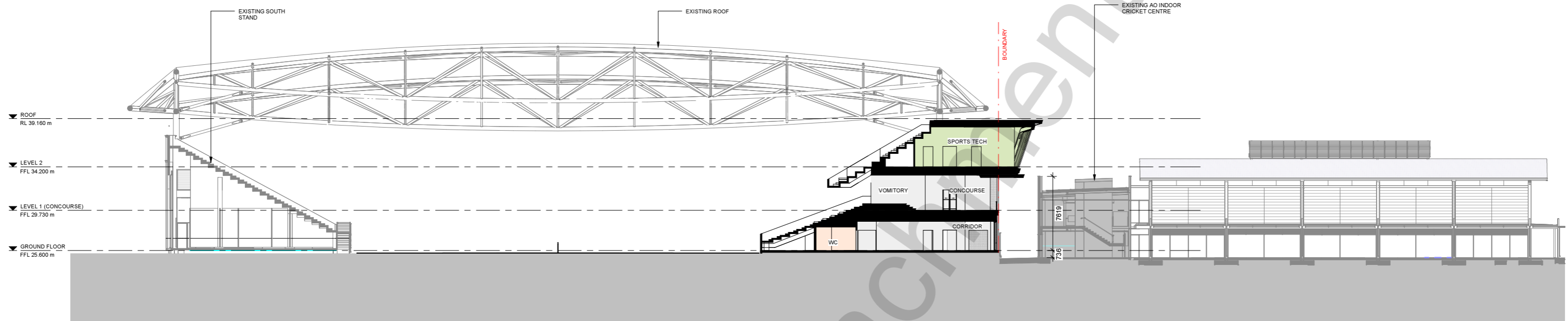
4 NORTH ELEVATION
SCALE 1 : 200

- MATERIAL SCHEDULE**
1. RED BRICK
 2. POWDER COAT ALUMINIUM CLADDING, WHITE
 3. POWDER COAT ALUMINIUM CLADDING, CHARCOAL
 4. STAINLESS STEEL CLADDING, BRONZE FINISH
 5. STAINLESS STEEL CLADDING, SILVER FINISH
 6. PRECAST CONCRETE, GREY
 7. PRECAST CONCRETE, OFF WHITE
 8. EPOXY CONCOURSE
 9. ALUMINIUM FRAMED WINDOWS & DOORS
 10. GLAZED CURTAIN WALL
 11. GLASS BALUSTRADE
 12. METAL RAILING BALUSTRADE
 13. PRECAST CONCRETE, CHARCOAL
 14. TIMBER BATTEN CEILING
 15. METAL ROOF

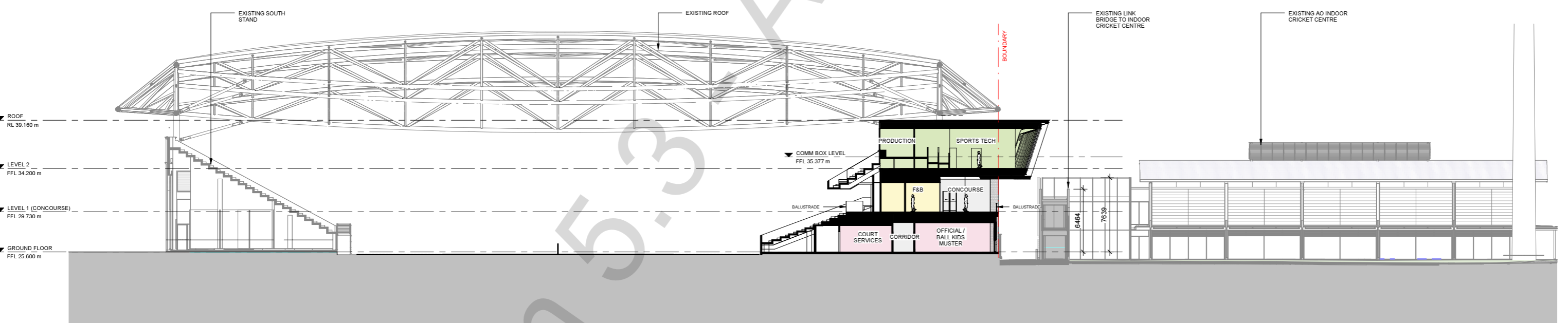


East Stand Elevation 1:400@A3





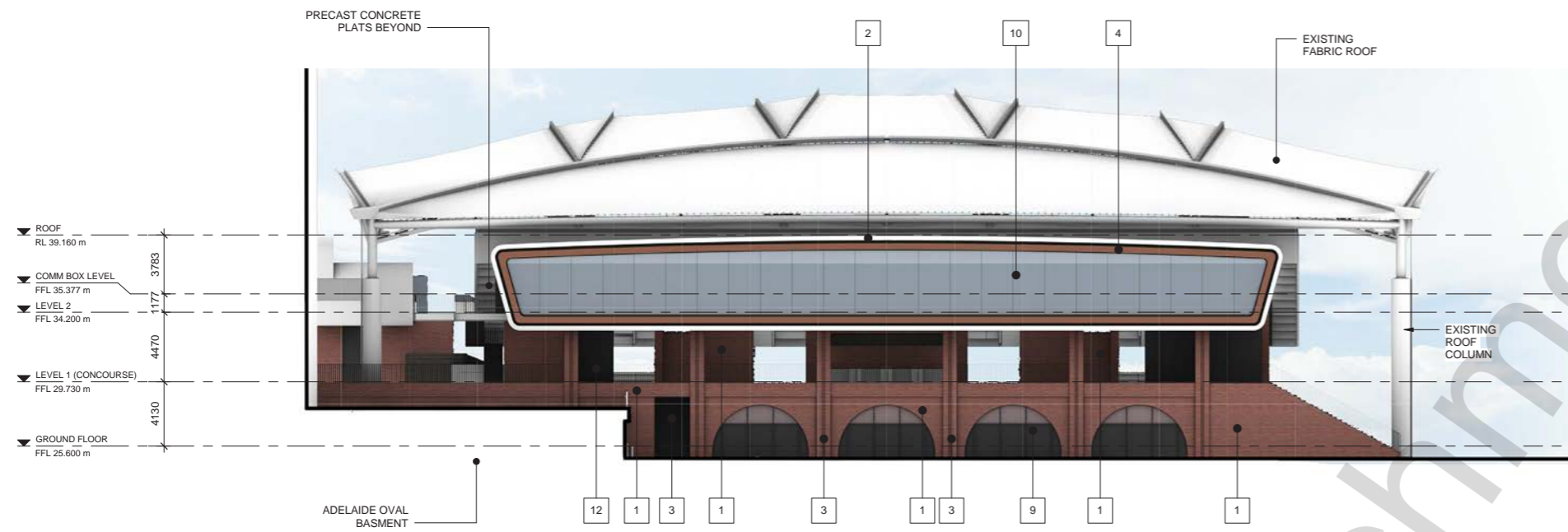
1 NORTH STAND - SECTION 1
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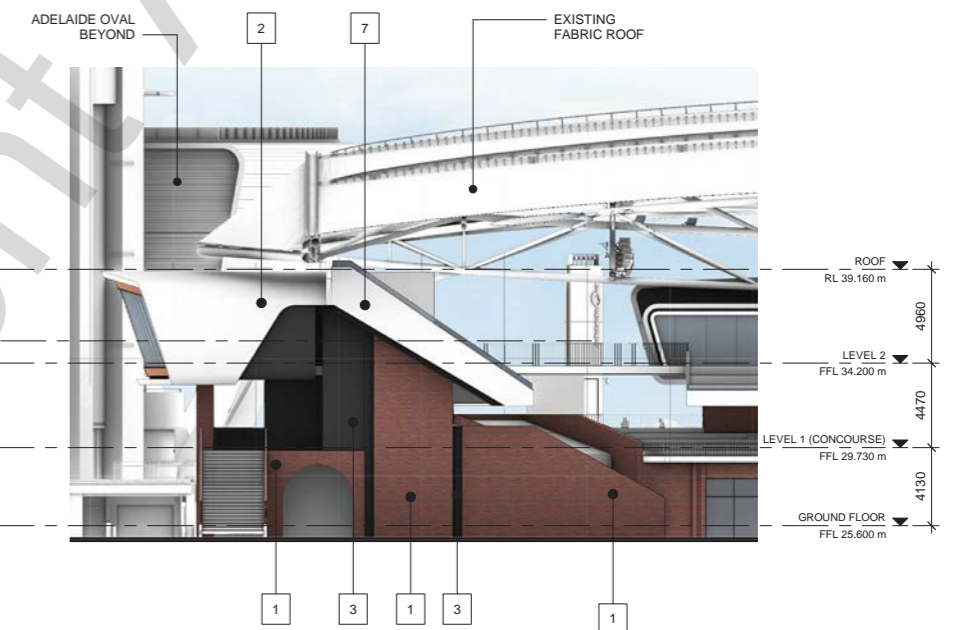
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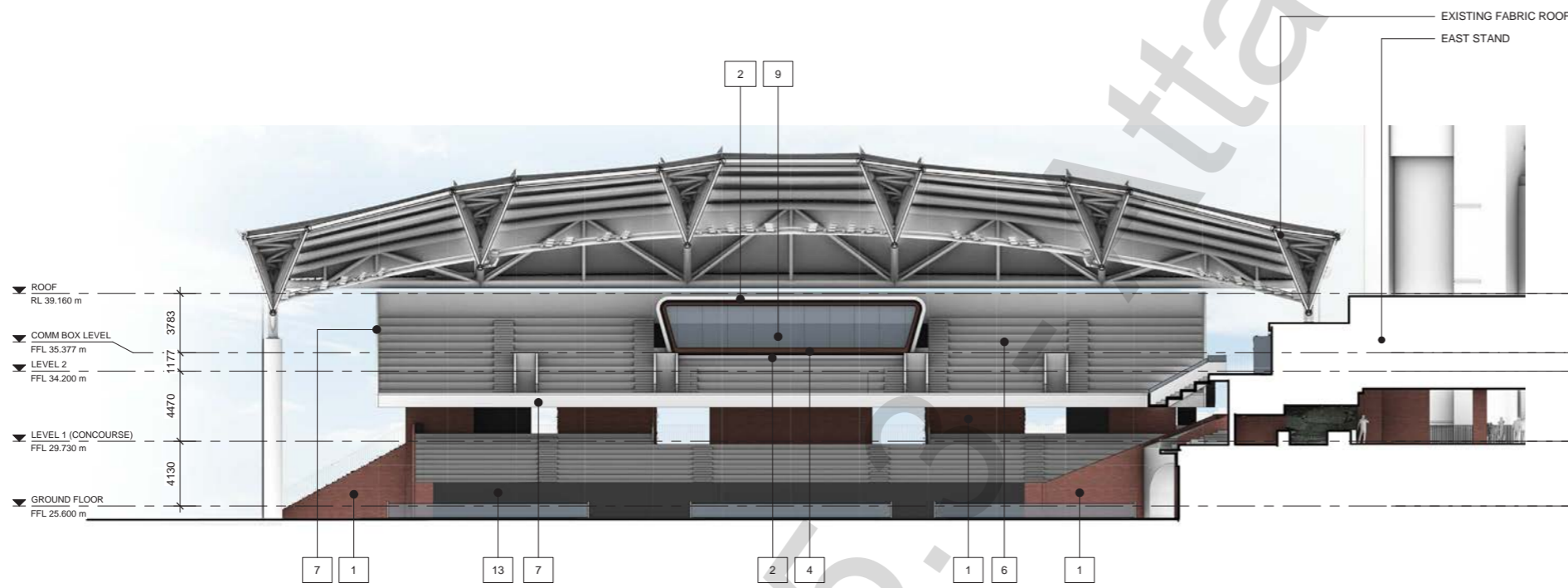
North Stand Section 1:400 @A3



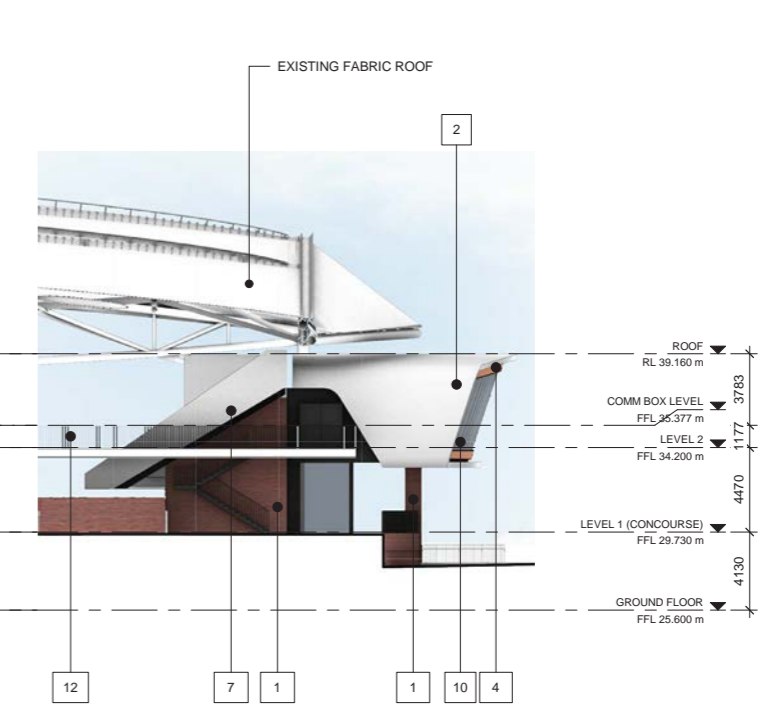
1 NORTH ELEVATION
SCALE 1:200



2 WEST ELEVATION
SCALE 1:200



3 SOUTH ELEVATION
SCALE 1:200

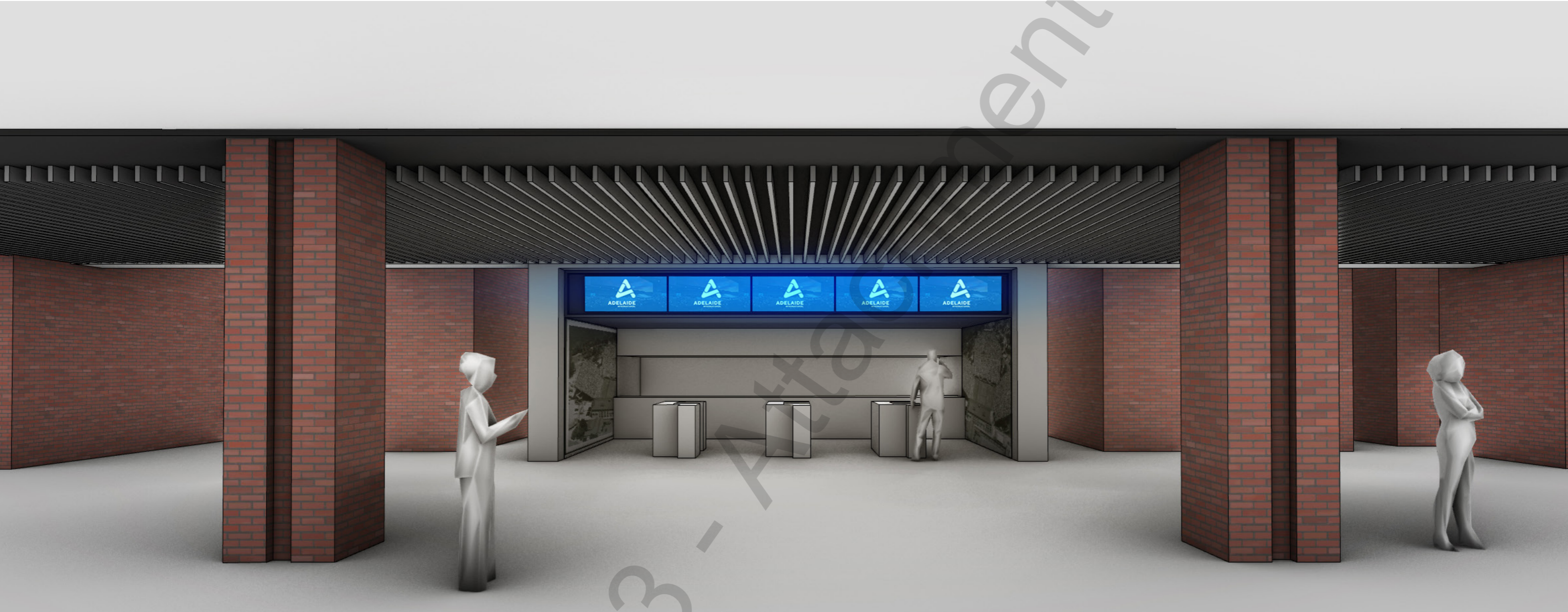


4 EAST ELEVATION
SCALE 1:200

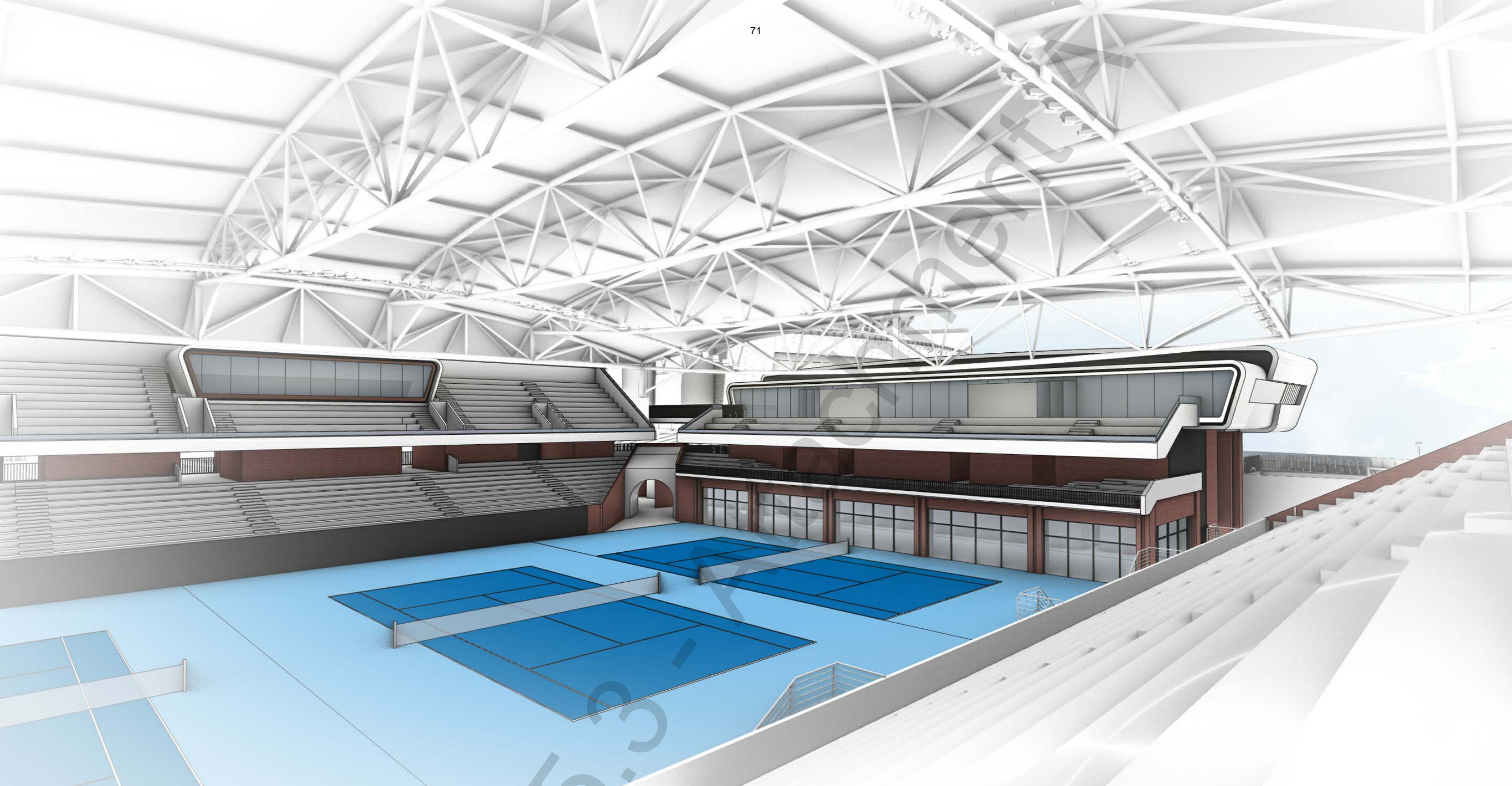
- MATERIAL SCHEDULE**
1. RED BRICK
 2. POWDER COAT ALUMINIUM CLADDING, WHITE
 3. POWDER COAT ALUMINIUM CLADDING, CHARCOAL
 4. STAINLESS STEEL CLADDING, BRONZE FINISH
 5. STAINLESS STEEL CLADDING, SILVER FINISH
 6. PRECAST CONCRETE, GREY
 7. PRECAST CONCRETE, OFF WHITE
 8. EPOXY CONCOURSE
 9. ALUMINIUM FRAMED WINDOWS & DOORS
 10. GLAZED CURTAIN WALL
 11. GLASS BALUSTRADE
 12. METAL RAILING BALUSTRADE
 13. PRECAST CONCRETE, CHARCOAL
 14. TIMBER BATTEN CEILING
 15. METAL ROOF



