

Confidential Report for Council (Chief Executive Officer's Report)

2. Item 5.1.1 – Strategic Partnership Opportunity [2013/01266] [C]

Item 5.1.1, distributed separately to the Agenda was before Council Members.

Mr Mark Goldstone, Chief Executive Officer, City of Adelaide gave a precis of the item.

Discussion ensued, during which Councillor Moran left the Colonel Light Room at 5.23pm and re-entered at 5.24pm.

It was then -

Moved by Councillor Khera,
Seconded by Councillor Abrahamzadeh –

THAT COUNCIL

1. Endorses the City of Adelaide component of the Adelaide City Deal as shown in Attachment A to Item 5.1.1 on the Agenda for the Special meeting of Council held on 18 March 2019.
2. Authorises the Lord Mayor to sign the Adelaide City Deal on behalf of the City of Adelaide.
3. Notes the contribution of the Commonwealth of a capped \$10 million over the next ten (10) years to support the delivery of smart infrastructure across the City of Adelaide as part of the Adelaide City Deal.
4. In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 5.1.1 listed on the Agenda for the Special meeting Council held on 18 March 2019 to be discussed and considered in confidence pursuant to Section 90(3) (b), (d) & (g) of the *Local Government Act 1999 (SA)*, this meeting of the Council, do order that:
 - 4.1 The resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 18 March 2025;
 - 4.2 The confidentiality of the matter be reviewed in December 2019; and
 - 4.3 Authorises the Chief Executive Officer or delegate to determine the appropriate time to publish details of the City Deals for media and publicity purposes.

Carried unanimously

Item 5.1.1, distributed separately to the Agenda is attached below information.

Strategic Partnership Opportunity

ITEM 5.1.1 18/03/2019
Council

Program Contact:

Kerry Loughhead, EM CEO
Office 8203 7014

Approving Officer:

Mark Goldstone, Chief Executive
Officer

2013/01266

Confidential - s 90(3) (b) & (d) commercial advantage/prejudice commercial position of council/commercial information of a confidential nature
Confidential - s 90(3) (g) breach of law, duty of confidence, obligation or duty

EXECUTIVE SUMMARY:

A City Deal is a tripartite agreement between Federal, State and Local Governments.

On 15 January 2019, Council noted the Adelaide Smart City Deal Proposal and authorised the CEO to negotiate on behalf of the City of Adelaide, an Adelaide City Deal which meets the objectives of the MOU and is in line with the objectives of the City of Adelaide 2016-2020 Strategic Plan. The final City Deal would then be presented back to Council for approval.

Following discussions at senior officer level a commitment has been made by the Commonwealth to provide a capped \$10 million over ten (10) years to the City of Adelaide to enable seamless integration of smart technology between Lot Fourteen and Adelaide's central business district to support the delivery of smart infrastructure across the City of Adelaide excluding within Lot Fourteen. Further details will be developed during the City Deal's implementation including the infrastructure necessary and the best method of delivery.

The Commonwealth will additionally contribute \$174 million towards the development of an Aboriginal Art and Cultures Gallery, the International Centre for Food, Hospitality and Tourism, a Collaborative Research and Engagement Hub and establish the Australian Space Agency's Mission Control Centre and Space Discovery Centre amongst other initiatives at Lot Fourteen.

The authorisation of Council is sought for the Lord Mayor to sign the Adelaide City Deal on behalf of the City of Adelaide and to endorse the City of Adelaide component of the Adelaide City Deal.

