



THE COMMITTEE MINUTES

for the meeting

Tuesday 18 May 2021

in the Colonel Light Room
Adelaide Town Hall



Present - The Right Honourable the Lord Mayor, Sandy Verschoor.

Deputy Lord Mayor, Councillor Couros (Chair).

Councillors Abrahamzadeh, Donovan, Hou, Hyde, Khera, Knoll, Mackie,
Martin and Moran.

Acknowledgement of Country

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

'Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.'

Apologies and Leave of Absence

Nil

Confirmation of Minutes – 4/5/2021 [TC]

That the Minutes of the meeting of The Committee held on 4 May 2021, be taken as read and be confirmed as an accurate record of proceedings.

The Lord Mayor advised the meeting that due to the presence of external presenters Item 4.2 - Workshop - Adelaide Central Market Authority (ACMA) Draft Charter Review would be considered prior to Item 4.1 - Workshop - Economic and Investment Strategy – City Growth.

Councillor Mackie entered the Colonel Light Room at 5.31 pm

Discussion Forum Items/

Workshops

Strategic Alignment – Enabling Priorities

1. Item 4.2 - Adelaide Central Market Authority (ACMA) Draft Charter Review [2016/03926] [TC]

Discussion facilitators:

Clare Mockler, Acting Chief Executive Officer, City of Adelaide
Tom McCready, Acting Director City Shaping, City of Adelaide
Theo Maras AM, Chairperson & Board Member, Adelaide Central Market Authority
Mark Booth, Director, BRM Advisory

Precis of topic

Utilising the PowerPoint Slides within the Agenda, Committee Members were provided with details on the current and future needs of the ACMA in relation to the management and operations of the Adelaide Central Market (the Market), marketing requirements and the relationship with the development of the adjoining Central Market Arcade and expansion of the offer.

Councillor Khera left the Colonel Light Room at 6.11 pm

Strategic Alignment – Strong Economies

2. Item 4.1 – Economic and Investment Strategy – City Growth [2021/00346] [TC]

Discussion facilitators:

Clare Mockler, Acting Chief Executive Officer, City of Adelaide
Tom McCready, Acting Director City Shaping, City of Adelaide
Mark Booth, Director, BRM Advisory
Grace Pelle, Manager Finance & Procurement, City of Adelaide

Precis of topic

Utilising the PowerPoint Slides within the Agenda and one replacement page (which is attached at the conclusion of the minutes), Committee Members were provided details in response to 2021-2022 Business Plan & Budget – Budget Parameters deliberations in particular an economic policy, investment strategy and growing the rates base.

During the Workshop:

- Councillor Khera re-entered the Colonel Light Room at 6.14 pm
- Deputy Lord Mayor (Councillor Couros) (the Chair) left the Colonel Light Room at 6.43 pm whereupon The Lord Mayor took the Chair, the Deputy Lord Mayor (Councillor Couros) (the Chair) re-entered the Colonel Light Room at 6.46 pm and retook the Chair.
- Councillors Mackie and Moran left the meeting at 6.56 pm

Closure

The meeting closed at 7.29 pm.

Deputy Lord Mayor, Councillor Couros
The Committee Chair

Documents attached:

Minute 2 - Item 4.1 – Economic and Investment Strategy – City Growth, replacement page 31 of the workshop PowerPoint Presentation

Economic and Investment Strategy – City Growth

Return on investment

Future Fund

Rate of return example

$$\begin{aligned}
 \text{WACC} &= 1.91\% \\
 &+ \\
 \text{Risk free rate} &= 1.65\% \\
 &+ \\
 \text{Risk Premium} &= 4.00\% \\
 &= \\
 \text{Return sought} &= 7.56\%
 \end{aligned}$$

Weighted average cost of capital

- CoA calculation is 1.91%

Risk free rate

- Most common proxy is the yield on ten-year Commonwealth Government bonds
 - May 2021 1.65%
 - Long term average 4.36%

Risk Premium

- Set a risk premium range, say 2.0% to 6.0%
- assess Beta the relative riskiness compared to market