North Stand Elevation 1:400@A3







- NORTH STAND
- EAST STAND
- CONCOURSE & PLINTH

72

AO RIVERBANK STAND

NEXT GENERATION

TEMPORARY SEATING

LIFT TO COURT LEVEL & AO BASMENT

PLAZA ENTRY

EXISTING ROOF OVER




ENTRY

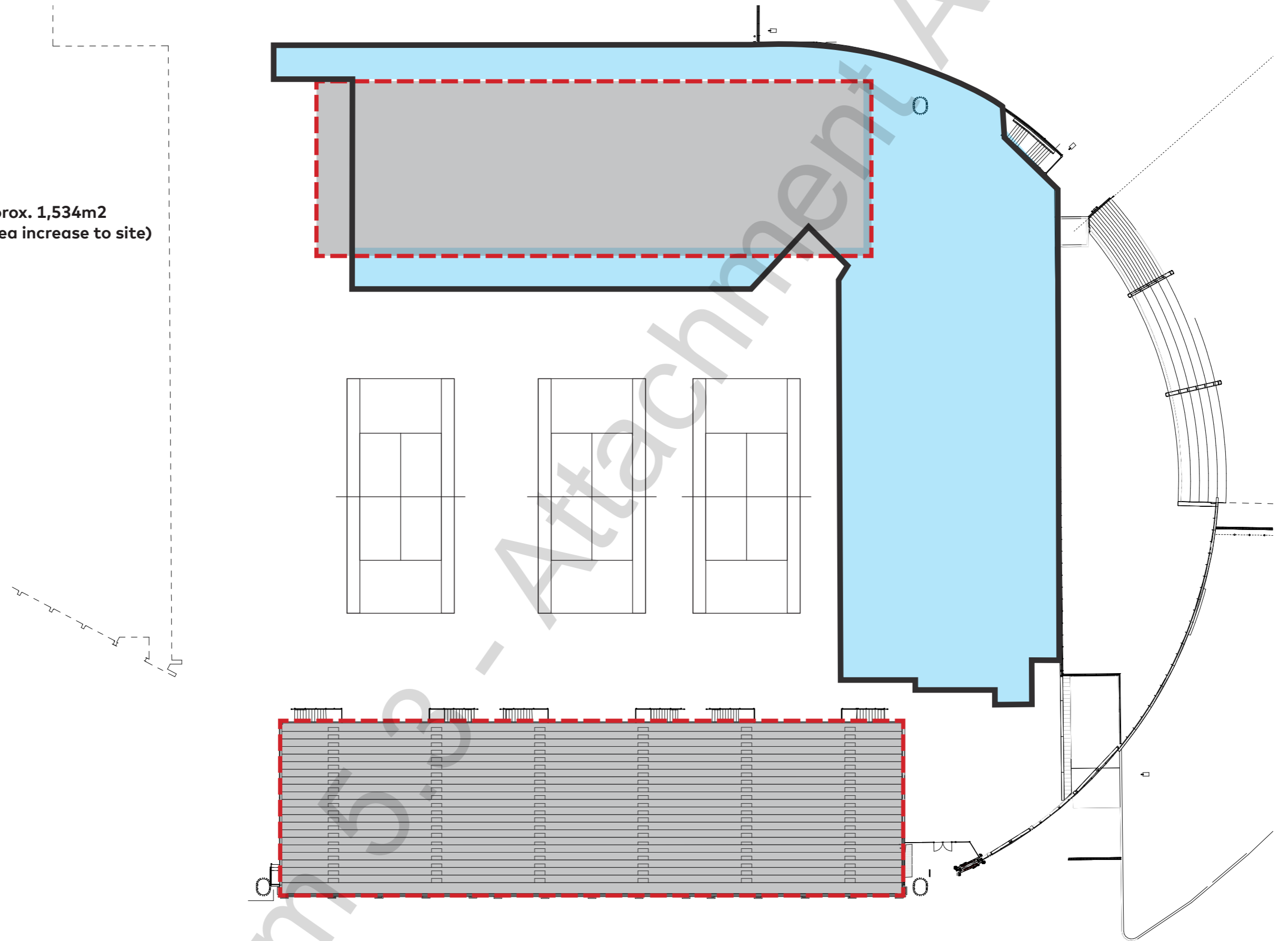
ENTRY

SOUTH STAND



Site Diagram

-  Existing
-  Proposed New
-  Area increased approx. 1,534m²
(27% additional area increase to site)

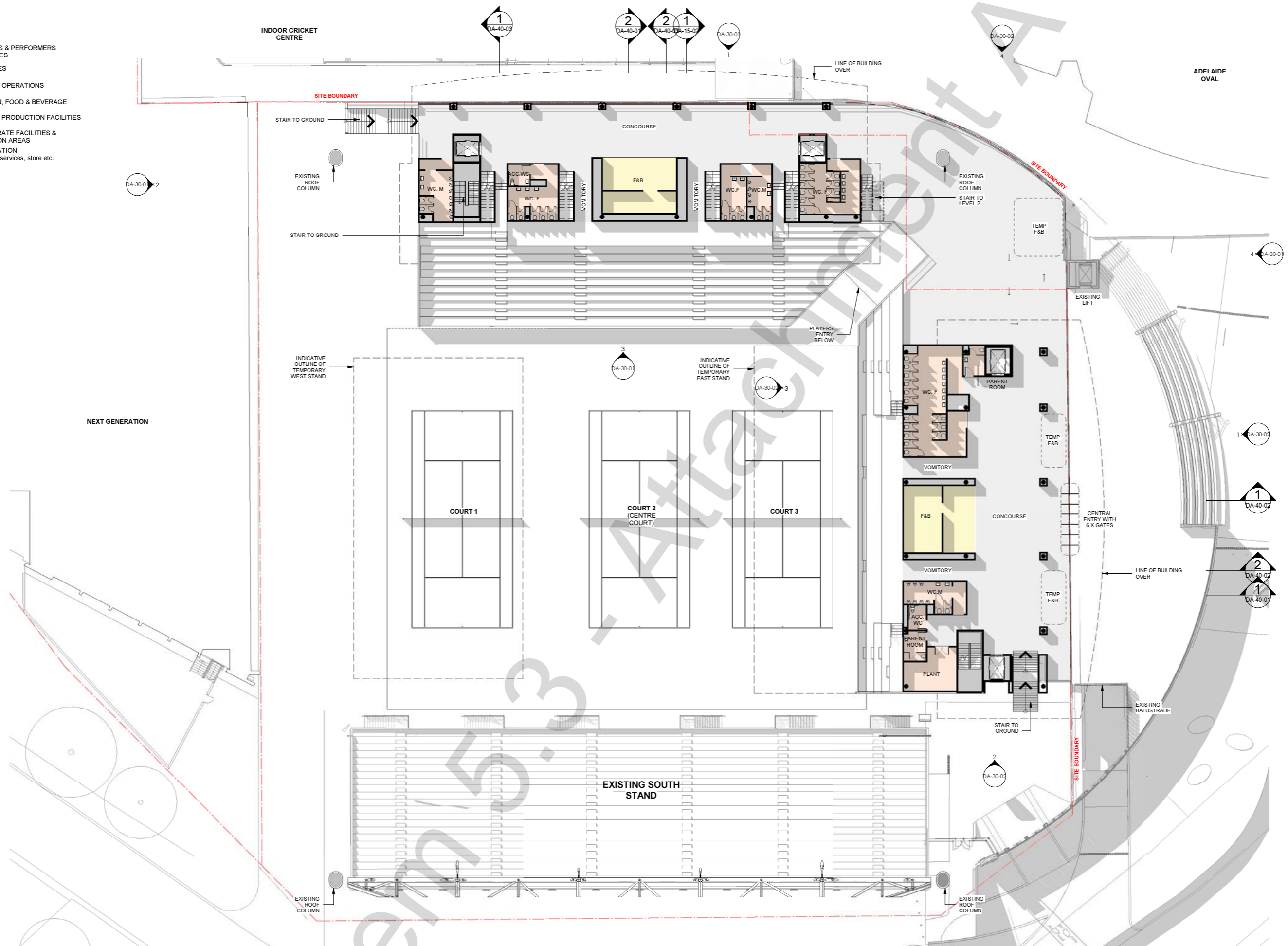


- PLAYERS & PERFORMERS FACILITIES
- AMENITIES
- STAFF & OPERATIONS
- KITCHEN, FOOD & BEVERAGE
- MEDIA & PRODUCTION FACILITIES
- CORPORATE FACILITIES & FUNCTION AREAS
- CIRCULATION including services, store etc.

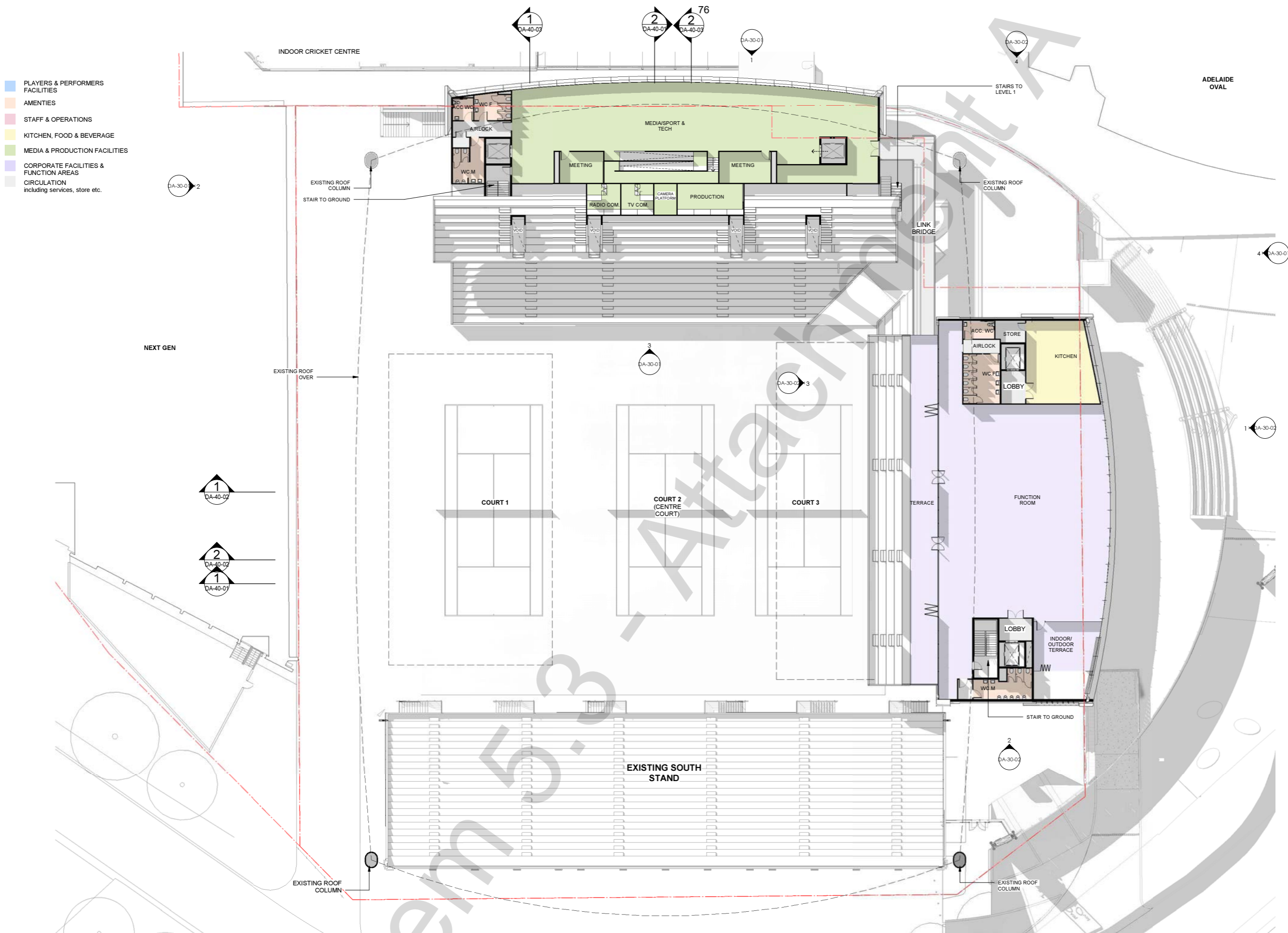


Ground Floor Plan 1:400 @ A3

- PLAYERS & PERFORMERS FACILITIES
- AMENITIES
- STAFF & OPERATIONS
- KITCHEN, FOOD & BEVERAGE
- MEDIA & PRODUCTION FACILITIES
- CORPORATE FACILITIES & FUNCTION AREAS
- CIRCULATION including services, store etc.

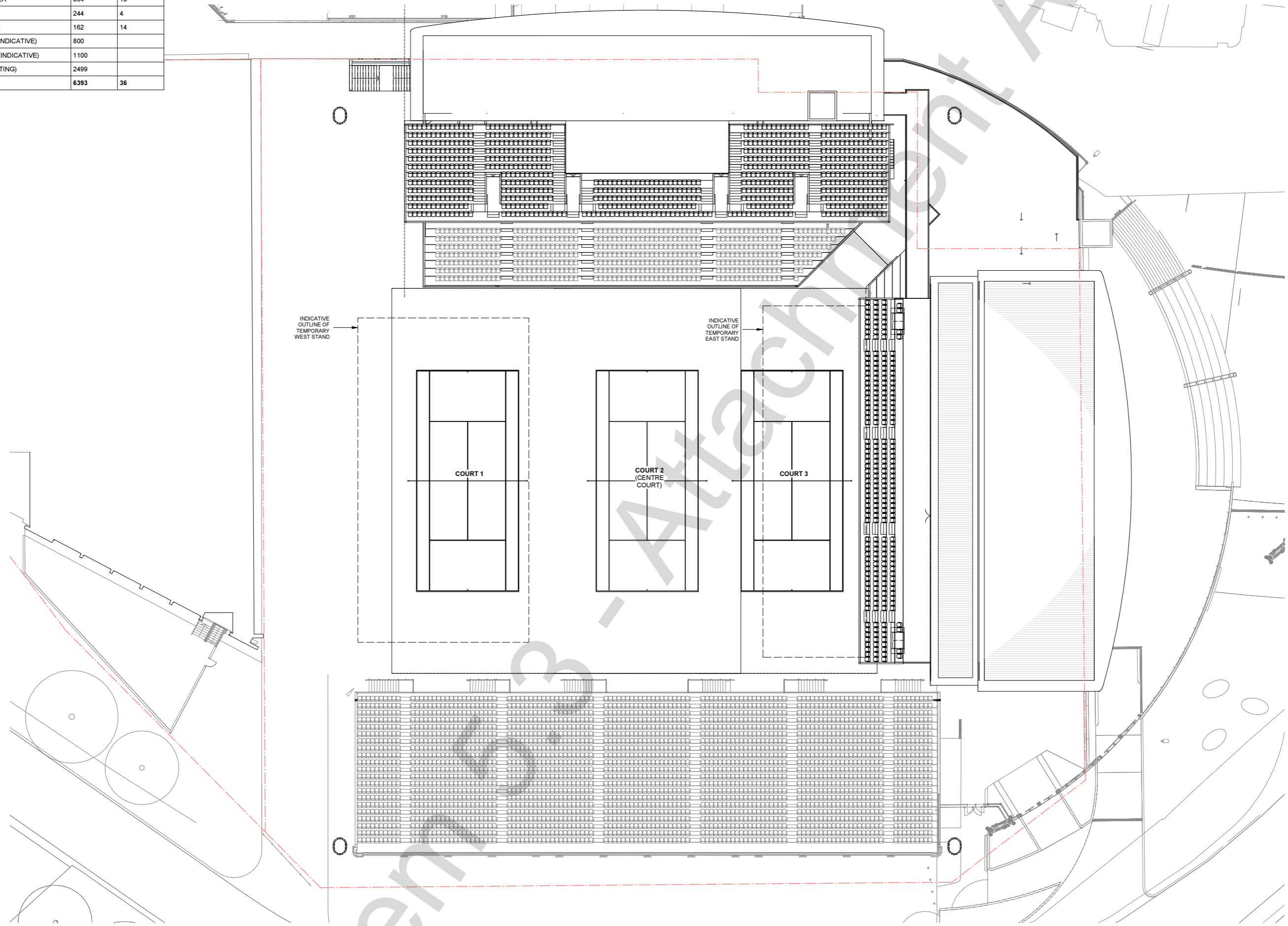


First Floor Plan 1:400 @ A3



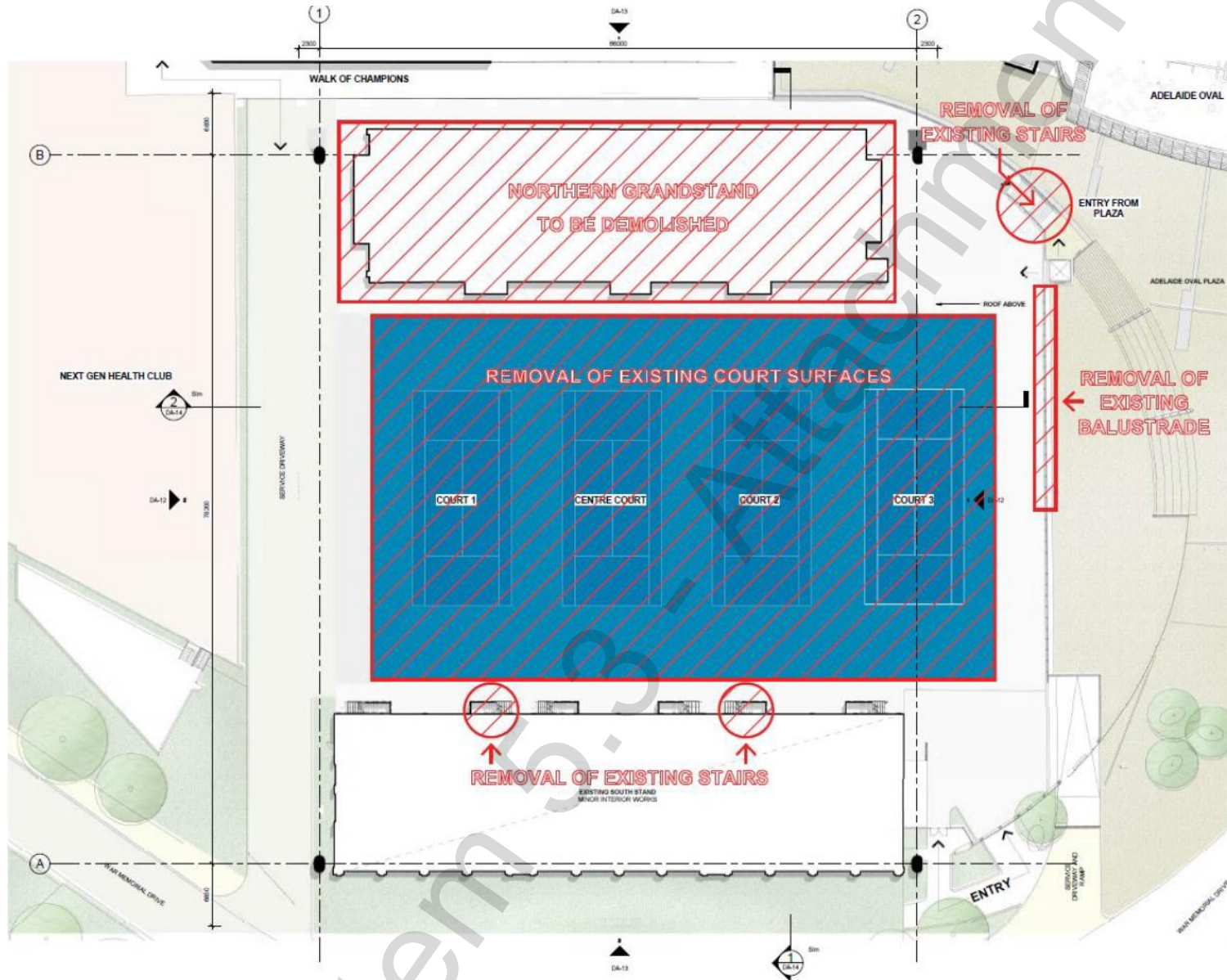
Second Floor Plan 1:400 @ A3

STAND	SEATS	ACCESSIBLE
NORTH STAND UPPER	756	
NORTH STAND LOWER	834	18
EAST STAND UPPER	244	4
EAST STAND LOWER	162	14
EAST STAND TEMP (INDICATIVE)	800	
WEST STAND TEMP (INDICATIVE)	1100	
SOUTH STAND (EXISTING)	2499	
TOTAL	6393	36



Seating Schedule

Demolition Plan – Tennis SA Centre Court Development



Playhouse Lane and Gilles Arcade partial road closure for the Queen's Theatre Fringe Hub 2021

ITEM 5.4 02/02/2021
The Committee

Strategic Alignment - Dynamic City Culture

Program Contact:
Christie Anthoney, AD City
Culture 8203 7444

2020/02199
Public

Approving Officer:
Clare Mockler, Deputy CEO &
Director City Shaping

EXECUTIVE SUMMARY

We have received an application from GWB Entertainment (GWB) to close a portion of Playhouse Lane and Gilles Arcade to support the delivery of the Queen's Theatre Fringe Hub during the Adelaide Fringe Festival 2021. The proposal is a temporary partial road closure of Playhouse Lane and Gilles Arcade, from 8.00am on Monday 15 February 2021 to 6.00pm on Monday 22 March 2021.