RECOMMENDATION:

THAT COUNCIL

1. Endorses the City of Adelaide component of the Adelaide City Deal as shown in Attachment A to Item 5.1.1 on the Agenda for the Special meeting of Council held on 18 March 2019.
2. Authorises the Lord Mayor to sign the Adelaide City Deal on behalf of the City of Adelaide.
3. Notes the contribution of the Commonwealth of a capped \$10 million over the next ten (10) years to support the delivery of smart infrastructure across the City of Adelaide as part of the Adelaide City Deal.
4. In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 5.1.1 listed on the Agenda for the Special meeting Council held on 18 March 2019 to be discussed and considered in confidence pursuant to Section 90(3) (b), (d) & (g) of the *Local Government Act 1999 (SA)*, this meeting of the Council, do order that:
 - 4.1 The resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 18 March 2025;
 - 4.2 The confidentiality of the matter be reviewed in December 2019; and

- 4.3 Authorises the Chief Executive Officer or delegate to determine the appropriate time to publish details of the City Deals for media and publicity purposes.

IMPLICATIONS AND FINANCIALS:

City of Adelaide 2016-2020 Strategic Plan	Strategic Alignment – Smart The Adelaide City Deal proposal is based on the roll out of the infrastructure and other projects related to the City of Adelaide 2016-2020 Strategic Plan.
Policy	No changes to Council policy or procedure are required as a result of this report.
Consultation	Delivery of the City of Adelaide Strategic Plan required considerable consultation with other key stakeholders and has direct links to integrating Lot Fourteen to the Adelaide CBD. Further discussions on the Adelaide City Deal has occurred with the Department of the Premier and Cabinet, SAPOL, University of Adelaide, Australian Institute of Machine Learning and Renewal SA.
Resource	The delivery of the proposed City of Adelaide, Adelaide City Deal projects will fast track projects that would in future years require significant investment of City of Adelaide resources.
Risk / Legal / Legislative	Both the Australian and South Australian governments would provide legal advice and each City Deal project will include a comprehensive risk analysis through its delivery planning. A robust governance structure will be in place to oversee delivery of the Adelaide City Deal.
Opportunities	Fast tracking of Council Strategic Plan Smart initiatives and development of new revenue sources and integration of Lot Fourteen to the CBD.
18/19 Budget Allocation	Not applicable.
Proposed 19/20 Budget Allocation	Dependent upon negotiations with both Federal and State Governments and Elected Member deliberations.
Life of Project, Service, Initiative or (Expectancy of) Asset	Early fast tracking over two years, long term investment beyond ten years.
18/19 Budget Reconsideration (if applicable)	Will be dependent upon negotiations with both Federal and State Governments and Elected Member deliberations.
Ongoing Costs (eg maintenance cost)	Each project will require detailed budget plans, projections and operational costings, savings, revenue and returns on the investment.
Other Funding Sources	Australian and South Australian governments, possible attraction of university research funding, private enterprise investment and increased Council revenues.

GROUNDINGS AND BASIS FOR CONSIDERATION IN CONFIDENCE

Grounds:

Sections 90(3) (b), (d) & (g) of the *Local Government Act 1999* (SA):

- (b) information the disclosure of which -
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or prejudice the commercial position of Council; and
 - (ii) would, on balance, be contrary to the public interest;
- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest;
- (g) matters that must be considered in confidence to ensure the Council does not breach any duty of confidence.

Basis:

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

The disclosure of information in this report could reasonably prejudice the commercial position of Council who supplied a 'commercial in confidence' proposal for evaluation by the Commonwealth government. Disclosure of commercial in confidence negotiations may adversely impact project viability, prejudice the ability to undertake/participate in future negotiations on the proposal and prejudice the Council's commercial position and opportunity for Council to participate in future like considerations or discussions.

Council has a duty of confidence to the Commonwealth and State governments in relation to the Adelaide City Deal negotiation process. It is reasonable to assume the Commonwealth and State may expect the Council maintain the confidentiality of negotiations.

Public Interest

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in release of information prior to the finalisation of 'commercial in confidence' negotiations with the Commonwealth government. The disclosure of this information may materially and adversely affect the Council's ability to finalise the Adelaide City Deal and may prejudice Council's ability to discuss/participate or influence the proposal for the benefit of the Council and the community in this matter.