The primary reason for the partial closure is that GWB require additional foyer space to effectively manage audiences with COVID-19 safe compliance. The road closure enables a controlled space for queue management on the street and public footpaths.

The closure also enables the creation of an outdoor area with additional seating options, umbrellas/shade, plants, art, patron information and sponsor activations. This outdoor area will assist the Queen's Theatre to become a new vibrant Fringe hub bringing the Fringe to the City's west.

A liquor licence for consumption will be sought for the outdoor area, however no music or entertainment will be provided outside.

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The following recommendation will be presented to Council on 9 February 2021 for consideration

That Council:

1. Approves GWB Entertainment to close a portion of Playhouse Lane and Gilles Arcade to support the delivery of the Queen's Theatre Fringe Hub during the Adelaide Fringe Festival 2021 from 8.00am on Monday 15 February 2021 to 6.00pm on Monday 22 March 2021.
 2. Authorises the Chief Executive Officer to take all necessary steps to implement the required road closure, as set out in Image 1 of this report, under Section 33 of the *Road Traffic Act 1961 (SA)*.
 3. Authorises the Chief Executive Officer or delegate to take all necessary steps to prepare and execute a permit to enable GWB Entertainment to utilise the relevant portion of Playhouse Lane and Gilles Arcade, as set out in Image 1 of this report, for a business purpose under Section 222 of the *Local Government Act 1999 (SA)*.
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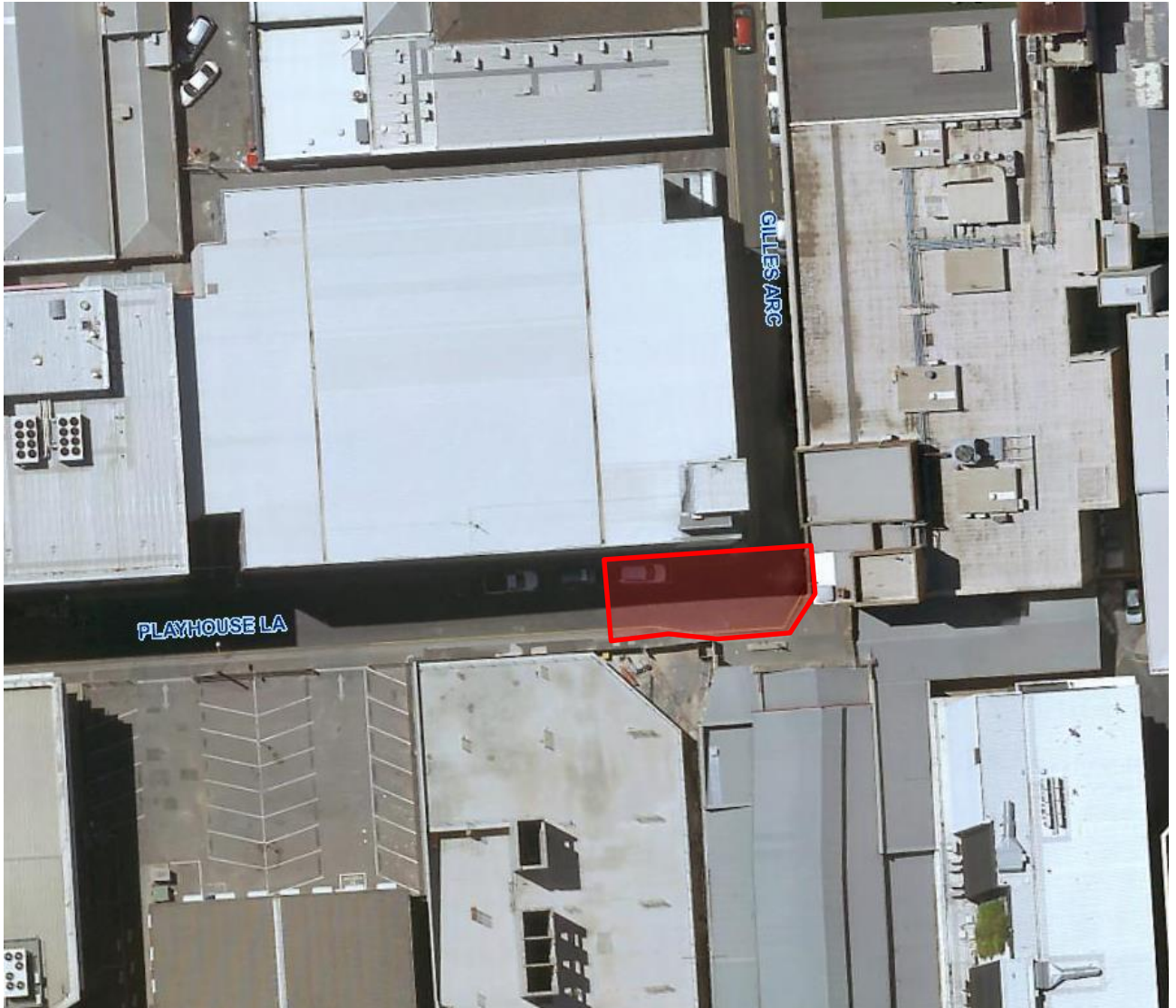
IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Dynamic City Culture The proposals outlined in this report align with Key Action 3.11: <i>Expand Adelaide’s global reputation as a ‘magnet city’ and UNESCO City of Music, through world class events, live music, festivals and activation.</i>
Policy	All events proposed for a road are assessed against the Adelaide Park Lands Event Management Plan 2016-2020 (APLEMP) and Guidelines for Events on SA Roads in line with the Road Traffic Act 1961 (SA) through the application process. The application meets the relevant requirements of each.
Consultation	Under Section 223 of the Local Government Act 1999 (SA), public consultation must be undertaken before a permit is granted for an application to close a road for an event that may impede the passage of traffic to a material degree. In Accordance with the APLEMP, public consultation and a decision of Council is required where an event is seeking a road closure of more than 24 hours. Public consultation was administered from 9 December to 30 December 2020 through the <i>Your Say Adelaide</i> website. There were 48 individuals who visited the <i>Your Say Adelaide</i> page and 5 individuals who lodged a submission.
Resource	Not as a result of this report
Risk / Legal / Legislative	If the proposed use of the road and associated closure is approved by Council, the Chief Executive Officer has delegated authority to implement the closure under the <i>Road Traffic Act 1961(SA)</i> . The Chief Executive Officer, or delegate, also have the authority to prepare and execute a permit under the <i>Local Government Act 1999 (SA)</i> .
Opportunities	Playhouse Lane and Gilles Arcade is in an area that is not ordinarily highly utilised. The closure and associated activation would be a way of bringing energy and vibrancy to this underutilised area and bringing the Fringe to the City’s west.
20/21 Budget Allocation	GWB Entertainment will be required to pay the City of Adelaide fees and charges as approved by Council.
Proposed 21/22 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	The requested road closure is from 8.00am on Monday 15 February 2021 to 6.00pm on Monday 22 March 2021.
20/21 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (e.g. maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. As part of the Adelaide Fringe Festival 2021, GWB Entertainment will establish the Queen's Theatre as a Fringe Hub in 2021, hosting a range of performances and activations.
2. To support the safe activation of the venue during the Festival, GWB Entertainment is requesting a temporary, partial road closure of the corner of Playhouse Lane and Gilles Arcade from 8.00am on Monday 15 February 2021 to 6.00pm on Monday 22 March 2021, between Currie Street and Morphett Street.
3. The section of Playhouse Lane and Gilles Arcade being proposed for closure is denoted in the image below.

Image 1 – Proposed section of Playhouse Lane and Gilles Arcade road closure (within red area)



4. Playhouse Lane and Gilles Arcade is a two-way road with a speed of 50km per hour. It mostly serves as local access to service surrounding businesses and services. Access to the existing car parks in both Playhouse Lane and Gilles Arcade will not be impacted by the closure.
5. To facilitate safe management of the road closure, the following would be implemented:
 - 5.1. GWB would fund the engagement of a traffic management company to install all of the required traffic control devices used to enact the road closure.
 - 5.2. Full access to all private car parks through the road closure would still be maintained.
 - 5.3. Fencing and scrim used to delineate the closure would be attractive with branding used to respect the cultural focus of the Queen's Theatre Fringe Hub and the events taking place within the building.
 - 5.4. Three on-street public car parks within the closure would be removed to accommodate the closure request. These car parks are currently one-hour parking Monday to Saturday 8:00am to 6:00pm.

- 5.5. Security personnel would be present within the closure at peak times.
- 5.6. General pedestrian access through the closure would be maintained at all times.
- 5.7. Emergency egress from neighbouring premises would not be impacted.
6. Access has been considered regarding this closure and the following would be maintained during the proposed closure:
 - 6.1. All access to businesses and services including private car parks. The nature of Playhouse Lane and Gilles Arcade which provides two – way access through the area means that access to these businesses and services can still be maintained.
 - 6.2. At any given time, the temporary fencing could be opened, and movable furniture pushed aside to allow for emergency services access or any other access deemed required through the closure.
 - 6.3. Access to the permanent road service plates would be maintained.
7. The venue has identified that the partial road closure is increasingly important in 2021 to increase the space for safe, socially distanced patrons to queue in line with planning to deliver a COVID Safe event.
8. A liquor licence for consumption will be sought for the designated outdoor area, however no music or entertainment will be provided outside.
9. Under Section 223 of the *Local Government Act 1999 (SA)* and the Adelaide Park Lands Events Management Plan 2016-2020, formal consultation on this request is required.
10. Consultation occurred via the *Your Say Adelaide* website between 9 December and 30 December 2020. An advertisement appeared in *The Advertiser* to advise of this consultation. Targeted consultation was also conducted by GWB with Youth 110, St Vincent de Paul Society (SA) Inc, UNO Apartments, Schiavello, KPark and Wingfold.
11. Below provides a summary of the results.
 - 11.1. A total of 48 people visited the *Your Say Adelaide* website.
 - 11.2. Of the 48 people, 5 people lodged feedback via the *Your Say Adelaide* website, all of which were supportive of the proposal.

DATA AND SUPPORTING INFORMATION

[Adelaide Park Lands Event Management Plan 2016-2020](#)

[Guidelines for Events on SA Roads](#)

ATTACHMENTS

Nil

- END OF REPORT -

Proposed Event in the Adelaide Park Lands – Air Groove 2021

ITEM 5.5 02/02/2021
The Committee

Strategic Alignment - Dynamic City Culture

Program Contact:
Christie Anthoney, AD City
Culture 8203 7444

2020/01931
Public

Approving Officer:
Clare Mockler, Deputy CEO &
Director City Shaping

EXECUTIVE SUMMARY

An application has been received from Midnight Oats Pty Ltd to hold an event, Air Groove 2021, in Rymill Park / Murlawirrapurka (Park 14) – East of Kiosk site. The event will run each Friday and Saturday night from Friday 2 July 2021 to Sunday 25 July 2021, with the event bumping in from Friday 18 June 2021 and bumping out by Monday 2 August 2021.

The event application has been assessed against the [Adelaide Park Lands Event Management Plan \(APLEMP\)](#) and meets the Rymill Park / Murlawirrapurka (Park 14) event site criteria. As part of this event, the applicant will abide by the [City of Adelaide Event Amplified Sound Management Guidelines](#) ensuring the appropriate notification is distributed to all key stakeholders and noise management procedures are in place.

The APLEMP allows for events to operate in Rymill Park / Murlawirrapurka (Park 14) until 3:00 am on Friday and Saturday nights, however Council approval is required for any new event application which proposes to operate beyond 12:00 am (midnight).

.....

The following recommendation will be presented to Council on 9 February 2021 for consideration:

That Council:

1. Approves Midnight Oats Pty Ltd to operate the Air Groove 2021 event between Friday 2 July 2021 and Sunday 25 July 2021 in Rymill Park / Murlawirrapurka (Park 14) – East of Kiosk site.
 2. Approves the Air Groove 2021 event to operate beyond 12:00 am (midnight) until 2:00 am on Friday and Saturday nights during the event period.
 3. Authorises the Chief Executive Officer to approve any further changes required to the event application where the change is necessary in order to fulfil a COVID Management Plan or COVID Safe Plan approved by SA Health.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Dynamic City Culture Celebration of diverse community, culture and creativity 3.1.1 Expand Adelaide’s global reputation as a ‘magnet city’ and UNESCO City of Music, through world class events, live music, festivals and activation.
Policy	This event application has been assessed against the requirements of the APLEMP. If supported by Council to proceed, the event would be subject to all relevant policies, plans and procedures including the APLEMP and City of Adelaide Event Amplified Sound Management Guidelines.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Not as a result of this report
20/21 Budget Allocation	Midnight Oats Pty Ltd will be required to pay site fees as per the City of Adelaide Park Land Site Fees , as approved by Council.
Proposed 21/22 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	If supported by Council, the event organiser will be issued a single year event licence for the duration of the 2021 event.
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. An event application has been received for Midnight Oats Pty Ltd to hold an event, Air Groove 2021, in Rymill Park / Murlawirrapurka (Park 14) – East of Kiosk site shown in Link 1 view [here](#).
2. The event will operate as an arts and cultural venue with a performance element, including music, dance, performance, interactive installations, lighting displays and food and beverage offerings, which will support the arts and cultural sector.
3. As outlined in the Adelaide Park Lands Event Management Plan (APLEMP), the application requires Council approval as it is a new event application proposing to operate beyond 12:00am midnight on Friday and Saturday nights.

Event Description

4. The proposed event:
 - 4.1. Will utilise a portion of the Rymill Park / Murlawirrapurka (Park 14) – East of Kiosk site for the duration of July 2021.
 - 4.2. The event will run each Friday and Saturday from 2 July 2021 until 25 July 2021, with the event bumping in from Friday 18 June 2021 and bumping out by Monday 2 August 2021.
 - 4.3. Aims to create a unique atmosphere by transforming an intimate circus tent into a colourful 1960s, vintage inspired, airport terminal with interactive and artistic installations, entertainment including live bands and DJ music, and food and beverage offerings.
 - 4.4. The applicant currently runs the Loverboy venue in Hindley Street and has previously proposed to stage another event, 'Archies' in Ellis Park / Tampawardi (Park 24). However, this event has not gone ahead due to impacts associated with COVID-19.
 - 4.5. The event area will be fenced, using a high-quality fence scrim.
5. The venue will:
 - 5.1. Have a 500 person capacity at any one time.
 - 5.2. Apply for a liquor licence and provide food and beverage offerings.

Trading Hours

6. The applicant has proposed the following operating hours which are beyond 12:00am midnight between Friday 2 July 2021 and Sunday 25 July 2021:
 - 6.1. Friday 2 July 2021 – 8:00pm to 2.00am
 - 6.2. Saturday 3 July 2021 – 8:00pm to 2.00am
 - 6.3. Friday 9 July 2021 – 8:00pm to 2.00am
 - 6.4. Saturday 10 July 2021 – 8:00pm to 2.00am
 - 6.5. Friday 16 July 2021 – 8:00pm to 2.00am
 - 6.6. Saturday 17 July 2021 – 8:00pm to 2.00am
 - 6.7. Friday 23 July 2021 – 8:00pm to 2.00am
 - 6.8. Saturday 24 July 2021 – 8:00pm to 2.00am
7. The following dates will be down days where the site will be closed to the public:
 - 7.1. Sunday 4 July 2021 – Thursday 8 July 2021
 - 7.2. Sunday 11 July 2021 – Thursday 15 July 2021
 - 7.3. Sunday 18 July 2021 – Thursday 22 July 2021

Noise Levels

8. The event organisers will be required to develop a Noise Management Plan which will describe how noise emission will be managed for the event. This event has been categorised as a Temporary Multi-Day Venue under the City of Adelaide Event Amplified Sound Management Guidelines.
9. Temporary Multi-Day Venues are required to pay a noise bond and install a noise logger at front of house to monitor and record noise levels throughout the event.

10. It is a requirement of the City of Adelaide Event Amplified Sound Management Guidelines for events to provide an event hotline telephone number that is manned for the duration of the event. Any concerns with noise or the event can be reported and addressed in real-time.
11. A complaint procedure will be developed as part of the Noise Management Plan, addressing how all feedback or complaints received through the event hotline number will be assessed, mitigated and actions reported back to the member of the public.

Access To and Through the Event Site

12. Access to the event site will be via an access road off Bartels Road.
13. The event site will occupy an area of approximately 3000m², being a small portion of the East of Kiosk site of Rymill Park / Murlawirrapurka (Park 14).
14. No pathways are proposed to be closed for the event set up.
15. The event will engage with nearby stakeholders including the Adelaide Bowling Club and the kiosk operator (once they are operational).
16. The event organisers will address access and egress public safety in their Risk Management Plan.

Care of Park Lands

17. The event organiser must cover all costs associated with remediating the site back to its original condition after an event. This has been communicated to the event organiser and would be a condition of the event licence agreement.
18. If approved, we will work with the event organisers on strategies and approaches to minimise impact on the site during the event bump-in and out.

Liquor Licence

19. The event organiser will be seeking a liquor licence capacity of 500 people, but this is subject to final approval from Consumer and Business Services. The event organisers would be required to comply with the liquor licence conditions as set by Consumer and Business Services.

Development Approval

20. The event organiser will submit a Development Application for a Development Approval due to the site being occupied for over 31 days as per the Development Plan.
21. The Development Approval will ensure all requirements of the Development Plan for the site will be considered.

Site Fees

22. Midnight Oats Pty Ltd will be charged site fees for the duration of their occupation of the site as per the City of Adelaide Park Land Site Fees, as approved by Council. Site fees will be invoiced and paid prior to site handover.
23. In addition, a percentage of the estimated remediation costs is also required as a pre-payment (or security) prior to the event organisation having site possession or bumping-in.

COVID-19 Considerations

24. All City of Adelaide event applications and approvals are subject to the event organisers complying with relevant laws, regulations and restrictions in relation to the outbreak of the human disease named COVID-19.
25. At the time of writing this report all events in South Australia require a COVID Safe Plan or a COVID Management Plan (if attendance is in excess of 1,000 people or a liquor licenced venue with dancing) approved by SA Health.
26. A COVID Management Plan or COVID Safe Plan outlines the measures an event is taking to keep event patrons and staff safe in the context of the COVID-19 Pandemic to minimise the risk of spreading COVID-19 and are subject to the South Australian Directions or restrictions that apply at the time of the event.
27. As a condition of hire, all events are required to submit the relevant COVID Safe and/or Management plans to the City of Adelaide for review and approval of those elements that affect occupancy of the Park Lands in the delivery of the event.
28. Further variations to the Air Groove 2021 event footprint and operating conditions may be necessary for the event to fulfil a COVID Management Plan to meet the South Australian Directions or restrictions that apply at the time of the event.

Next Steps

29. If approved by Council, we will proceed with granting a single year temporary event licence to Midnight Oats Pty Ltd for the delivery of Air Groove 2021 in Rymill Park / Murlawirrapurka (Park 14).
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DATA AND SUPPORTING INFORMATION

[Adelaide Park Lands Event Management Plan \(APLEMP\)](#)

[City of Adelaide Event Amplified Sound Management Guidelines](#)

[South Australian Roadmap for Easing COVID-19 Restrictions](#)

[City of Adelaide Park Land Site Fees](#)

ATTACHMENTS

Nil

- END OF REPORT -

Regulated Tree Removal (retrospective) – Peppermint Park / Wita Wirra (Park 18)

ITEM 5.6 02/02/2021
The Committee

Strategic Alignment - Enabling Priorities

Program Contact:
Matthew Morrissey, Associate
Director, Infrastructure 8203 7462

2002/00456

Public

Approving Officer:
Klinton Devenish, Director
Services, Infrastructure &
Operations

EXECUTIVE SUMMARY

Council approval is required for the removal of any significant tree prior to a development approval being granted.

The tree which is the subject of this report has undergone an arborist tree assessment and was deemed to pose a high, unacceptable risk, showing extensive evidence of decay. Given its proximity to a bench seat and car parking spaces, which were within the fall zone of the tree's canopy, the assessment has deemed the tree not to be as safe as reasonably practical and immediate removal was, therefore, recommended and executed.

The subject tree was a *Ulmus hollandica* (Dutch Elm) and its removal now requires Council consideration and retrospective approval. Subject to an assessment of suitable options within projected climate change parameters and location specific conditions, a replacement tree will be installed during the following planting season.

The following recommendation will be presented to Council on 9 February 2021 for consideration

That Council

1. Approves in its capacity as having care and control of the land, the removal of one *Ulmus hollandica* (Dutch Elm) located in Peppermint Park / Wita Wirra (Park 18).

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities
Policy	The removal and replacement align with Council's Tree Management Framework.
Consultation	All development applications submitted by the Administration to undertake structural pruning or the removal of regulated or significant trees in the Park Lands are subject to category 1 public notification (meaning no public notification is undertaken).
Resource	Removal and replacement costs are managed within Public Realm operating budgets.
Risk / Legal / Legislative	The risk posed by this tree was unacceptable given its proximity to a bench seat and car parking spaces which are within the fall zone of the tree's canopy.
Opportunities	A replacement tree will be installed during the following planting season after the subject tree's removal.
20/21 Budget Allocation	Not in relation to this report. Costs will be managed within Public Realm budgets
Proposed 21/22 Budget Allocation	Not in relation to this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Replacement tree planting will have a minimum useful life expectancy of 80 years.
20/21 Budget Reconsideration (if applicable)	Not in relation to this report
Ongoing Costs (eg maintenance cost)	Costs will be covered within current operational budgets
Other Funding Sources	Not in relation to this report

DISCUSSION

1. All development applications submitted by the Administration to undertake structural pruning or the removal of regulated or significant trees in the Park Lands are subject to category 1 development process (meaning no public notification is undertaken).
2. Council approval is required, in its role as having care and control of the land, for the removal of any regulated or significant tree before a development application may be approved.
3. The tree referred to in this report is regulated under the *Development (Regulated trees) Amendment Act 1999*.
4. The tree location in Peppermint Park / [Wita Wirra \(Park 18\)](#) lines the park frontage on the southern side of South Terrace and is part of an avenue of Elm trees that is consistent for the entire length of South Terrace from Hutt Rd to West Terrace (Link 1 view [here](#)).
5. An arborist report has been undertaken which includes an assessment of the risk this tree poses in its location (Link 2 view [here](#)).
6. The recommendation from the arborist report was to remove the tree immediately under *section 54A of the Development Act 1993* and to then apply for a retrospective development application.

Tree Characteristics -*Ulmus hollandica* (Dutch Elm)

7. The trunk circumference measured at 1 metre above natural ground level is 2.5 metres.
8. The tree is 8 metres in height and 4 metres in width
9. The tree is estimated to be approximately 120 years old.

Tree Condition

10. On the 13 December 2020 the tree dropped a moderately sized branch. As part of the tree inspection carried out in response to this failure the tree was found to be extensively decayed and deemed to not be as safe as reasonably practical.
 - 10.1. A risk assessment of the tree has identified numerous faults resulting in a rating that recommended immediate tree removal.
 - 10.2. The tree structure was poor, structural defects were evident and its vitality was low with extensive hollowing of the tree trunk typical of an Elm reflecting the tree's age. There was minor deadwood within its canopy with evidence of previous large limb failures (Link 3 view [here](#)).
 - 10.3. There is evidence of fungal activity and termite activity.
 - 10.4. With all these factors combined the tree was a high risk and, as such, has been removed.

Tree Succession Planning

11. The tree had previously been identified as being senescent with a short useful life expectancy and was due to be replaced with a new tree in 2021's tree planting season.
 - 11.1. While the replacement specie may be the same as the current tree an assessment of suitable options will be considered within projected climate change parameters and location specific conditions.

DATA AND SUPPORTING INFORMATION

Link 1 – Location of *Ulmus hollandica* (Dutch Elm) in Park 18

Link 2 – Summary Tree Report South Terrace for *Ulmus hollandica* (Dutch Elm) in Park 18

Link 3 – Photo of *Ulmus hollandica* (Dutch Elm) in Park 18

ATTACHMENTS

Nil

2021 LGA Ordinary General Meeting

ITEM 5.7 02/02/2021
The Committee

Strategic Alignment - Enabling Priorities

Program Contact:
Kerry Loughhead, EM CEO
Office 8203 7014

2018/04054
Public

Approving Officer:
Mark Goldstone, Chief Executive
Officer

EXECUTIVE SUMMARY

The Local Government Association of South Australia (LGA) has advised that its Ordinary General Meeting will be held on 30 April 2021.

The LGA has invited South Australian councils to submit proposed Items of Business for the Ordinary General Meeting by 25 February 2021.

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

Council Members have also been informed of the opportunity to attend the meeting (subject to restrictions on gatherings) and nominate as Council voting delegate or deputy delegate.

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The following recommendation will be presented to Council on 9 February 2021 for consideration

That Council:

1. Notes that the Local Government Association of South Australia (LGA) Ordinary General Meeting is scheduled for 30 April 2021.
 2. Appoints a Council Delegate for the 2021 LGA Ordinary General Meeting on 30 April 2021.
 3. Appoints a Deputy Council Delegate for the 2021 LGA Ordinary General Meeting on 30 April 2021.
 4. Approves submission of the following proposed Item of Business to the Greater Adelaide Regional Organisation of Councils / LGA Board of Directors for consideration for inclusion on the agenda of the LGA Ordinary General Meeting:
 - 4.1. That the Annual General Meeting:
 - 4.1.1. Calls for the State Government to undertake a comprehensive review of statutory rate rebates and exemptions.
 - 4.1.2. Requests that the LGA urgently progresses the key action in the LGA Advocacy Plan for 2019-2023¹(Financial Sustainability theme) that the LGA work with interested councils to undertake analysis and prepare an issues paper to inform and advocate for a review of the mandatory rate rebates that councils are compelled to provide.
 - 4.1.3. Requests that following preparation of the issues paper and consultation with interested councils, the LGA seeks to engage an appropriate economic advisory consultancy to prepare a report for government advocating for changes to statutory rate rebates and exemptions in SA.
-

¹ [LGA-Annual-General-Meeting-Agenda-and-Papers-29-October-2020-V3.pdf](#) (p.7)

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities 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 proposed 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 attend the meeting (subject to restrictions on gatherings) or to nominate as a voting delegate or deputy.
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 annual 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.
20/21 Budget Allocation	Not as a result of this report
Proposed 21/22 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
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. The Local Government Association of SA (LGA) is planning to hold its Ordinary General Meeting (OGM) on Friday 30 April 2021 at the Adelaide Entertainment Centre (subject to restrictions on gatherings).

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 2020 LGA Annual General Meeting) of Councillor Couros (Deputy Lord Mayor) as Council's LGA voting delegate and Councillor Knoll as deputy voting 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 Thursday, 25 February 2021. 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 24 November 2020 to submit proposed Items of Business for Council's consideration. The Partnerships & Intergovernmental Relations Senior Advisor has offered to meet with Council Members to provide support in preparing draft items.
7. The following item has been prepared for Council to consider its submission to the LGA OGM, (as set out at in Link 1 view [here](#)):
 - 7.1. That the Annual General Meeting:
 - 7.1.1. Calls for the State Government to undertake a comprehensive review of statutory rate rebates and exemptions.
 - 7.1.2. Requests that the LGA urgently progresses the key action in the LGA Advocacy Plan for 2019-2023² (Financial Sustainability theme) that the LGA work with interested councils to undertake analysis and prepare an issues paper to inform and advocate for a review of the mandatory rate rebates that councils are compelled to provide
 - 7.1.3. Requests that following preparation of the issues paper and consultation with interested councils, the LGA seeks to engage an appropriate economic advisory consultancy to prepare a report for Government advocating for changes to statutory rate rebates and exemptions in SA.

DATA AND SUPPORTING INFORMATION

LGA Advocacy Plan 2019-2023 2020-21 revision: [LGA-Annual-General-Meeting-Agenda-and-Papers-29-October-2020-V3.pdf](#) (pp143-172, Advocacy Plan endorsed September 2019, revised July 2020 and approved by the October 2020 LGA Annual General Meeting)

ATTACHMENTS

Nil

- END OF REPORT -

² [LGA-Annual-General-Meeting-Agenda-and-Papers-29-October-2020-V3.pdf](#) (p. 7)

2020-2021 Quarter 2 Finance Report

ITEM 5.8 02/02/2021
The Committee

Strategic Alignment - Enabling Priorities

2020/00150

Public

Program Contact:

Sonjoy Ghosh, AD Strategic
Finance & Performance 8203
7655

Approving Officer:

Clare Mockler, Deputy CEO &
Director City Shaping

EXECUTIVE SUMMARY

The 2020-21 Quarter 2 Finance Report summarises:

- The year to date financial performance for the quarter ended 31 December 2020.
- Proposed adjustments to the 2020-21 Budget to fund emerging priorities and adjust income and expenditure in line with the 2020-21 Quarter 2 Revised Forecast.

The 2020-21 Business Plan and Budget was developed on the basis of best projections of the anticipated impact of COVID-19. It reflects Council's decision that the Chief Executive Officer identify \$20 million in permanent operating expenditure savings this financial year. Further savings that have either been achieved or identified as part of Reshaping Our Organisation will be reflected in the Quarter 3 Finance Report.

Since the adoption of the 2020-21 Quarter 1 Revised Forecast, additional initiatives and projects have been resolved by Council such as the City Business Stimulus Program and the feasibility study for a new Regional Community Aquatic and Recreation facility. These decisions of Council have increased our operating deficit by \$0.99 million. This has been offset by the reprioritisation of savings, and additional income received.

The impact of these net adjustments in the Quarter 2 reforecast to the end of year position are a decrease to:

- Council's forecasted Operating Deficit for 2020-21 from \$39.0 million to \$34.1 million,
- Borrowings from \$92.8 million to \$90.3 million.

This projected level of borrowing as at 30 June 2021 is within our existing Prudential Borrowing Limits.

The Long-Term Financial Plan (LTFP) is provided as an appendix to the Quarter 2 Finance Report provided as **Attachment A** and also reflects the revised budget parameters from 2021/22 that was approved by Council on the 15 December (Item 10.12 - 2021-22 Business Plan and Budget – Budget Parameters).

Further sessions on the 2021-22 Business Plan and Budget will be facilitated with Council from February, which will include workshops on the Strategic Asset Management Plan (SAMP), the LTFP and a review of Council services.

The following recommendation will be presented to Council on 9 February 2021 for consideration

That Council:

1. Adopts the 2020-21 Quarter 2 Finance Report, including the proposed 2020-21 Quarter 2 Revised Forecast as summarised in Attachment A to Item X on the Agenda for the meeting of the Council held on 9 February 2021.
2. Approves a further extension of the rates hardship assistance measures, which have been made available to all City ratepayers on application through the City Support Package, until 30 June 2021.
3. Notes the 2020-21 Quarter 2 Finance Report includes adjustments of (\$0.99) million of increased operating costs as a result of Council decisions in Quarter 2.
4. Notes the updated Long Term Financial Plan, shown in appendix 2 in the Quarter 2 Finance Report as Attachment A to Item X on the Agenda for the meeting of the Council held on 9 February 2021.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The deliverables and objectives set out in the Quarter 2 Revised Forecast (QF2) document are directly aligned to the delivery of year 1 of the 2020-2024 City of Adelaide Strategic Plan.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	The financial indicators have been included in Attachment A to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long Term Financial Plan.
Opportunities	The quarterly review meets Council's obligations under the <i>Local Government Act 1999</i> and <i>Local Government (Financial Management) Regulations 2011</i> .
20/21 Budget Allocation	Adjustments to the 2020-21 Budget are detailed throughout the Report and Attachment A
Proposed 21/22 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
20/21 Budget Reconsideration (if applicable)	Adjustments to the 2020-21 Budget are detailed throughout the Report and Attachment A.
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

2020-21 Quarter 2 Financial Result

1. The year to date financial position for the quarter ended 31 December 2020 is an operating surplus of \$0.5 million which is \$15.4 million favourable compared to budget of (\$14.9) million. The favourable position is driven by a combination of better than expected income from user fees and charges, city businesses, delay in timing of expenditure and savings.

Better than expected Income

2. Despite the restrictions in November, the quarter saw an increase in activity within the City which has resulted in income from user fees and charges to be better than budgeted for by \$1.8 million, however the income is still significantly lower than the same year to date period for 2019/20 (\$6.6 million).
3. North Adelaide Golf has recovered better than budgeted by \$0.3 million as COVID-19 restrictions have had less of an impact on their business operations than expected and patronage has continued to improve along with secondary purchases.
4. Opportunities and Risks for the rest of the financial year include:
 - 4.1. The Aquatic Centre saw an impact due to the November COVID-19 restrictions and slow recovery from those closures, with swim school bookings being impacted the most. The end of year forecast for the Aquatic Centre remains a loss of \$2.6 million before depreciation.
 - 4.2. UPark has shown and has recognised a favourable income variance for quarter 2, however it is anticipating a lower than forecasted quarter 3 income as COVID-19 restrictions continue to cause major events to be either cancelled, delayed, or downsized.

Operating Activities and Strategic Projects

5. As the November COVID-19 restrictions have eased planning and delivery of operating activities and strategic projects have progressed, the timing of expenditure has been delayed from quarter 2 to quarter 3. Significant activities and strategic projects include:
 - 5.1. Transitioning of \$0.5 million of activities to Adelaide Economic Development Authority (AEDA).
 - 5.2. Completion of various grants and partnership activities worth \$0.2 million.
 - 5.3. Planned delivery of new activation and events to attract more visitors into the city during quarter 3 valued at \$0.2 million
 - 5.4. Delivery of \$0.4 million Climate Change Action Initiative is also planned to be completed in the second half of the year.

Reshaping Our Organisation

6. The 2020-21 Business Plan and Budget was developed on the basis of best projections of the anticipated impact of COVID-19. It reflects Council's decision that the CEO identify \$20 million in permanent operating expenditure savings this financial year.
7. The Quarter 1 Finance Report incorporated the permanent savings of \$2.576 million identified (post the enactment of our COVID-19 Business Continuity Plan) as an initial contribution to the \$20 million operational expenditure savings target set by Council (Phase 1), as reported to Council on 13 August 2020.
8. Through quarter 2 a proposed new organisational structure was designed to be more efficient and integrated, allowing us to continue to provide quality services to our community while providing value for money for our ratepayers. The implementation of the proposed new structure will be completed in quarter 3. We anticipate minimal impact on service delivery overall.
9. At the end of quarter 2 the budgeted 2020-21 net reduction is on track to be achieved. Final adjustments will be processed during the next few months and the result will be reported through in the Quarter 3 Finance Report.

Cash flow from Rates Income

10. Rates notices were distributed later than in prior years and rate payers had until 31 December to make payment.
11. As at 12 January, 87.5% of payments have been received and there have been 81 applications for hardship (4% of Q2 rates notices).
12. To continue to provide additional support to those City ratepayers still impacted by COVID-19, a further extension of the Rates Hardship Assistance Measures 30 June 2021 is recommended.

Additional adjustments as requested by Council

13. An allocation of \$0.9 million City Business Stimulus Program through:
 - 13.1. The design and implementation of a digital marketplace for businesses
 - 13.2. An Energy Assessment Pilot Program
 - 13.3. Implementation of an Event Infrastructure Funding Scheme
 - 13.4. South Australian Tourism Commission's Great State Vouchers, incorporating paid experiences and hospitality offerings
 - 13.5. Extension of the Summer Street Beats and Eats series
14. An allocation of \$0.09 million to undertake a detailed feasibility study for a new Regional Community Aquatic and Recreation facility

These requests are funded through a reprioritisation of existing budgets as detailed below.

Proposed adjustments to the Operating Position

15. On Street Parking and Expiations fees and charges income increase of \$0.9 million.
16. Property Recovery of \$0.1m as a result of the finalisation of the 2019-20 turnover rent.
17. UPark favourable income as a result of higher than expected income across multiple UParks \$0.9 million.
18. North Adelaide Golf Course favourable income as result of higher casual rounds and golf cart hire \$0.3 million.
19. Adelaide Central Market Arcade (ACMA) \$0.25 million reduction in income for property leases driven by a higher number of vacancies and rent concessions (\$0.3 million), offset by additional Off-Street Parking income \$0.05 million, and reduction of expenditure of \$0.25 million across employee costs and other expenditure.
20. Savings as a result of cancelled or reduced events as a result of COVID-19 \$0.77m including New Year's Eve and sponsorship funding of external festivals and events.

Infrastructure and Capital Projects Adjustments

21. Multiple changes within the Infrastructure Program including additional funds for Rundle UPark \$0.55 million, and Rundle Park Events Infrastructure \$0.65 million has resulted in an overall decrease of \$0.38 million to the program.
22. The Work in Progress (WIP) write-off forecast has decreased by \$0.6 million following quarterly review of the program.
23. Proposed works on the North Adelaide Golf Course irrigation and purchase of four further golf carts \$0.24 million.

Proposed Revised Quarter 2 Forecast

24. The revised forecast of the Operating Deficit at the end of the 2020-21 financial year is projected to decrease by \$4.9 million, from \$39.0 million to \$34.1 million.
25. Council's borrowings (debt) as at 30 June 2021 is forecasted to decrease by \$2.5 million from \$92.8 million to \$90.3 million.
26. The Revised Financial Statements are included as an Appendix to **Attachment A**.

Forecast Financial Statements and Long Term Financial Plan

27. Council's Long Term Financial Plan has been updated to reflect the revised estimates for interest expense and borrowings for the revised forecasted 2020-21 Financial Year, the initiatives of the Strategic Property Action Plan as approved by Council on 15 December 2020, and the expenditure and revenue targets adopted for the 2021-22 Business Plan and Budget as approved by Council on the 15 December.
28. Financial statements and the Long Term Financial Plan are provided in the appendices to **Attachment A**. These show the forecast operating surplus/(deficit), funding requirement and borrowings in 2020-21 and future years based on the proposed re-timing adjustments.
29. The financial indicators have been included in **Attachment A** to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long Term Financial Plan.