DISCUSSION

1. City Deals is a collaborative funding model between the Federal Government, a state or territory government, and local governments that will make our cities better places to live in and do business. Through City Deals, governments, industry and communities will develop collective plans for growth and commit to the actions, investments, reforms and governance needed to implement them.
2. Through new and existing investments of governments, City Deals set out the specific investments and reforms needed to unlock business and industry development and ensure community wellbeing. City Deals will drive reform through incentivising actions and accountabilities at the state and local government levels.
3. Council at its special meeting on 15 January 2019 resolved to:
 - "1. Notes the Adelaide Smart City Deal Proposal (Attachment A to Item 6.1.3 on the Agenda for the Special Meeting of Council held on 15 January 2019) which was provided to the Department of Infrastructure, Regional Development and Cities in December 2018.

2. Authorises the CEO to negotiate the best possible outcome for an Adelaide City Deal agreement, on the basis that a Smart City theme (Attachment A to Item 6.1.3 on the Agenda for the Special meeting of Council held on 15 January 2019) is incorporated into the City Deal.
3. Notes the final City Deal will be reported back to Council for approval.”
4. Since that meeting, a ‘Senior Officers Group’ comprising of Council representatives (including the CEO Mark Goldstone), Federal Departmental, Department of Premier and Cabinet (DPC) and Renewal SA staff have met to finalise the content of an Adelaide City Deal.
5. A commitment has been made by the Commonwealth to provide a capped \$10 million over ten (10) years to the City of Adelaide to support smart infrastructure across the City of Adelaide, excluding within Lot Fourteen as part of an overall Adelaide City Deal at noted in **Attachment A**.
6. As a signatory to the Adelaide City Deal, a commitment is sought by Council to invest \$8 million to complete the Ten Gigabit Adelaide network, \$2.79 million over five years to install LED smart lighting and \$1.8 million for further Smart City projects. These projects have been included in the long term infrastructure plan for Council consideration to fund.
7. In addition, City of Adelaide will commit to collaborating with the Commonwealth and South Australian Government to determine:
 - 7.1. the infrastructure necessary to support the integrated delivery of smart infrastructure across Adelaide and
 - 7.2. the best method for delivering smart technology products, including seeking private sector delivery partners, where appropriate;
8. The Commonwealth has announced funding support of \$174 million for the development of an Aboriginal Art and Cultures Gallery, International Centre for Food, Hospitality and Tourism, a Collaborative Research and Engagement Hut and establish the Australian Space Agency’s Mission Control Centre and Space Discovery Centre at Lot Fourteen.
9. The establishment of a new Aboriginal Art and Cultures Gallery supports Council’s Strategic Plan objective to “Work with the Federal and State governments and Aboriginal Elders and representatives to establish a national centre for Aboriginal and Torres Strait Islander culture and heritage” in Adelaide.
10. Authorisation is sought from Council for the Lord Mayor to sign the Adelaide City Deal on behalf of the City of Adelaide.
11. The projects in the draft Deal complement and meet the needs of both Lot Fourteen and the City of Adelaide, avoiding possible future duplication of services.

ATTACHMENTS

Attachment A – Letter from Australian Government and Government of South Australia

- END OF REPORT -



Australian Government



Government
of South Australia

Ref: MS19-000516

The Right Honourable the Lord Mayor of Adelaide
Sandy Verschoor
City of Adelaide
GPO Box 2252
ADELAIDE SA 5001

Dear Lord Mayor, *Sandy*

Thank you for your support, and that of your Council, in the development of the Adelaide City Deal. We appreciate your commitment to the vision of the City Deal, developed over a short time period, towards growing Adelaide as an innovative, connected and vibrant city that will lead the transformation of the South Australian economy.

Our governments have negotiated a package of City Deal commitments to lead investment and planning towards this vision. In addition to the more than \$360 million committed by the South Australian Government to undertake the Lot Fourteen development, the Commonwealth will invest \$174 million in the City Deal including:

- To realise the Aboriginal Art and Cultures Gallery, the International Centre of Food, Hospitality and Tourism, and an Innovation Hub at Lot Fourteen;
- To establish the Australian Space Agency's Mission Control and Space Discovery Centre at Lot Fourteen.