Treasury Report

30. As per the requirements set out in the Treasury and Cash Investment Policy, the borrowing and cash investment performance for year to date as at 31 December 2020 is reported below.
31. Borrowings as at 31 December 2020 were \$42.5 million.

Borrowings Facility	Available	Interest Type	Interest Rate	Borrowing(s) Amount as at 31 December 2020	Change since previous report	Maturity Date	CAD Interest Rate
LGFA CAD* 554	\$30m	Variable	1.35%	\$30m	\$0.0m	16/12/2023	1.35%
LGFA CAD* 555	\$70m	Variable	1.35%	\$12.5m	(\$10.6m)	15/06/2033	1.35%

* The Local Government Finance Authority (LGFA) cash advance debenture (CAD) facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years.

32. The Prudential Limits as at 31 December 2020 based on actual borrowings of \$42.5 million are below:

Prudential Limit Ratio	Comments	Limits	YTD Actual to December 2020
Interest Expense Ratio	Number of times annual General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	1.6%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy)	Max 1.5 years	0.8
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 25%	12%

33. Interest Income (Expenditure) against the Quarter 2 budget is a net favourable year to date variance of \$0.2 million.

Interest	Quarter Oct-Dec		Dec YTD		Annual	Administration Comments
	Actual	Budget	Actual	Budget	Budget	
Revenue	\$2,072	\$8,800	\$5,235	\$17,600	\$35,200	Interest revenue consists of interest earned on operating monies held in the NAB operating account.
Expense	(\$183,491)	(\$382,500)	(\$416,061)	(\$765,000)	(\$1,530,000)	Interest expense consists of LGFA CAD facility.

ATTACHMENTS

Attachment A – 2020-21 Quarter 2 Finance Report

- END OF REPORT -

City of Adelaide 2020-21 Quarter 2 Finance Report

December 2020

Prepared for the City of Adelaide
by Strategic Finance and Performance

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2. Long Term Financial Plan

Glossary

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

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

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

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

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

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

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

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

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

Vacancy Management: Centralisation of vacancies across operations against an annual target of \$1.5m

Work in Progress (WIP): An unfinished project that has not yet been capitalised to our asset register

WIP write off: A portion of an unfinished project which cannot be capitalised and will be expensed once the project is capitalised

Executive Summary

Quarterly Update

Council's year to date financial position is an improvement to forecast budget, driven by greater than expected income and lower expenditure.

Despite the increased restrictions in November, the quarter saw further increases in activity in the City. However, UPark are anticipating future income may be lower than budget as major events are cancelled, delayed or downsized.

The above has been considered and reflected in the Quarter 2 forecast.

Cash flow from Quarter 2 rates notices was due on 31 December. Currently 87.5% has been paid with 81 applications for hardship amounting to 4% of rates. The City of Adelaide hardship policy remains available.

Expenditure is lower than budget year to date, however there are requests for funds in the Quarter 2 forecast for the Council Decision to provide a City Business Stimulus Package and capital project write-offs. Savings have been identified to offset these requests.

Adelaide Central Market Authority are recognising a reduction in rental income as a result of higher than expected vacancies and continued tenant support. This reduction has been offset within the Authority to achieve a zero bottom line adjustment.

Quarter 2 Operating Position

Council's quarter 2 financial position is an operating surplus of \$0.5 million which is \$15.4 million favourable compared to our COVID-19 Recovery budget of (\$14.9) million. This is primarily due to:

- A combination of better than expected income from user fees and charges, city businesses, delay in timing of expenditure and savings
- Works in progress (WIP) write off due to the timing of capital projects, of which adjustments of \$1.8 million are proposed.
- Better than forecast revenue from UPark, On Street Parking and Expiations, noting revenue from user charges is (\$6.6) million below quarters 1 and 2 2019-20. Proposed adjustment of \$1.8 million.

End of Year Operating Position

The revised forecast of our Operating Deficit at the end of the 2020-21 financial year is projected to decrease by \$4.9 million, from (\$39.0) million to (\$34.1) million.

Borrowings

Council's borrowings at 31 December 2020 were \$42.5 million. This is within prudential limits.

The forecast end of year position has decreased by \$2.5 million to \$90.3 million

Risk & Opportunities

Income Expectations

User Charges revenues are 10% higher than budget year to date although still (\$6.6) million lower than the same time in 2019-20.

The 2020-21 COVID-19 recovery budget was built assuming a gradual recovery of revenue. Favourable variances have been recognised however, as we move into the second half of the year, the actual and budget income will be more closely aligned and there is a possibility revenue budget may not be achieved in quarter 3 due to:

- Cancelled and reduced events including Superloop 500 and Tour Down Under.
- Festivals will also be impacted across the peak period of February and March – with reduced numbers of participants – both artists and audiences.

Work in Progress write off

The revised Operating Position includes a decrease to the Work in Progress (WIP) write-off of \$0.6 million.

Reshape Update

A proposed new organisational structure was designed to be more efficient and integrated, allowing us to continue to provide quality services to our community while providing value for money for our ratepayers. The implementation of the proposed new structure will be completed in quarter 3 and we anticipate minimal impact on service delivery overall.

Good progress has been made towards achieving the target of \$20 million in permanent operating expenditure savings as part of the Reshaping Our Organisation project, however not all savings will be realised this financial year. Both actual and identified savings will be reflected in the Quarter 3 Finance Report and additional opportunities for achieving ongoing savings will be discussed with Council as part of the Business Plan and Budget process.

Financial Indicators

Explanation

The table below provides information about the key indicators of the Council's financial performance and financial position. A range of financial indicators have been included to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long Term Financial Plan. These are analysed on pages 16 to 19.

Financial Indicator	Explanation	Target	December Year to Date		Revised Forecast	
			2020-21 Actuals	2020-21 Budget	2020-21 QF1 Budget	Proposed 2020-21 Budget (QF2)
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	4%	(13%)	(21%)	(18%)
Net Financial Liabilities	Financial liabilities and a percentage of operating revenue	Less than 80%	N/A	N/A	63%	60%
Asset Sustainability Ratio	Asset renewal expenditure as a percentage of required expenditure forecast in the asset management plans	90%-110%	N/A	N/A	74%	74%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	12%	18%	27%	26%
Interest Expense Ratio	Number of times General Rates Revenue (less landscape Levy) can service the annual interest expense	Maximum 10%	1.6%	2.0%	1.3%	1.1%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less landscape Levy)	Maximum 1.5 years	N/A	N/A	0.8	0.8
Borrowings (\$'m)	Total borrowings	Within Prudential Limits	42.5	61.6	92.8	90.3
Operating Surplus (\$'m)	Operating Income less Expenditure	\$2m - \$10m	3.1	(10.6)	(39.0)	(34.1)
Future Fund (\$'m)	Proceeds from the sale of Council assets to fund new income generating assets or new strategic capital projects	-	0.1	0.1	0.1	0.1

The year to date financial indicators are in line with the targets, and borrowings are within the prudential limits. The net financial liabilities and leverage test are marked as not applicable because they are based on annual rate income rather than year to date.

The asset sustainability ratio is also not applicable because it reflects the annual infrastructure renewal program spend against the asset management plan

Operating Summary

Explanation

The Operating Summary provides a breakdown of the key variances in operational income and expenditure between the year to date actuals and adopted budget.

This summary is presented in a format consistent with the Statement of Comprehensive Income.

\$'000s	Year to Date			Revised Forecast		
	2020-21 YTD Actuals	2020-21 YTD Budget	Variance	2020-21 QF1 Budget	Proposed 2020-21 Budget (QF2)	Variance
Income						
Rates Revenues	61,116	61,071	45	118,454	118,454	-
Statutory Charges	5,626	4,998	627	9,369	9,886	517
User Charges	29,076	26,536	2,540	53,879	55,296	1,417
Grants, Subsidies and Contributions	1,869	2,096	(227)	5,469	5,419	(50)
Investment Income	8	18	(10)	35	35	-
Reimbursements	180	334	(154)	691	668	(23)
Other Income	232	269	(36)	349	327	(23)
Total Income	98,106	95,322	2,784	188,247	190,086	1,839
Expenses						
Employee Costs	37,151	38,782	1,631	78,130	77,896	235
Materials, Contracts & Other Expenses	32,931	43,422	10,491	93,076	91,079	1,998
Depreciation, Amortisation & Impairment	26,548	26,825	277	53,638	53,006	631
Finance Costs	965	1,220	255	2,412	2,162	250
Total Expenses	97,594	110,247	12,653	227,256	224,143	3,113
Operating Surplus / (Deficit)	512	(14,925)	15,437	(39,009)	(34,057)	4,952
Asset Disposal & Fair Value Adjustments	(99)	(20)	(79)	491	791	300
Amounts Received Specifically for New or Upgraded Assets	2,548	3,987	(1,439)	7,853	7,877	23
Net Surplus / (Deficit)	2,961	(10,958)	13,919	(30,665)	(25,390)	5,275
Total Comprehensive Income	2,961	(10,958)	13,919	(30,665)	(25,390)	5,275

Operating Summary

Year to Date

Statutory Fees and Charges \$0.6 million Increased expiations and associated revenue

User Fees and Charges \$2.5 million

- UPark \$0.9 million favourable. UPark Plus continues to assist with better than anticipated recovery post-COVID-19
- On Street Parking fees and charges revenue increase \$0.4 million as COVID-19 restrictions ease
- Golf \$0.3 million favourable due to increased rounds across all courses and associated secondary spends
- Central Market Car Park \$0.3 million favourable. Recovery has been faster than anticipated.

Grants, Subsidies & Contributions (\$0.2) million

Delay in recognition of grants as this is matched with delayed expenditure

Reimbursements (\$0.2) million Reduced level of private works completed by Public Realm.

Expenditure

Employee Costs \$1.6 million Employee costs are lower than forecast due to the timing of transition costs and management of vacancies year to date.

Materials, Contracts & Other Expenses \$10.5 million including:

- \$3.3 million of operational and maintenance costs that are adhoc in nature
- \$1.8 million of partnerships and operating activities where funding is still required to achieve 2020-21 Business Plan
- WIP write off \$1.2 million due to the timing of capital projects.
- \$0.5 million of activities moving to AEDA
- Electricity \$0.3 million as current spot market rates low, but expected to rise in Q3 due to peak demand period
- Quarter 2 proposed savings of \$1.7 million and retiming of \$0.5 million.

Depreciation, Amortisation & Impairments \$0.3 million lower depreciation due to the finalisation of the 2019-20 Financial Statements.

Finance Costs \$0.3 million Due to lower debt balance.

End of Year Forecast

Statutory Fees and Charges \$0.5 million

Recognition of year to date favourable variance in expiations and associated revenue.

User Charges \$1.4 million

- Recognition of year to date favourable variance in UPark \$0.9 million, On-Street Parking \$0.4 million and Golf \$0.3 million .
- Adelaide Central Market Arcade (ACMA) (\$0.25) million reduction in income for property leases driven by a higher number of vacancies and rent concessions (\$0.3 million), offset by additional Off-Street Parking income \$0.05 million.
- Property Recovery \$0.1 million due to favourable position for 2019-20 turnover rent.

Grants, Subsidies & Contributions (\$0.05) million

Adelaide Park Lands Authority (APLA) contribution reduced to reflect delivery by in house resourcing (\$0.14) million, partially offset by additional grants received for asset renewals \$0.1 million.

Expenditure

Employee Costs \$0.2 million Includes a reduction of 2.0 FTE across ACMA as the support is being delivered by CoA, and the City Plan project.

Materials, Contracts & Other Expenses \$2.0 million including:

- Council Decisions to provide a City Business Stimulus Program (\$0.9) million, and the Aquatic Centre feasibility study (\$0.09) million, see page 10.
- Cancelled or reduced events as a result of COVID-19 restrictions \$0.77 million, including New Years Eve, Lord Mayor (LM) Christmas Pageant, LM Golf Trophy day, LM Christmas Reception, Sponsorship funding of external festivals and events that have been cancelled.
- Capital works write off \$0.6 million, see slide 14
- City Wide Waste and Recycling Program retimed to 2021-22 \$0.5 million
- Other savings based on year to date favourable position \$1.1 million.

Depreciation, Amortisation & Impairments \$0.6 million

Adjustment following the finalisation of the 2019-20 Financial Statements.

Finance Costs \$0.25 million

Reduced due to year to date lower debt levels

Uniform Presentation of Finances

Explanation

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

\$'000s	December Year to Date			Revised Forecast		
	2020-21 Actuals	2020-21 Budget	Variance	2020-21 QF1 Budget	Proposed 2020-21 Budget (QF2)	Variance
Income	98,106	95,322	2,784	188,247	190,086	1,839
less Expenses	97,594	110,247	12,653	(227,256)	(224,143)	3,113
Operating Surplus / (Deficit) before Capital Amounts	512	(14,925)	15,437	(39,009)	(34,057)	4,952
Outlays on Existing Assets						
Capital Expenditure on Renewal & Replacement of Existing Assets	(12,194)	(18,999)	6,806	(32,613)	(32,898)	(285)
add back Depreciation, Amortisation and Impairment	26,548	26,825	277	53,638	53,006	(631)
add back Proceeds from Sale of Replaced Assets	290	855	(565)	751	751	-
Net Outlays on Existing Assets	14,644	8,680	5,964	21,776	20,859	(917)
Outlays on New and Upgraded Assets						
Capital Expenditure on New and Upgraded Assets	(4,860)	(7,261)	2,401	(31,817)	(32,467)	(650)
add back Amounts received specifically for New and Upgraded Assets	2,548	3,987	(1,439)	4,953	4,977	24
Net Outlays on New and Upgraded Assets	(2,311)	(3,273)	962	(26,864)	(27,490)	(627)
Net Lending / (Borrowing) for the Financial Year	12,845	(9,519)	22,364	(44,097)	(40,688)	3,409

Uniform Presentation of Finances

Year to Date

The year to date Net Lending / (borrowing) position of \$12.5 million is \$25.6 million favourable to the budget of (\$13.0) million. This is largely due to the favourable operating surplus position of \$19.4 million (refer to Page 6), and the timing of expenditure on the renewal and replacement of assets, and new and upgraded assets of \$6.5 million.

Renewal & Replacement of Existing Assets

Capital Expenditure \$6.8 million

- Grote St Renewal \$0.4million – project impacted by COVID with contractor adding second crew to speed up delivery.
- Francis St \$0.4 million– Timing due to seasonal constraints
- North Terrace contribution \$0.2 million – deed not yet finalised, delaying contribution to DIT.
- Plant, Fleet & Equipment \$1.0 million favourable, Purchases have been delayed due to waiting on tender completions.

Depreciation, Amortisation & Impairments \$0.3 million lower depreciation due to the finalisation of the 2019-20 Financial Statements.

Amounts received (\$0.6) million

Timing of sale of plant and fleet and receipt supplementary roads grant

New and Upgraded Assets

Capital Expenditure \$2.4 million

- City Skate Park \$0.2m – works now contracted
- Market to Riverbank (Bentham Street) \$2.4 million - delayed start, SA Health requested all works to halt in the street due to quarantine hotel
- Whitmore Square safety improvements \$0.5 million – awaiting contract execution
- Events Infrastructure \$0.3m – project in final stage of delivery (now completed)

Amounts received (\$1.4) million

Timing, mainly due to City Skate Park (\$0.2) million and Market to Riverbank (Bentham Street) (\$1.2) million.

End of Year Forecast

The revised Net Lending / (Borrowing) position is (\$40.7) million, a decrease of \$3.4 million from the Quarter 1 Revised Budget, driven by a favourable operating position of \$5.0 million, offset by the net outlays on assets of (\$1.5) million as detailed below.

Renewal & Replacement of Existing Assets

Capital Expenditure (\$0.3) million

- Increase in Capital Expenditure of (\$0.6) million resulted in a corresponding net reduction to write off forecast (see slide 15)
- Changes in Infrastructure Renewals Program of \$1 million were used to fund an increase of the Events Infrastructure New/Upgrade project (\$0.65) million and to release savings of \$0.38 million
- Movement of funds in ACMA from upgrade to renewal (\$0.25) million

New and Upgraded Assets

Capital Expenditure (\$0.65) million

- Additional funds reprioritised from Infrastructure Renewals to Events Infrastructure Rundle Park (\$0.65) million due to tender pricing received.
- Movement of funds in ACMA from upgrade to renewal \$0.25 million
- Savings made in Commercial Operations are partly used to fund Golf course irrigation upgrade and new golf carts (\$0.23) million, also seeking grant contribution

Projects

Adjustments and re-timed

Project Explanation	Budget \$'000	Adjustment \$'000	Re-timed \$'000
Aquatic Centre Investigation Council Decision to undertake a detailed feasibility study for a new Regional Community Aquatic and Recreation facility.	-	(90)	-
City Activation Council Decision to reprioritise funds to the Event Infrastructure Funding Scheme, and the Summer Street Beats and Eats.	(785)	150	-
City Plan Project to be delivered with internal resources.	(200)	131	-
City Wide Waste and Recycling Program Delay in recruitment of Project Resource.	(1,000)	-	500
Digital Marketplace Council Decision to design and implement a digital Marketplace for businesses.	-	(250)	-
Energy Assessment Pilot Program Council Decision for an Energy Assessment Pilot Program to reduce operational costs for small businesses.	-	(400)	-
Event Infrastructure Funding Scheme Council Decision to implementation of an Event Infrastructure Funding scheme of up to \$50,000, funded through the reprioritisation of the City Activation Budget.	-	(50)	-
North Adelaide Parking Review Project has been finalised with savings.	(35)	35	-
SATC Great State Vouchers Council Decision to complement and leverage the South Australian Tourism Commission (SATC) Great State Vouchers, incorporating paid experiences and hospitality offerings.	-	(250)	-
Summer Street Beats and Eats Council Decision to extend the Summer Street Beats and East program, funded through reprioritisation of City Activation budget.	-	(100)	-
Torrens Lake Weir Design Movement of existing project from operating to capital to reflect scope.	(16)	16	-
Total		(808)	500

Summary of Adjustments

The adjustments on the left reflect changes to the 2020-21 QF1 Budget to the existing funding allocated to projects. The changes include:

- Council Decision to undertake a detailed feasibility study for a new Regional Community Aquatic and Recreation facility (\$0.09) million
- Council Decision to provide a City Business Stimulus Program through:
 - The design and implementation of a digital Marketplace for businesses by the Adelaide Economic Development Agency (\$0.25) million.
 - An Energy Assessment Pilot Program (\$0.4) million
 - Implementation of an Event Infrastructure Funding scheme (\$0.05) million
 - South Australian Tourism Commission's Great State Vouchers, incorporating paid experiences and hospitality offerings (\$0.25) million
 - Extension of the Summer Street Beats and Eats series (\$0.1) million
- Movement of funds from operating to capital to reflect the nature of the expenditure
- Retiming of the City Wide Waste and Recycling Program due to delay in recruitment of project resources. One role is in place and recruitment is underway for remainder.

The net value of the these adjustments (\$0.8) million has been funded through operational savings.

Infrastructure Program

Adjustments and re-timed

Project* Explanation	Budget \$'000	Adjustment \$'000	Retimed \$'000
New/Significant upgrades			
Events Infrastructure Rundle Park Tender pricing above budget.	(807)	(650)	-
Golf Carts Purchase of an additional 4 golf carts to reflect the increase in demand	-	(56)	-
Golf Course Irrigation Savings made in Commercial Operations are partly used to fund Golf course irrigation upgrade	-	(180)	-
Paxton's Walk and Vaughan Place Design project completed with savings.	(37)	17	-
Peace Park/Town Clerk's Walk Project completed with small overspend.	(314)	(8)	-
Total		(877)	
Transport			
Chesser/Coromandel Street Additional road and footpath renewals brought forward to align with grant funded project. Part of the increase covered by grant transfer from Sussex St (\$5k).	-	Expense (48)	-
		Income 5	
Featherstone Place Agreement with stakeholders cannot be reached this financial year, project re-prioritised to a future year.	(86)	83	-
Grote Street (Morphett St to West Tce) Project can return \$250k savings due to successful Supplementary Roads grant application.	(1,717)	Expense (145)	-
		Income 395	
Hutt Street Design project completed with savings.	(53)	20	-
Sussex Street Project completed with savings \$5k, grant funding transferred to related grant project Chesser/Coromandel St.	-	Expense 5	-
		Income (5)	
Transport Program 20-21 * George St works on hold due to negotiations with adjacent property owners \$227k, * Roads to Recovery grant transferred to the Bridge Program for road reseal of Victoria Bridge \$256k, * Re-prioritisation of Hutt St road renewals due to Masterplan discussions \$722k * Main North Road resurfacing completed with savings \$79k	(6,083)	Expense 1,641	-
		Income (348)	
Total		1,603	
Bridges			
Bridges Renewal Program Allocation of 20/21 Roads to Recovery funding to Victoria bridge road reseal (\$256k). Savings from prior year Bridge Program transferred to Urgent works \$13k.	(509)	(243)	-
Bridges – Assorted Design and Urgent Works Savings from prior year Bridge Program transferred to Urgent Works (\$13k). Operating project Weir 2 handrail design transferred to Capital (\$16k).	(224)	(29)	-
Total		(272)	

Summary of Adjustments

- Changes in Infrastructure Renewals Program of \$1 million were used to fund an increase of the Events Infrastructure New/Upgrade project (\$0.65) million and to release savings of \$0.36 million
- Savings made in Commercial Operations are partly used to fund Golf course irrigation upgrade and new golf carts (\$0.23) million, also seeking grant contribution

* The project adjustments include capital amounts and WIP write-off amounts expensed to the Statement of Comprehensive Income

Infrastructure Program

Adjustments and re-timed

Project* Explanation	Budget \$'000	Adjustment \$'000	Retimed \$'000
Lighting and Electrical			
Lighting and Electrical Renewal Program Funds allocated to Lighting & Electrical Program (\$648k).	(802)	(268)	-
Building Management System and CCTV BMS project delayed to next year.	(800)	648	-
Total		380	
Water Infrastructure			
Creek Rehabilitation Settlement received for design defect \$45k which will cover construction rectification costs.	(43)	Expense (45)	-
		Income 45	
Water Infrastructure Renewal Program Funds allocated to Stormwater renewal alongside Frome Road.	(1,415)	(150)	-
Total		(150)	
Buildings			
UPark Buildings – Topham Mall Project completed with savings.	(100)	54	-
UPark Buildings – Rundle UPark Latent conditions discovered during construction required additional budget.	(3,378)	(550)	
Public Conveniences Park 27B Tender pricing above budget.	(84)	(60)	-
Total		(556)	

Summary of Adjustments:

- Building Management System project delayed until future years
- Increase in budget for Rundle UPark due to latent conditions (\$0.55) million, and lighting & electrical renewal program (\$0.27) million

* The project adjustments include capital amounts and WIP write-off amounts expensed to the Statement of Comprehensive Income

Major Projects

Adjustments and re-timed

Project* Explanation	Budget \$'000	Adjustment \$'000	Retimed \$'000
Major Projects			
Quentin Kenihan Accessible Play Space Interest accumulated on the grant released into project \$24k, project completed on budget.	-	Expense (24) Income 24	-
Total		-	

Summary of Adjustments

- Recognition of interest earned for the grant received from the Quentin Kenihan Accessible Play Space.

* The project adjustments include capital amounts and WIP write-off amounts expensed to the Statement of Comprehensive Income

Adelaide Central Market Arcade Capital Projects

Adjustments and re-timed

Project* Explanation	Budget \$'000	Adjustment \$'000	Retimed \$'000
Renewal / Replacement Projects			
Stall Structural Renewal Works			
Re-prioritisation from Tower project due high demand from stall holders	(800)	(250)	-
Total		(250)	
New and Upgraded Projects			
Tower			
Change in project scope and delayed until future year. Funds reprioritised to Stall Structural Renewals Works.	(250)	250	-
Total		250	

Summary of Adjustments

Due to the increasing number of stalls requiring structural refurbishment in 20/21 ACMA are requesting to reallocate \$250k from the Tower into Stall Structural Renewal Works. In order to come to commercial terms with incoming or renewing tenants, the structural renewal works are required to bring deteriorated stalls up to the current building standards. The tower structural works are not a high priority at this point but may be required in the future to allow commercial use of the space.

* The project adjustments include capital amounts and WIP write-off amounts expensed to the Statement of Comprehensive Income

Capital Works Write-off Adjustments

Project	Budget \$'000	Adjustment \$'000
Savings/Additional funds		
Transport Renewals	(651)	250
Lighting & Electrical Renewals	(977)	648
Park Land Renewals	(78)	26
Total		924
Forecasting adjustment		
Transport renewals	(651)	(2)
Bridge Renewals	(8)	(7)
Lighting & Electrical Renewals	(977)	(40)
Urban Renewals	(122)	(3)
Park Land Renewals	(78)	(6)
CITB Levy	(51)	18
ICT Renewals	-	(269)
Total		(309)
Total changes Expense to Capital	-	615

Expense Adjustments

- All capital project budgets are split between capital and non-capital when they are created in the finance system, this allows administration to forecast the expected non-capital (expense) value for the year.
- The Renewals Program was again reviewed during the quarter. Project changes to budget have resulted in a reduction of non-capital expense of \$0.9 million
- This was partly offset by a review of the scope of projects, including ICT Renewals, which increased the non-Capital expense by (\$0.3) million.

Infrastructure Update

Project Status

Project Explanation	Status
Quarter 2 Practical Completion	
Quentin Kenihan Inclusive Playspace (QKIP) Creation of an exemplary regional playspace in Rymill Park / Murlawirrapurka (Park 14). Provision of social, active, cognitive and creative play and recreation opportunities for all ages, abilities and cultures serviced by the wider park facilities and amenities for the local and surrounding areas.	Delivered
Peace Park / Town Clerk's Walk Peace Park irrigation, turf management and tree succession planting. Infill tree planting along Town Clerks Walk.	Delivered
Park 11 - Torrens Path (Albert Bridge to Behind Zoo) Construct new concrete footpath and retaining structures adjacent Torrens.	Delivered
North Terrace (King William Road to Kintore Avenue) Continuation of footpath renewal works on North Terrace (King William Road to Kintore Avenue).	Delivered
Pelzer Park/ Pityarilla (Park 19) Enhancement Final stage (public art element) of Pityarilla / Pelzer Park (Park 19) upgrade.	Delivered
Decorative Lighting Program Hurtle Square Decorative Lighting	Delivered
Hazardous Material Removal Program Jolley's Boathouse hazardous material removal	Delivered
Quarter 2 Planned Practical Completions	
Rymill Park Public Convenience Renewal Renewal of the east toilet block including change room facilities (Inc \$150k Changing Places Grant Funding).	Planned
Playground Renewals for QKIP Main works have reached PC in December - additional path, DDA Car Park Works planned for early Q3.	Planned
Torrens Lake Weir 1 Gate seals replacement.	Planned
Torrens Lake Weir – Component Renewals Gate control system renewal.	Planned
Grote Street Greening to new median to align with Road Renewal, Kerb and Water Table and footpath works	Planned
Events Infrastructure Rundle Park Design and construction of services (e.g. water and power) to the east Park Lands area (Rundle Park / Kadlitpina) to improve the facilitation of key festival events within the City of Adelaide	Planned
Upark Buildings - Rundle Upark Required treatment works to increase the serviceability of the Rundle Street Upark.	Planned
Chesser / Coromandel Asphalt works, planters and street art	Planned
Victoria Bridge Asphalt, Waterproofing and Expansion Joint Replacement	Planned
King William Street Intersections Two out of three intersections complete, KWS/South Tce intersection planned for early Feb as contractor was delayed due to SA Lockdown	Planned

Project Status

- In the second quarter seven projects were delivered. Delivered refers to the construction phase projects being completed, the projects now move in to the close phase which includes handover and financial capitalisation.
- Four of these projects are part of the renewal program, one is New and Upgrade and two are grant funded projects.
- Quentin Kenihan Inclusive Playspace is 100% funded by the State Government and was opened to the public in December.
- Denise Norton Park/ Pardipardinyilla (Park 2) East Enhancement is the final stage of a Major Project funded by a grant contribution
- Ten projects are planned for delivery in the third quarter.

Quarter Performance

financial indicators and performance

Dashboard

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

2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
Borrowings (\$'m) (Total borrowings)										
Target: Prudential Limits										
92.8	90.3	86.3	95.2	80.8	60.4	62.6	55.1	46.1	72.5	112.0
Operating Surplus (\$'m) (Funding surplus/(deficit))										
Target: Financial sustainability										
(39.0)	(34.1)	(0.1)	(1.9)	(3.7)	3.6	3.6	10.0	8.4	12.5	6.4
Operating Surplus Ratio (Operating surplus as a percentage of operating revenue)										
Target: 0%-20%										
(21%)	(18%)	0%	(1%)	(2%)	2%	2%	4%	4%	5%	3%
Net Financial Liabilities (Financial liabilities and a percentage of operating revenue)										
Target: Less than 80%										
63%	60%	56%	62%	54%	38%	38%	34%	30%	39%	54%
Asset Sustainability Ratio (Expenditure on asset renewals as a % of forecast required expenditure in the asset management plans)										
Target: 90%-110%										
74%	74%	67%	100%	100%	100%	100%	100%	100%	100%	100%
Asset Test Ratio (Borrowings as a percentage of total saleable property assets)										
Target: Maximum 50%										
26%	26%	25%	27%	20%	15%	16%	14%	11%	17%	26%
Interest Expense Ratio (Number of times General Rates Revenue (less NRM Levy) can service the annual interest expense)										
Target: Maximum 10%										
1.3%	1.1%	1.2%	1.0%	1.2%	1.0%	0.8%	0.8%	0.7%	0.8%	1.2%
Leverage Test Ratio (Total borrowings relative to General Rates Revenue (Less NRM Levy))										
Target: Maximum 1.5 years										
0.8	0.8	0.7	0.8	0.6	0.5	0.5	0.4	0.3	0.5	0.7

Quarter Performance

financial indicators and performance

Local Government Indicators

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia

Operating Surplus Ratio (Operating surplus as a percentage of operating revenue)

Target: 0%-20%

(21%)	(18%)	0%	(1%)	(2%)	2%	2%	4%	4%	5%	3%
2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan

This indicator represents the percentage by which the major controllable revenue source varies from day to day operating expenses. 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.

Target: The Local Government Act target is to achieve an average operating surplus ratio between 0% and 15% over any five-year period. However, as a capital city council, the City of Adelaide has significant responsibilities in improving its public realm, and as such considers that an average operating surplus ratio between 0% and 20%, over any five-year period, is a more appropriate target.

Analysis: The 2020-21 through to 2023-24 financial years are forecasted to fall outside the target range, as a result of anticipated reduction of income from COVID-19. Council's response to remediate is to reduce operating expenditure by \$20m in the 2020-21 Financial Year. This ongoing saving improves the ratio, and overtime operating surpluses are generated to reduce borrowings and reinvest from 2024-25.

Net Financial Liabilities (Financial liabilities and a percentage of operating surplus)

Target: Less than 80%

63%	60%	56%	62%	54%	38%	38%	34%	30%	39%	54%
2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan

This indicator represents the significance of the net amount owed compared with operating revenue. It measures the extent to which Council is managing its debt and highlights that borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income. A steady ratio means council is balancing the need to borrow against their affordability of debt. An excessive ratio means Council is borrowing beyond their means and cannot generate the income required to service assets and operations.

Target: The target for Net Financial Liabilities should normally be greater than zero. If not, then it implies that a council is willing to place a higher priority on accumulated financial assets than applying funds generated from ratepayers to the provision of services and/or infrastructure renewal. The target set by City of Adelaide is that liabilities as a percentage of total operating revenue will not exceed 80%.

Analysis: City of Adelaide's net financial liabilities are within the prescribed target.

Quarter Performance

financial indicators and performance

Asset Sustainability Ratio (Expenditure on asset renewals as a % of forecast required expenditure in the asset management plans)

Target: 90%-110%

74%	74%	67%	100%	100%	100%	100%	100%	100%	100%	100%
2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan

This indicator expresses expenditure on asset renewals as a percentage of the projected funding required for asset renewal. It illustrates whether existing assets are being replaced or renewed at the rate they are being consumed and ensures consistent service delivery as determined by the Asset Management Plans (AMPs).

Target: A ratio lower than 100% suggests that Council is not maintaining assets and infrastructure in order to optimise asset lives. A ratio higher than 100% suggests that Council is replacing assets earlier than needed. Adoption of a target ratio between 90% and 110%, is in line with the *Local Government Act 1999*.

Analysis: The Infrastructure and Asset Management Plans (AMPs) are currently being reviewed and updated including asset levels of service, taking into account community needs, population density/growth impacts and asset management principles.

Impacts of reducing the Infrastructure Program in 2020-21 will increase the renewal funding required over the longer term (to enable the renewal backlog to be undertaken), reducing capacity to deliver new and significant upgrade projects, major projects and emerging priorities in the short to medium term.

As a result of the sustainability ratio falling below the target range for 2020-21 and 2021-22, consideration will need to be made for the Long Term Financial Plan funding to take a longer term view on asset replacement to ensure it does not interfere with renewals over the life of the plan.

Quarter Performance

financial indicators and performance

Treasury Report indicators

The Treasury and Cash Investment Policy sets the risk appetite of Council and the amount of borrowing it can sustain as defined by the Prudential Borrowing Limits, as calculated in the following 3 ratios

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

Target: Maximum 50%

26%	26%	25%	27%	20%	15%	16%	14%	11%	17%	26%
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Interest Expense Ratio (Number of times General Rates Revenue (less NRM Levy) can service the annual interest expense)

Target: Maximum 10%

1.3%	1.1%	1.2%	1.0%	1.2%	1.0%	0.8%	0.8%	0.7%	0.8%	1.2%
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Leverage Test Ratio (Total borrowings relative to General Rates Revenue (Less NRM Levy))

Target: Maximum 1.5 years

0.8	0.8	0.7	0.8	0.6	0.5	0.5	0.4	0.3	0.5	0.7
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2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
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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, and upper limit is determined through its financial indicators. When borrowing, Council will consider these indicators.

Target: The Prudential limits set within the Policy are:

Asset Test Ratio Maximum of 50%

Interest Expense Ratio Maximum of 10%

Leverage Test Ratio Maximum 1.5 Years

Prudential limits are breached when one of the ratios fall outside of the targets stipulated in the Treasury and Cash Investment Policy. The breach must be reported with remediation actions to the CEO immediately and reported quarterly within the borrowing and cash investment performance report.

Analysis: City of Adelaide's borrowings are within the prescribed targets across the Long Term Financial Plan

Appendix

A – Budgeted Financial Statements

B - Long Term Financial Plan

Item 5.8 - Attachment A

Appendix A

Budgeted Financial Statements

Statement of Comprehensive Income			
\$'000s	Consolidated 2020-21 Adopted Budget	Consolidated 2020-21 Quarter 1 Forecast	Consolidated 2020-21 Quarter 2 Forecast
Income			
Rates Revenues	118,455	118,454	118,454
Statutory Charges	8,900	9,369	9,886
User Charges	53,435	53,879	55,296
Grants, Subsidies and Contributions	4,510	5,469	5,419
Investment Income	35	35	35
Reimbursements	691	691	668
Other Income	299	349	327
Total Income	186,326	188,247	190,086
Expenses			
Employee Costs	78,274	78,130	77,896
Materials, Contracts & Other Expenses	88,296	93,076	91,079
Depreciation, Amortisation & Impairment	53,744	53,638	53,006
Finance Costs	2,423	2,412	2,162
Total Expenses	222,737	227,256	224,143
Operating Surplus / (Deficit)	(36,411)	(39,009)	(34,057)
Asset Disposal & Fair Value Adjustments	(300)	491	791
Amounts Received Specifically for New or Upgraded Assets	3,429	7,853	7,877
Net Surplus / (Deficit)	(33,282)	(30,665)	(25,390)
Total Comprehensive Income	(33,282)	(30,665)	(25,390)

Appendix A

Budgeted Financial Statements

Statement of Financial Position			
\$'000s	Consolidated 2020-21 Adopted Budget	Consolidated 2020-21 Quarter 1 Forecast	Consolidated 2020-21 Quarter 2 Forecast
ASSETS			
Current Assets			
Cash and Cash Equivalents	800	800	800
Trade & Other Receivables	14,789	13,340	13,470
Other Financial Assets	129	46	46
Inventories	707	576	576
Total Current Assets	16,424	14,762	14,892
Non-Current Assets			
Financial Assets	225	277	277
Equity Accounted Investments in Council Businesses	629	672	605
Investment Property	2,894	2,889	2,574
Infrastructure, Property, Plant & Equipment	1,867,041	1,871,426	1,872,993
Other Non-Current Assets	1,264	2,161	2,161
Total Non-Current Assets	1,872,053	1,877,425	1,878,610
TOTAL ASSETS	1,888,477	1,892,187	1,893,502
LIABILITIES			
Current Liabilities			
Trade & Other Payables	37,195	25,136	24,505
Provisions	11,320	12,064	12,064
Other Current Liabilities	3,290	3,290	3,290
Total Current Liabilities	48,515	40,490	39,859
Non-Current Liabilities			
Trade & Other Payables	1,000	1,293	293
Borrowings	90,125	92,754	90,345
Provisions	1,585	1,584	1,584
Other Non-Current Liabilities	33,745	33,745	33,745
Total Non-Current Liabilities	126,454	129,376	125,967
TOTAL LIABILITIES	178,259	169,866	165,827
Net Assets	1,710,219	1,722,321	1,727,675
EQUITY			
Accumulated Surplus	790,205	786,626	791,901
Asset Revaluation Reserves	918,355	934,010	934,010
Other Reserves	1,659	1,612	1,612
Future Fund Reserve	-	73	73
Total Council Equity	1,710,219	1,722,321	1,727,675

Appendix A

Budgeted Financial Statements

Statement of Changes in Equity			
\$'000s	Consolidated 2020-21 Adopted Budget	Consolidated 2020-21 Quarter 1 Forecast	Consolidated 2020-21 Quarter 2 Forecast
Balance at the end of previous reporting period	1,743,501	1,752,986	1,752,986
a. Net Surplus / (Deficit) for Year	(33,282)	(30,665)	(25,390)
b. Other Comprehensive Income	-	-	-
Total Comprehensive Income	(33,282)	(30,665)	(25,390)
Gain (Loss) on Revaluation of I, PP&E	-	-	-
Balance at the end of period	1,710,219	1,722,321	1,727,596

Appendix A

Budgeted Financial Statements

Statement of Cash flows			
\$'000s	Consolidated 2020-21 Adopted Budget	Consolidated 2020-21 Quarter 1 Forecast	Consolidated 2020-21 Quarter 2 Forecast
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts	188,261	188,197	189,905
<u>Payments</u>			
Operating Payments to Suppliers and Employees	(158,805)	(166,950)	(164,417)
Net Cash provided by (or used in) Operating Activities	29,456	21,247	24,908
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets	3,429	4,953	4,977
Proceeds from Surplus Assets	1,000	1,000	-
Sale of Replaced Assets	-	751	751
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets	(41,885)	(32,613)	(32,898)
Expenditure on New/Upgraded Assets	(25,999)	(31,817)	(32,467)
Net Cash provided by (or used in) Investing Activities	(63,456)	(57,725)	(59,637)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings	38,525	41,154	38,745
<u>Payments</u>			
Repayment from Borrowings	-	-	-
Repayment of Principal portion of lease liability	(4,853)	(4,820)	(4,820)
Net Cash provided by (or used in) Financing Activities	33,672	36,334	33,925
Net Increase (Decrease) in Cash Held	(328)	(145)	(224)
plus: Cash & Cash Equivalents at beginning of period	1,128	945	945
Cash & Cash Equivalents at end of period	800	800	721