Through the City Deal, the South Australian Government will develop Lot Fourteen as a world's best practice Smart Technology Precinct with smart infrastructure. To enable seamless integration of smart technology between Lot Fourteen and Adelaide's central business district, the Commonwealth proposes to invest a capped funding contribution of \$10 million to support the delivery of smart infrastructure across the City of Adelaide. Further details will be developed during the City Deal's implementation including determining the infrastructure necessary and the best method for delivery.

The City Deal represents a shared investment in Adelaide, and Commonwealth funding is subject to complementary investments from the City of Adelaide. Attachment A outlines the commitments developed during negotiations, including proposed investments to be made by Adelaide City Council. Subject to your agreement to the attached, we look forward to finalising

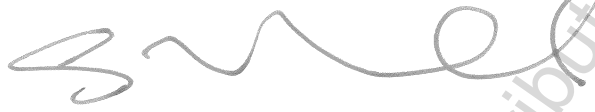
For-Official-Use-Only

the City Deal with you. Our offices will liaise regarding details for the signing, and our officials are also available to provide assistance. Prior to this joint announcement, we ask that information in this letter and attachment be kept in strict confidence.

Yours sincerely



The Hon Alan Tudge MP
Minister for Cities, Urban Infrastructure
and Population
Commonwealth of Australia



The Hon Steven Marshall MP
Premier
South Australia

Outline of key commitments – Adelaide City Deal – Adelaide City Council <i>Adelaide City Deal contribution</i>	
City Deal commitment <i>Integrated Plan for Digital Service Delivery</i> <p>An integrated plan for digital service delivery, enhanced connectivity and data capacity will be jointly developed to:</p> <ul style="list-style-type: none"> - take into account the National Broadband Network, the Government of South Australia's Gig City and expansion of the fibre optic network, and the City of Adelaide's Ten Gigabit Adelaide and Adelaide Free WiFi network; - consider the digital experience for residents, business and visitors, including options to integrate with new smart technology infrastructure to deliver digital wayfinding and information services; and - provide a platform to consistently market digital services and promote connectivity for businesses across Adelaide, including in the city centre. 	<p>To support delivery of this commitment, the City of Adelaide will:</p> <ul style="list-style-type: none"> - in collaboration South Australia, jointly develop the Plan; - undertake any necessary actions to support the delivery of the Plan.

<p><i>Integrating smart technology at Lot Fourteen and across Adelaide</i></p> <p>Lot Fourteen will be developed as a world's best practice Smart Technology Precinct. South Australia will deliver smart technology infrastructure within Lot Fourteen to:</p> <ul style="list-style-type: none"> - support security, innovation incubation, engagement, be future ready and open source; - integrate, analyse, share and use data to enable platforms to be created to interact with Gig City and Ten Gigabit Adelaide; - reduce maintenance and energy costs; - support an enhanced digital experience for residents, businesses and visitors; and - support the precinct's and greater Adelaide's smart cities agenda. <p>To support the seamless integration of smart technology between Lot Fourteen and Adelaide's central business district, the City of Adelaide will deliver smart technology infrastructure within its boundaries in line with the principles outlined above.</p> <p>The Commonwealth will invest a capped funding contribution of \$10 million to support smart infrastructure across the City of Adelaide, excluding within Lot Fourteen.</p>	<p>To support delivery of this commitment, the City of Adelaide will:</p> <ul style="list-style-type: none"> - Invest: <ul style="list-style-type: none"> o \$8 million to extend the Ten Gigabit Adelaide network o \$2.79 million over five years to install LED smart lighting o \$1.8 million for Adelaide free Wifi - In collaboration with the Commonwealth and South Australia work to determine: <ul style="list-style-type: none"> o the infrastructure necessary to support the integrated delivery of smart infrastructure across Adelaide; and o the best method for delivering smart technology products, including seeking private sector delivery partners, where appropriate. - Seek further opportunities to fund smart city initiatives over the ten year span of the City Deal.
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