Appendix A

Budgeted Financial Statements

Uniform Presentation of Finances			
\$'000s	Consolidated 2020-21 Adopted Budget	Consolidated 2020-21 Quarter 1 Forecast	Consolidated 2020-21 Quarter 2 Forecast
Income	186,289	188,247	190,086
less Expenses	(223,118)	(227,256)	(224,143)
Operating Surplus / (Deficit) before Capital Amounts	(36,829)	(39,009)	(34,057)
less Net Outlays on Existing Assets			
Net Capital Expenditure on Renewal & Replacement of Existing Assets	(41,885)	(32,613)	(32,898)
less Depreciation, Amortisation and Impairment	53,744	53,638	53,006
less Proceeds from Sale of Replaced Assets	-	751	751
Net Outlays on Existing Assets	12,724	21,776	20,859
less Net Outlays on New and Upgraded Assets			
Net Capital Expenditure on New and Upgraded Assets	(25,999)	(31,817)	(32,467)
less Amounts received specifically for New and Upgraded Assets	14,650	4,953	4,977
Net Outlays on New and Upgraded Assets	(11,349)	(26,864)	(27,490)
Net Lending / (Borrowing) for Financial Year	(35,454)	(44,097)	(40,688)

Appendix B

Long Term Financial Plan

Statement of Comprehensive Income											
\$'000s	2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
Income											
Rates Revenues	118,454	118,454	121,123	124,150	127,680	132,250	136,698	140,643	144,667	148,772	152,958
Statutory Charges	9,369	9,886	11,869	11,976	12,173	12,373	12,576	12,819	13,068	13,322	13,580
User Charges	53,879	55,296	61,083	62,274	61,012	68,685	69,893	71,225	72,637	74,076	75,544
Grants, Subsidies and Contributions	5,469	5,419	3,029	3,074	3,128	3,182	3,238	3,303	3,369	3,436	3,505
Investment Income	35	35	25	26	26	27	27	28	28	29	29
Reimbursements	691	668	699	710	722	735	748	763	778	794	810
Other Income	349	327	303	308	313	318	324	331	337	344	351
Total Income	188,247	190,086	198,131	202,518	205,054	217,570	223,505	229,112	234,885	240,772	246,777
Expenses											
Employee Costs	78,130	77,896	71,712	73,285	74,854	76,458	78,096	79,689	81,315	82,974	84,667
Materials, Contracts & Other Expenses	93,076	91,179	71,497	76,309	77,739	81,229	82,123	83,829	86,762	92,255	96,130
Depreciation, Amortisation & Impairment	53,638	53,006	52,829	52,446	53,675	54,111	57,853	53,846	56,951	51,418	57,386
Finance Costs	2,412	2,162	2,192	2,376	2,462	2,144	1,863	1,732	1,505	1,602	2,148
Total Expenses	227,256	224,143	198,231	204,416	208,730	213,942	219,934	219,096	226,532	228,249	240,331
Operating Surplus / (Deficit)	(39,009)	(34,057)	(101)	(1,898)	(3,677)	3,628	3,570	10,016	8,353	12,524	6,446
Other Comprehensive Income											
Asset Disposal & Fair Value Adjustments	491	791	(861)	2,090	2,213	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	7,853	7,877	132	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(30,665)	(25,390)	(830)	192	(1,464)	3,628	3,570	10,016	8,353	12,524	6,446
Other Comprehensive Income											
Changes in Revaluation Surplus - I, PP&E	-	-	-	-	42,873	-	-	-	-	-	-
Net Actuarial Gains/(Loss) on Defined Benefit Plan	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	-	-	42,873	-	-	-	-	-	-
Total Comprehensive Income	(30,665)	(25,390)	(830)	192	41,409	3,628	3,570	10,016	8,353	12,524	6,446

Appendix B

Long Term Financial Plan

Statement of Financial Position												
\$'000s	2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
ASSETS												
Current Assets												
Cash and Cash Equivalents	800	800	800	800	800	800	800	800	800	800	800	800
Trade & Other Receivables	13,340	13,470	13,121	13,089	13,164	13,935	14,311	14,669	15,038	15,414	15,798	16,193
Other Financial Assets	46	46	41	37	33	30	27	24	22	20	18	16
Inventories	576	576	576	576	576	576	576	576	576	576	576	576
Total Current Assets	14,762	14,892	14,539	14,502	14,573	15,341	15,714	16,069	16,436	16,810	17,192	17,585
Non-Current Assets												
Financial Assets	277	277	249	225	202	182	164	147	133	119	107	97
Equity Accounted Investments in Council Businesses	672	605	605	605	605	605	605	605	605	605	605	605
Investment Property	2,889	2,574	2,600	2,626	2,652	2,679	2,705	2,732	2,760	2,787	2,815	2,843
Infrastructure, Property, Plant & Equipment	1,871,426	1,872,993	1,882,086	1,892,422	1,914,373	1,885,389	1,885,712	1,882,744	1,877,598	1,911,887	1,953,718	1,995,104
Other Non-Current Assets	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161
Total Non-Current Assets	1,877,425	1,878,610	1,887,701	1,898,039	1,919,992	1,891,015	1,891,347	1,888,390	1,883,256	1,917,560	1,959,407	2,000,810
TOTAL ASSETS	1,892,187	1,893,502	1,902,240	1,912,540	1,934,566	1,906,356	1,907,060	1,904,459	1,899,691	1,934,369	1,976,598	2,018,395
LIABILITIES												
Current Liabilities												
Trade & Other Payables	25,136	24,584	22,705	22,747	29,675	23,225	23,285	23,351	23,424	22,167	22,246	21,660
Provisions	12,064	12,064	12,305	12,551	12,802	13,058	13,320	13,586	13,858	14,135	14,418	14,706
Other Current Liabilities	3,290	3,290	5,093	5,140	5,276	5,434	5,504	4,513	3,291	4,144	3,473	3,599
Total Current Liabilities	40,490	39,938	40,104	40,439	47,754	41,718	42,108	41,450	40,573	40,446	40,136	39,965
Non-Current Liabilities												
Trade & Other Payables	1,293	293	1,293	7,293	293	293	293	293	293	293	293	293
Borrowings	92,754	90,345	85,678	94,560	80,104	59,703	61,916	54,435	45,447	71,836	111,364	149,677
Provisions	1,584	1,584	1,616	1,648	1,681	1,715	1,749	1,784	1,820	1,856	1,893	1,931
Other Non-Current Liabilities	33,745	33,745	46,782	41,642	36,366	30,932	25,428	20,915	17,624	13,480	10,007	6,408
Total Non-Current Liabilities	129,376	125,967	135,370	145,143	118,444	92,643	89,386	77,427	65,184	87,466	123,558	158,310
TOTAL LIABILITIES	169,866	165,906	175,474	185,582	166,198	134,360	131,495	118,877	105,757	127,911	163,694	198,274
Net Assets	1,722,321	1,727,596	1,726,766	1,726,958	1,768,368	1,771,996	1,775,566	1,785,582	1,793,934	1,806,458	1,812,904	1,820,120
EQUITY												
Accumulated Surplus	786,626	791,901	788,971	782,663	756,200	734,328	737,898	747,914	756,266	768,790	775,236	782,452
Asset Revaluation Reserves	934,010	934,010	934,010	934,010	976,883	976,883	976,883	976,883	976,883	976,883	976,883	976,883
Other Reserves	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612
Future Reserve Fund	73	73	2,173	8,673	33,673	59,173	59,173	59,173	59,173	59,173	59,173	59,173
Total Council Equity	1,722,321	1,727,596	1,726,766	1,726,958	1,768,368	1,771,996	1,775,566	1,785,582	1,793,934	1,806,458	1,812,904	1,820,120

Appendix B

Long Term Financial Plan

Statement of Changes in Equity

\$'000s	2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Balance at the end of previous reporting period	1,752,986	1,752,986	1,727,596	1,726,766	1,726,958	1,768,368	1,771,996	1,775,566	1,785,582	1,793,934	1,806,458	1,812,904
a. Net Surplus / (Deficit) for Year	(30,665)	(25,390)	(830)	192	(1,464)	3,628	3,570	10,016	8,353	12,524	6,446	7,217
b. Other Comprehensive Income												
Total Comprehensive Income	(30,665)	(25,390)	(830)	192	(1,464)	3,628	3,570	10,016	8,353	12,524	6,446	7,217
Gain (Loss) on Revaluation of I, PP&E					42,873							
Balance at the end of period	1,722,321	1,727,596	1,726,766	1,726,958	1,768,368	1,771,996	1,775,566	1,785,582	1,793,934	1,806,458	1,812,904	1,820,120

Appendix B

Long Term Financial Plan

Statement of Cash flows

\$'000s	2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Cash Flows from Operating Activities												
Receipts												
Operating Receipts	188,197	189,905	198,479	202,551	204,978	216,800	223,129	228,754	234,516	240,396	246,393	252,559
Payments												
Operating Payments to Suppliers and Employees	(166,950)	(164,338)	(145,237)	(151,687)	(154,803)	(158,995)	(168,698)	(164,890)	(169,211)	(176,453)	(182,561)	(186,922)
Net Cash provided by (or used in) Operating Activities	21,247	25,567	53,243	50,864	50,176	57,805	54,431	63,864	65,305	63,943	63,833	65,637
Cash Flows from Investing Activities												
Receipts												
Amounts Received Specifically for New/Upgraded Assets	4,953	4,977	132	-	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	1,000	-	3,100	12,500	25,000	18,500	-	-	-	-	-	-
Sale of Replaced Assets	751	751	-	-	-	-	-	-	-	-	-	-
Payments												
Expenditure on Renewal/Replacement of Assets	(32,613)	(32,898)	(27,563)	(53,004)	(55,539)	(50,627)	(51,210)	(50,878)	(51,804)	(85,707)	(99,217)	(99,806)
Expenditure on New/Upgraded Assets	(31,817)	(32,467)	(19,190)	(14,188)	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(57,725)	(59,637)	(43,521)	(54,693)	(30,539)	(32,127)	(51,210)	(50,878)	(51,804)	(85,707)	(99,217)	(99,806)
Cash Flows from Financing Activities												
Receipts												
Proceeds from Borrowings	41,154	38,745		8,882			2,213			26,389	39,528	38,313
Payments												
Repayment from Borrowings			(4,667)		(14,456)	(20,401)	-	(7,482)	(8,988)			
Repayment of Lease Liabilities	(4,820)	(4,820)	(5,055)	(5,053)	(5,181)	(5,276)	(5,434)	(5,504)	(4,513)	(4,625)	(4,144)	(4,144)
Repayment of Bonds & Deposits												
Net Cash provided by (or used in) Financing Activities	36,334	33,925	(9,722)	3,829	(19,637)	(25,677)	(3,221)	(12,986)	(13,500)	21,764	35,384	34,169
Net Increase (Decrease) in Cash Held	(145)	(145)	(0)	(0)	(0)	0	(0)	0	(0)	(0)	0	0
plus: Cash & Cash Equivalents at beginning of period	945	945	800	800	800	800	800	800	800	800	800	800
Cash & Cash Equivalents at end of period	800	800	800	800	800	800	800	800	800	800	800	800

Appendix B

Long Term Financial Plan

Uniform Presentation of Finances												
\$'000s	2020-21 Quarter 1 Forecast	2020-21 Quarter 2 Forecast	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Income	188,247	190,086	198,131	202,518	205,054	217,570	223,505	229,112	234,885	240,772	246,777	252,954
less Expenses	(227,256)	(224,143)	(198,231)	(204,416)	(208,730)	(213,942)	(219,934)	(219,096)	(226,532)	(228,249)	(240,331)	(245,737)
Operating Surplus / (Deficit) before Capital Amounts	(39,009)	(34,057)	(101)	(1,898)	(3,677)	3,628	3,570	10,016	8,353	12,524	6,446	7,217
Net Outlays on Existing Assets												
Capital Expenditure on Renewal & Replacement of Existing Assets	(32,613)	(32,898)	(27,563)	(53,004)	(55,539)	(50,627)	(51,210)	(50,878)	(51,804)	(85,707)	(99,217)	(99,806)
add back Depreciation, Amortisation and Impairment	53,638	53,006	52,829	52,446	53,675	54,111	57,853	53,846	56,951	51,418	57,386	58,420
add back Proceeds from Sale of Replaced Assets	751	751	-	-	-	-	-	-	-	-	-	-
Net Outlays on Existing Assets	21,776	20,859	25,266	(558)	(1,864)	3,483	6,643	2,968	5,146	(34,289)	(41,831)	(41,386)
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets	(31,817)	(32,467)	(19,190)	(14,188)	-	-	-	-	-	-	-	-
add back Amounts received specifically for New and Upgraded Assets	4,953	4,977	132	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets			2,100	6,500	25,000	25,500	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	(26,864)	(27,490)	(16,958)	(7,688)	25,000	25,500	-	-	-	-	-	-
Net Lending / (Borrowing) for Financial Year	(44,097)	(40,688)	8,208	(10,144)	19,459	32,612	10,213	12,984	13,499	(21,766)	(35,385)	(34,169)

Rating Policy 2021-22

ITEM 5.9 02/02/2021
The Committee

Strategic Alignment - Enabling Priorities

2020/00150
Public

Program Contact:
Sonjoy Ghosh, AD Strategic
Finance & Performance 8203
7655

Approving Officer:
Clare Mockler, Deputy CEO &
Director City Shaping

EXECUTIVE SUMMARY

Section 123 of the *Local Government Act 1999 (SA)* requires Council to have a rating policy that must be prepared and adopted as part of the Business Plan and Budget each financial year in conjunction with the declaration of rates.

The rating policy includes reference to compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

At all times, the rating policy should be fair and equitable, recognising that all ratepayers have access to core goods and services and should contribute towards the costs.

The amendments proposed to the rating policy for 2021-2022 are a result of Council member feedback to the workshop presentation made at The Committee meeting held on 24 November 2020.

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The following recommendation will be presented to Council on 9 February 2021 for consideration

That Council:

1. Approves the proposed Rating Policy for 2021-22 contained in Attachment A to Item # on the Agenda for the meeting of the Council held on 9 February 2021, to be included as part of the 2021-22 Business Plan and Budget consultation process.
 2. Notes that \$35.5m in potential rate revenue will not be realised this financial year as a result of properties within City of Adelaide boundaries which are exempt from paying rates under federal and state legislation, including universities, schools, churches and hospitals, because they are deemed to be "for public purposes on public land".
 3. Notes that the Chief Executive Officer will canvas a number of options in consultation with key stakeholders to ensure that in future the responsibility for contributing rates income which funds essential local government services is shared equitably.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities Council's rates are administered each year in line with the <i>Local Government Act 1999 (SA)</i> (the Act). The City of Adelaide's Rating Policy which outlines Council's approach towards rating its community is due for revision. S123 of the Act requires Council to have a rating policy that must be prepared and adopted as part of the Business Plan and Budget each financial year in conjunction with the declaration of rates.
Policy	Updates to the City of Adelaide Rating Policy
Consultation	Consultation on the revised Rating Policy will be undertaken as part of the consultation process for the 2021-2022 Business Plan and Budget
Resource	Not as a result of this report
Risk / Legal / Legislative	Sections 146-169 of the <i>Local Government Act 1999 (SA)</i> (the Act) detail the legislative requirements in relation to Council setting rating policy
Opportunities	Not as a result of this report
21/22 Budget Allocation	General rates for 2021-2022, including all rebates and remissions, are forecast to be \$115.1 million
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 City of Adelaide's rating policy aims to balance the five main principles of taxation:
 - 1.1. Benefits received – ratepayers who receive more benefits (services provided, or resources consumed) should pay a higher share of tax.
 - 1.2. Capacity to pay – a ratepayer who has less capacity to pay tax should pay less, and ratepayers of similar means should pay similar amounts.
 - 1.3. Administrative simplicity – minimal costs are involved in applying and collecting the tax and the tax is difficult to avoid.
 - 1.4. Economic efficiency – whether or not the tax distorts economic behaviour.
 - 1.5. Policy consistency – the tax should be internally consistent, and based on transparent, predictable rules that are easily understood and accepted by ratepayers.
2. In applying these principles, any decision with respect to rating should consider the financial effects of the decisions made today on the future generations of tomorrow.
3. Current operating deficits imply that today's ratepayers are paying less than the cost of the services they are consuming, and this is inequitable to the ratepayers of the future.
4. At its meeting on 24 November 2020, The Committee was provided with an opportunity to discuss and provide feedback and input into proposed amendments to the City of Adelaide Rating Policy.
5. Part of the discussion centred on the \$35.5m in potential rates revenue that will not be realised this financial year as a result of properties within City of Adelaide boundaries which are exempt from paying rates under federal and state legislation, including universities, schools, churches and hospitals, because they are deemed to be "for public purposes on public land".
6. A total of 27.4% (\$42,783,963) of the City of Adelaide's potential gross rates income (\$156,128,703) will be forfeited this financial year; this compares unfavourably with other Australian Capital Cities, such as the City of Melbourne, which forfeits an estimated 12.2% of its rate base for comparable exemptions and rebates .
7. The proposed amendments were:
 - 7.1. Review the Special Discretionary Rebate (SDR), which ensures for any ratepayer, that rates for the current year do not increase by more than 10% from the prior year.
 - 7.2. Consider the introduction of separate rates to fund specific projects and/or activities.
 - 7.3. Review the basis of rating vacant land.
 - 7.4. Consider the introduction of a discount to ratepayers who pay their whole year rates upfront in full.
8. On the basis of the feedback received the following updates to the Rating Policy have been made.
9. The SDR provides relief against substantial increases to rates from one year to the next due to a change to the basis on which land is valued, rapid changes in valuations, or anomalies in valuations.
 - 9.1. The rate is currently set at 10% and applies to both residential and non-residential ratepayers.
 - 9.2. The SDR has provided relief to ratepayers over the past five years of more than \$10.373 million.
 - 9.3. The revised rating policy proposes an incremental lift of the SDR from 10% to 15% which would be applicable to all residential and non-residential ratepayers.
10. Separate rates will remain unchanged from the existing Regional Landscape Levy (formerly the Natural Resource Management Levy) and the Rundle Mall Differential Separate Rate. There was no support from The Committee to introduce additional separate rates in order to fund Council projects and/or activities.
11. As of 30 June 2020, there were 40 rateable properties classified as vacant land. Of these, 29 have been held undeveloped by the same owner for a period of five years or more.
 - 11.1. The proposal to declare a differential vacant land rate on all long term vacant land holdings was to provide a disincentive to withholding land from development and recognise the cost of providing surrounding infrastructure and services.
 - 11.2. A definition of "long term vacant land" would be determined and the discretionary rebate powers available under S166 of the *Local Government Act SA 1999* (the Act) would be utilised to provide a rebate (rate relief) to the principal ratepayers of vacant land that is not within the definition of "long term".

- 11.3. The Act allows Council to differentiate rates on the basis of the use of the land. Currently, Council use two differential rates being residential and non-residential. The revised rating policy proposes the creation of a third differential rate applicable to land classified as Vacant Land.
- 11.4. The differential rate on vacant land is proposed to be 200% higher than the declared residential rate (i.e. double). This rating approach is consistent with metropolitan councils across South Australia who apply a differential rate to vacant land, the lowest being 128% at the City of Prospect and the highest 338% at the City of Charles Sturt. The average rate is approximately 174% of the residential rate.
- 11.5. In seeking to define long-term vacant land, consideration has been given to development time frames which can reasonably take up to five years to progress through planning, pre-sales (if relevant) and construction phases.
- 11.6. For the purposes of the policy, the definition of long term will be five years or more for land held by the current owner.
- 11.7. For vacant land that is not within the definition of long term the discretionary rebate powers available to Council under S166 of the Act will be applied. The effect of the rebate will be to reduce the differential rate to the applicable non-residential rate.
- 11.8. Additionally, there are a number of small parcels of vacant land on separate titles that form part of a rear garden, side gate entrance or other small piece of adjacent land that may not be able to be developed in its own right. Where it is clear the land cannot be developed, the rebate entitlements under S166 of the Act will be applied, regardless of how long the land has been held.
12. Section 181(11) of the Act allows Council to grant a discount to encourage the prompt payment of rates. For 2020-21 approximately 12% of all assessments were paid upfront, primarily residential. Further encouragement to pay early could enable Council to earn interest on surplus funds and reduce the administration costs of preparing quarterly rate notices, sending reminder notices for unpaid rates as well as the costs and commissions paid to debt collectors.
- 12.1. The rating policy has proposed a 1% discount for the early payment of rates if payment is made in full on or before the date of when the first quarter rates are due.
- 12.2. The discount is not applicable to the Regional Landscape Levy that Council collects on behalf of a third party.
- 12.3. The discount will be applied as a credit against the following year's rates notice.
13. Council provides pensioner and self-funded retirees with a rate concession of \$100 and \$50 respectively. However, since the introduction in 2015 of the "Cost of Living Concession" payment by the State Government, which may be used by eligible applicants for any purpose including offsetting the cost of council rates, the City of Adelaide is an outlier among major metropolitan councils and regional councils in South Australia by continuing to provide such a rate concession.
- 13.1. The rating policy proposes that Council no longer provide the additional rate concessions currently being provided to pensioner and self-funded retirees.
- 13.2. The rating policy provides details of the website and phone details for ConcessionsSA which pensioner, self-funded retiree and other low income households may contact for further information.
14. Consultation on the proposed 2021-22 Rating Policy will be undertaken as part of the 2021-22 Business Plan and Budget process.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – 2021-22 City of Adelaide Rating Policy

- END OF REPORT -

RATING POLICY

Date this document was adopted

legislative / non-legislative

PURPOSE

The purpose of this policy is to outline Council's approach towards rating its community in line with the requirements of the *Local Government Act 1999 (SA)* (the Act).

Section 123 of the Act requires Council to have a rating policy that must be prepared and adopted as part of the Business Plan and Budget each financial year in conjunction with the declaration of rates.

STATEMENT

Council's powers to raise rates are found in Chapter 10 of the Act which provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices.

This document includes reference to compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

At all times, the rating policy should be fair and equitable, recognising that all ratepayers have access to core goods and services and should contribute toward the costs.

Principles of Taxation

Rates are not fees for services. They constitute a system of taxation on the community for Local Government purposes. This policy represents Council's commitment to balancing the five main principles of taxation with the need to raise revenue for the purpose of providing the goods and services the community requires.

Benefits received – ratepayers who receive more benefits (services provided, or resources consumed) should pay a higher share of tax.

Capacity to Pay – a ratepayer who has less capacity to pay should pay less, and ratepayers of similar means should pay similar amounts.

Administrative simplicity – minimal costs are involved in applying and collecting the tax and the tax is difficult to avoid.

Economic efficiency – whether or not the tax distorts economic behaviour.

Policy consistency – the tax should be internally consistent, and based on transparent, predictable rules that are easily understood and accepted by ratepayers.

In applying these principles, any decision with respect to rating should consider the financial effects of the decisions made today on the future generations of tomorrow.

Council operating deficits imply that today's ratepayers are paying less than the cost of the services they are consuming, and this is inequitable to the ratepayers of the future.

Valuation Methodology

Under S151 of the Act, Council may adopt one of three valuation methodologies to value the properties in its area:

- Capital value: the value of land, buildings, and other improvements.
- Site value: the value of land and any improvements, but excluding the value of any buildings.
- Annual assessed value: the value of the rental potential of the property.

Council has adopted the use of annual assessed value as the basis for valuing land. The main reasons for choosing annual assessed value are:

- The majority of residential and non-residential properties in the City are leased (i.e. are not owner occupied), therefore it is a suitable valuation measure considering the ability to pay according to the income earning potential of the property.
- Annual assessed value is based on the predominant non-residential land use for the city, annual value has been used for many years and is understood by the majority of ratepayers.
- The availability of a significant amount of annual market rental information makes the annual value method more efficient to administer.
- This method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation.

As per Section 167 of the Act, Council employs its own property valuers to undertake an annual valuation program to ensure that rating valuations are equitable. This is achieved by ensuring that the valuations are assessed on the basis of the most recent market evidence and are consistent across the Council area.

Exemptions

The City of Adelaide's practice is to identify and value all land in the council area. Once identified, each separate piece of land is assessed for rateability. Section 147 of the Act specifies those types of property which shall be exempt from council rates.

The City of Adelaide has the highest proportion of rate-exempt property of any Council in South Australia.

Properties can be identified as exempt from council rates in certain circumstances:

- Crown Land – public properties used or held by the Crown for a public purpose.
- University Land – properties occupied by a University.
- Recreation Grounds – properties satisfying the criteria set out in the *Recreation Grounds Rates and Taxes Exemption Act 1981*.
- Council Land – public properties occupied or held by the Council.
- Emergency Services – properties satisfying the criteria set out in the *Fire and Emergency Services Act 2005*.
- Another Act – properties specifically exempted from council rates by virtue of another Act (either Commonwealth or State).

Council is mindful that wherever properties become exempt from paying council rates, or where a rebate is applied, those rates forfeited through exemptions or rebates, the responsibility for contributing rates income to fund essential local government services is disproportionately allocated across the remaining rate payers.

The principles of equity dictate that Council remains diligent in only awarding exemptions where they are warranted.

It is Council's practice to adopt valuations for all exempt properties. Where exempt properties become rateable part of the way through the financial year, rates will be calculated and recovered.

Components of Rates

Differential Rating

The largest component of rates levied is calculated by reference to the value of property. Property values reflect, among other things, the relative availability of and access to Council services.

The Act allows Council to 'differentiate' rates based on the use of the land, locality of the land, the use and locality of the land or on some other basis determined by Council. Council has determined that differential rates will be applied to all rateable properties based on their predominant land use.

In formulating the rating structure, Council should consider issues of consistency and comparability across council areas in the imposition of rates on various sectors of the business and wider community.

Definitions of the use of the land are prescribed by regulation and are categorised as:

• Residential
• Commercial – Shop (non-residential)
• Commercial – Office (non-residential)
• Commercial – Other (non-residential)
• Industrial – Light (non-residential)
• Industrial – Other (non-residential)
• Primary Production (non-residential)
• Other (non-residential)
• Vacant Land

Council's current rating structure has been formulated so that there is effectively one rate in the dollar for all property falling within the defined land use classes residential, non-residential, and vacant land.

Separate Rates

Under Section 154 of the Act, a Council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area.

Council has determined that the use of the separate rate provisions of the Act will be limited to:

- Recovery of the funding requirements of the Green Adelaide Board,
- Marketing and managing the Rundle Mall Levy Area.

Regional Landscape Levy Separate Rate

On 1 July 2020, the *Landscape South Australia Act 2019* came into effect replacing the former *Natural Resources Management Act 2004*. Natural Resource Management (NRM) levies have been replaced with regional landscape levies.

In the Adelaide region, the landscape levy will fund the work of the Green Adelaide Board (previously the Hills and Fleurieu Board) in leading the city towards a greener, more sustainable and climate resilient future through urban greening, water management and biodiverse urban habitat projects.

The regional landscape levy is paid by all ratepayers and is collected on behalf of the Green Adelaide Board by the Department of Environment and Water who will invoice Council quarterly for the respective share of the levy.

All Council contributions will be set out in the Green Adelaide Landscape Board business plans, with the Board having responsibility for notifying councils of their respective share each year.

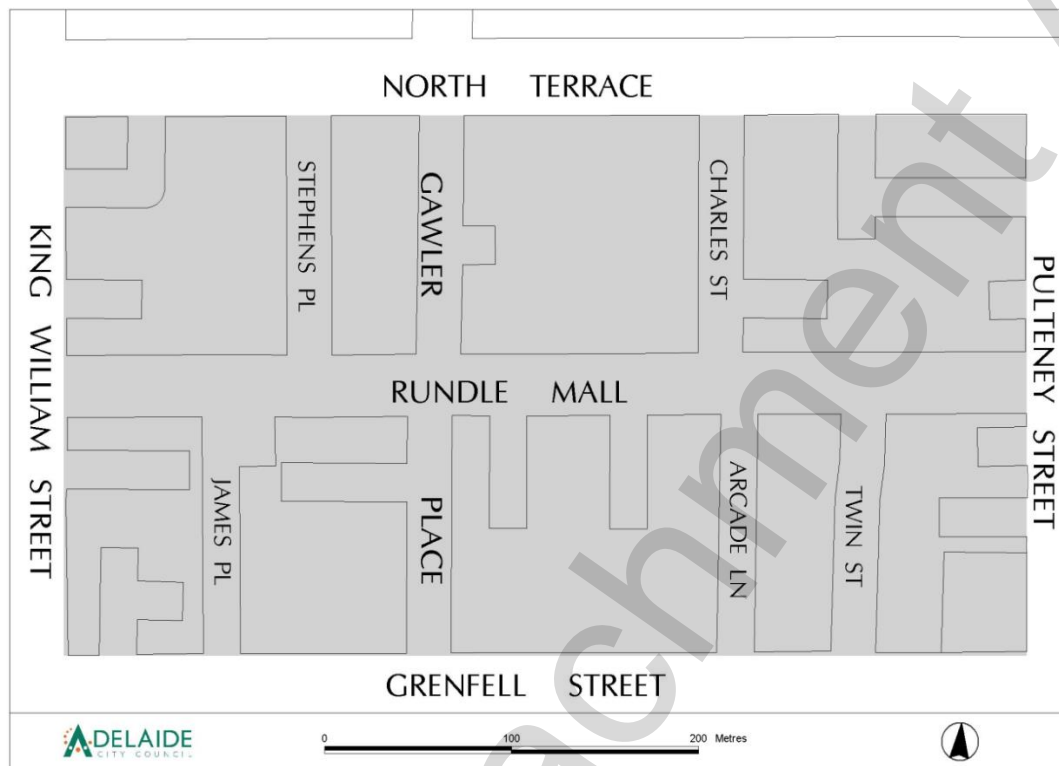
The contribution is recovered from ratepayers through a separate rate known as the Regional Landscape Levy. The levy applies to all rateable land in the Council area and is fixed and calculated to raise exactly the same amount as the Council's share to be contributed.

Rundle Mall Differential Separate Rate

The Rundle Mall Differential Separate Rate is paid by non-residential ratepayers within the defined Rundle Mall 'Levy Area' and is crucial to the success of the precinct and its increasing appeal to customers, visitors, tourists, shoppers, workers, city residents and students.

Customers and visitors demand high standards of activity and presentation in today's competitive marketplace. Organised activity and programs attract customers and directly benefit all staff and businesses located in the Rundle Mall 'Levy Area'. The long-term delivery of marketing and management for the Rundle Mall 'Levy Area' requires sustainable funding and staff resources to attract more visitors and to satisfy their needs.

The map below identifies the Rundle Mall Levy Area.



Rate Rebates

The Act provides for ratepayers to apply for a mandatory and/or discretionary rebate on council rates as follows:

Mandatory Rebates (Section 159 to 165)

A rebate of rates will be granted to ratepayers who satisfy the eligibility criteria for a mandatory rebate under Sections 159 to Section 165 of the Act.

A 100% rebate must be applied to land used for:

- Health services.
- Religious purposes.
- Public cemeteries.
- The Royal Zoological Society.

A 75% rebate must be applied to land used for:

- Community services.
- Educational purposes.

Where a "community services organisation" is eligible for the mandatory rebate, and Council has declared a distinct residential rate, then the residential rate must be applied to the land to which the rebate applies in accordance with Section 161(2) of the Act.

Where applications do not meet the eligibility criteria for a mandatory rebate, an applicant may apply for a rebate of rates under the discretionary rebate criteria.

Discretionary Rebates (Section 166)

An application for a discretionary rebate is reviewed on a case-by-case basis in accordance with Council's *Discretionary Rate Rebate Policy*.

Applications for a rebate must be made in writing, explaining the need for financial assistance and include sufficient information and documentary evidence to support the request.

All assessment criteria will be applied fairly and equitably to each application on merit. All applications for a rebate are reviewed by a senior member of Council's Rates team before being processed.

Review of Rebates

Under Section 159(7) of the Act, if the grounds on which a rebate has been granted cease to exist, the person or body must inform Council and the entitlement to the rebate will cease.

However, internally, a review of all mandatory and discretionary rebates will be performed on a regular basis (at least biennially) to ensure that rebates continue to remain valid. This may require the relevant person or body to lodge another application form with relevant information and supporting evidence to confirm the continuation of eligibility.

Special Discretionary Rebate (Section 166(1)(l))

For 2021-2022, Council has determined that a rebate will be applied to all properties to cap any increase in the general rates payable at 15% subject to specific criteria.

The rebate will not apply where the increase in rates payable is the result of an increase in valuation that recognises a capital improvement on the property (regardless of when the development was undertaken) or where there has been a change in land use, ownership or licence to occupy during the previous financial year.

A capital improvement includes any addition, alteration, or new development on the property.

Application of this rebate recognises that in some instances, property owners have no control over increases in property valuations. Where a valuation increase is a result of market forces, the rates levied as a result of that valuation increase should be capped at a level that minimises the impact to a reasonable level.

As per the Act, a rebate may be granted for a period exceeding one year, but not exceeding three years. After three years the rebate will be removed and the rates payable will reset to levels that would ordinarily apply in the absence of the rebate.

Council applies the rebate automatically to all properties that are eligible.

Rate Concessions – Pensioners and Self-Funded Retirees

Council previously provided pensioner and self-funded retirees with additional rate concessions of \$100 and \$50 respectively.

However, the State Government provides a "Cost of Living Concession" payment. This payment may be used for any purpose, including offsetting Council rates. To check eligibility you can visit the ConcessionsSA website www.sa.gov.au/concessions or phone 1800 307 758.

Should you be eligible for a State Government funded concession this will be paid directly to you by the Department of Human Services – this payment is not provided via your rates notice.

Postponement of Rates

Under certain circumstances, ratepayers will be able to postpone the payment of their rates. The postponed amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property. The debt may be paid at an earlier time at the ratepayer's discretion.

Seniors Postponements

In accordance with Section 182A of the Act, eligible Seniors Card holders can apply to postpone any part or all of their annual council rates in excess of \$500 on a long-term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property.

Postponement is similar to a reverse mortgage by relying on the equity in the property. A ratepayer who has a Seniors Card may apply for a postponement on the property they own if it is their principal place of residence and if no other person, other than their spouse has an interest as owner of the property and there is sufficient equity available.

All applications for postponement of rates must be in writing on the prescribed application form and provide supporting documentation.

Where an application for postponement under Section 182A is granted, a presumption of ongoing annual postponement will be assumed.

Discretionary Postponements

Where an application from a ratepayer demonstrates that payment of rates in accordance with this policy would cause hardship, the Council may postpone the payment of rates in whole or in part for such a period as Council thinks fit.

Postponement enables ratepayers to defer payment of rates until such time as the property is sold or their circumstances change.

The amount postponed can be up to 100% of the rates payable and applications will be assessed on a case by case basis and must satisfy the application criteria. Discretionary postponements are only intended to provide temporary, flexible support to those experiencing hardship.

Financial Hardship

Applications for remission of rates based on financial hardship will be considered by Council on merit and on a case by case basis. An applicant who satisfies the eligibility criteria for hardship does not automatically become eligible for a remission of rates. If appropriate, and wherever possible, consideration will be given to flexible payment options such as weekly, fortnightly, or monthly contributions.

Ratepayers who are experiencing financial difficulties and are unable to make their rate payment by the last date are encouraged to contact Council's accounts receivable team at the earliest opportunity to discuss a revised instalment payment plan.

All discussions relating to payment difficulties are treated in the strictest confidence.

More details are provided in Councils *Financial Hardship Policy* which is available via our website **(INSERT WEBSITE DETAILS)**.

Objections

Ratepayers who wish to dispute the valuation or land use of their property may lodge an objection within sixty days after the date of service of the Notice of Valuation (Valuation and

Rate Notice). The objection must be made to Council in writing, setting out a full and detailed statement of the grounds on which the objection is based.

Council may accept an objection lodged outside of the 60-day timeframe in limited circumstances. The following will be considered by Council Valuers in deciding to accept a late objection:

- The likelihood that the objection will result in a material difference.
- Time elapsed since the end of the 60-day timeframe.
- If the objection lodged constitutes a valid reason for objection, is not frivolous or vexatious.

Upon receipt of an objection, Council valuers may inspect the property and reconsider the valuation and/or land use. The ratepayer will then be notified of the valuer's determination. Should the ratepayer be dissatisfied with this decision they may request Council to refer the valuation to the Valuer-General for further review by an independent valuer.

If an objector, or the council, is dissatisfied with the valuation after the further review, the objector or the council may, in accordance with the appropriate rules of court, appeal against the valuation to the Land and Valuation Court.

It is important to note that the lodgement of an objection to the valuation does not change the last date for payment of quarterly instalments of council rates.

Vacant Land

A differential vacant land rate on all vacant land holdings will be declared to:

- Provide a disincentive to withholding land from development.
- Discourage land banking.
- Recognise the cost of surrounding infrastructure and services.

The differential rate on vacant land will be 200% higher than the declared residential rate (i.e.: double).

The discretionary rebate powers available to Council under Section 166 of the Act will provide a rebate (rate relief) to the principal ratepayers of vacant land that is not within the definition of "long term".

The effect of the rebate will be to reduce the differential rate to the applicable non-residential rate.

In looking to define long-term vacant land consideration has been given to our understanding of development time frames. These can reasonably take up to five years to progress through planning, pre-sales, and construction phases.

For the purposes of this policy, the definition of long term will be five years or more for land held by the current owner.

Note: there are a number of small parcels of vacant land on separate titles that form part of a rear garden, a side gate entrance or other small piece of adjacent land that may not be able to be developed in their own right. Where it is clear the land cannot be developed the rebate entitlements under Section 166 of the Act will be applied.

Discounts

Council offers a 1% discount for the early payment of rates if payment is made in full on or before the date when the first quarter rates are due.

The discount is not applicable to the Regional Landscape Levy.

The discount will be applied as a credit against the following year's rates notice.

Payment of Rates

Rates are payable by quarterly instalments due on 1 September, 1 December, 1 March, and 1 June of each year.

The total outstanding balance may be paid in full at any time.

Payment Methods

Council has determined that rates may be paid by the following methods (as detailed on the back of the rate notice):

Non-electronic payment options:

- Australia Post outlets or by phone
- In person at Council's Customer Centre, 25 Pirie Street, Adelaide
- By mail to City of Adelaide, PO BOX 2252, ADELAIDE SA 5001.

Pay online:

- Australian Post BillPay
- BPay/BPay View
- Credit cards (Mastercard & Visa) through Council's online payments system
- Debit Card
- Electronic Funds Transfer (EFT) (non-residential on request only).

Other

- Direct Debit – monthly, quarterly, and annual deductions.

Late payment of rates

Council has determined that penalties for late payments will be imposed in accordance with the provisions of Section 181(8) of the Act.

Fines and interest for late payment are levied in accordance with the provisions of Section 181(8) and Section 181(17) of the Act.

If an instalment of rates is not paid on or before the date on which it falls due:

- the instalment will be regarded as being in arrears,
- a fine of 2% of the amount of the instalment is payable.
- on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.

Council may take legal action to recover any overdue amounts, fines, and interest.

If an amount payable by way of rates in respect of land has been in arrears for three or more years, Council may sell the land in accordance with Section 184 of the Act.

Contacting Council

If you believe that Council has failed to properly apply this policy, you should contact the Council's Rates Administrator to discuss the matter.

For further information, queries, or to lodge an application for rate postponement, remission, etc. please contact the Council's Rates Administrator on:

Phone: 8203 7203

E-mail: R.Mail@cityofadelaide.com.au

Post: PO BOX 2252 ADELAIDE SA 5001

In person at Council's Customer Centre, 25 Pirie Street, Adelaide

OTHER USEFUL Related documents DOCUMENTS

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Relevant legislation

- *Local Government Act 1999 (SA)*

GLOSSARY

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

AAV – annual assessed value, the value of the rental potential of the property.

Act – refers to the *Local Government Act 1999 (SA)*.

CADR – cash advance debenture rate for that financial year.

Council - refers to the elected Council body.

Differential rate – is a rate that may be applied to a category of land that is different to the rate applied to other land categories.

Exemption – to free from an obligation or liability to which others are subject to.

General Rate – rate that applies to rateable land.

Prescribed percentage (P) – is calculated as $P = \frac{\text{CADR} + 3\%}{12}$

Rebate – an amount paid by way of reduction, return or refund on what has already been paid or contributed.

Remission – the cancellation of a debt, charge, or penalty.

Separate Rate – an amount levied on ratepayers, in addition to general rates, used to fund specific activities.

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 year unless legislative or operational change occurs beforehand. The next review is required in February 2022.

Review history:

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
ACC2015/116842	Council	April 2016	Minor amendments
ACC2014/65993	Council	June 2014	Minor amendments
ACC2012/99848	Council	July 2012	Minor amendments
ACC2011/91840	Council	June 2011	Minor amendments

Contact:

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