



THE COMMITTEE MINUTES

for the meeting

Wednesday 5 August 2020

Held Remotely



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

Acknowledgement of Country

At the opening of the Committee Meeting, the Deputy 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

Apologies

Councillors Donovan, Knoll, Mackie, Moran and Simms.

Presentations

1. Item 3.1 - Presentation - ACMA Draft Business Plan & Budget

Theo Maras, Chairman and Jodie Kannane, General Manager, Adelaide Central Market Authority utilising a PowerPoint presentation gave Committee members and overview of the 2020-2021 Adelaide Central Market Authority Business Plan and Budget and responded to questions from Committee Members.

The PowerPoint presentation utilised is attached for reference at the conclusion of the Minutes of this meeting.

2. Item 3.2 - Presentation - RMMA Draft 2020-21 Business Plan & Budget

Peter Joy, Chairman and Johanna Williams, General Manager, Rundle Mall Management Authority utilising a PowerPoint presentation gave Committee members and overview of the 2020-2021 Rundle Mall Management Authority Business Plan and Budget and responded to questions from Committee Members.

Reports to be presented to Council

All reports in this section will be presented to Council on 13 August 2020 for consideration and determination

Strategic Alignment – Enabling Priorities

3. Item 4.1 - Adelaide Central Market Authority Business Plan and Budget [2019/02431] [TC]

Theo Maras, Chairman and Jodie Kannane, General Manager, Adelaide Central Market Authority were available to respond to questions from Committee Members.

4. Item 4.2 - Rundle Mall Management Authority 2020-2021 Business Plan and Budget [2019/02431] [TC]

Peter Joy, Chairman and Johanna Williams, General Manager, Rundle Mall Management Authority were available to respond to questions from Committee Members.

5. Item 4.3 - 2019-20 Quarter 4 Finance Report [2018/03947] [TC]

Klinton Devenish, Director Place and Alex Brown, Manager Financial Planning & Analysis, City of Adelaide responded to questions from Committee Members.

6. Item 4.4 - Adoption of the 2020-21 Business Plan and Budget [2019/02431] [TC]

Sonjoy Ghosh, Acting Associate Director Strategic Finance & Performance, City of Adelaide was available to respond to questions from Committee Members.

Strategic Alignment – Strong Economies

7. Item 4.5 - Adoption of Valuations 2020-2021 [2020/00150] [TC]

Clare Mockler, Deputy CEO & Director Culture, City of Adelaide responded to questions from Committee Members.

8. Item 4.6 - Declaration of Rates 2020-2021 [2020/00150] [Page TC]

Clare Mockler, Deputy CEO & Director Culture, City of Adelaide responded to questions from Committee Members.

9. Item 4.7 - Declaration of Rundle Mall Special Rate 2020-2021 [2020/00150] [Page TC]

Sonjoy Ghosh, Acting Associate Director Strategic Finance & Performance, City of Adelaide was available to respond to questions from Committee Members.

Closure

The meeting closed at 6.28pm.

Councillor Hyde (Deputy Lord Mayor)
The Committee Chair

Documents attached:

Minute 1 - Item 3.1 - ACMA Draft Business Plan & Budget, PowerPoint Presentation

Minute 2 - Item 3.2 - RMMA Draft Business Plan & Budget, PowerPoint Presentation



Adelaide Central Market Authority

BUSINESS PLAN & BUDGET
Financial Year 2020/21

July 2020



Our **MARKET.**

OVERVIEW

Strategic Plan

The vision of the Adelaide Central Market is to be the world's leading food and produce market. The mission of the Authority is to operate sustainably and successfully as a group of prosperous Traders, Board and management team that provides a diverse and exciting cultural shopping experience that enhances our precinct, city and state.

Business Plan

This is the third year of delivery of 2018 -22 Adelaide Central Market Authority Strategic Plan, and the Business Plan outlines 'how' the final year actions will be achieved.

Budget

All actions have been budgeted for.





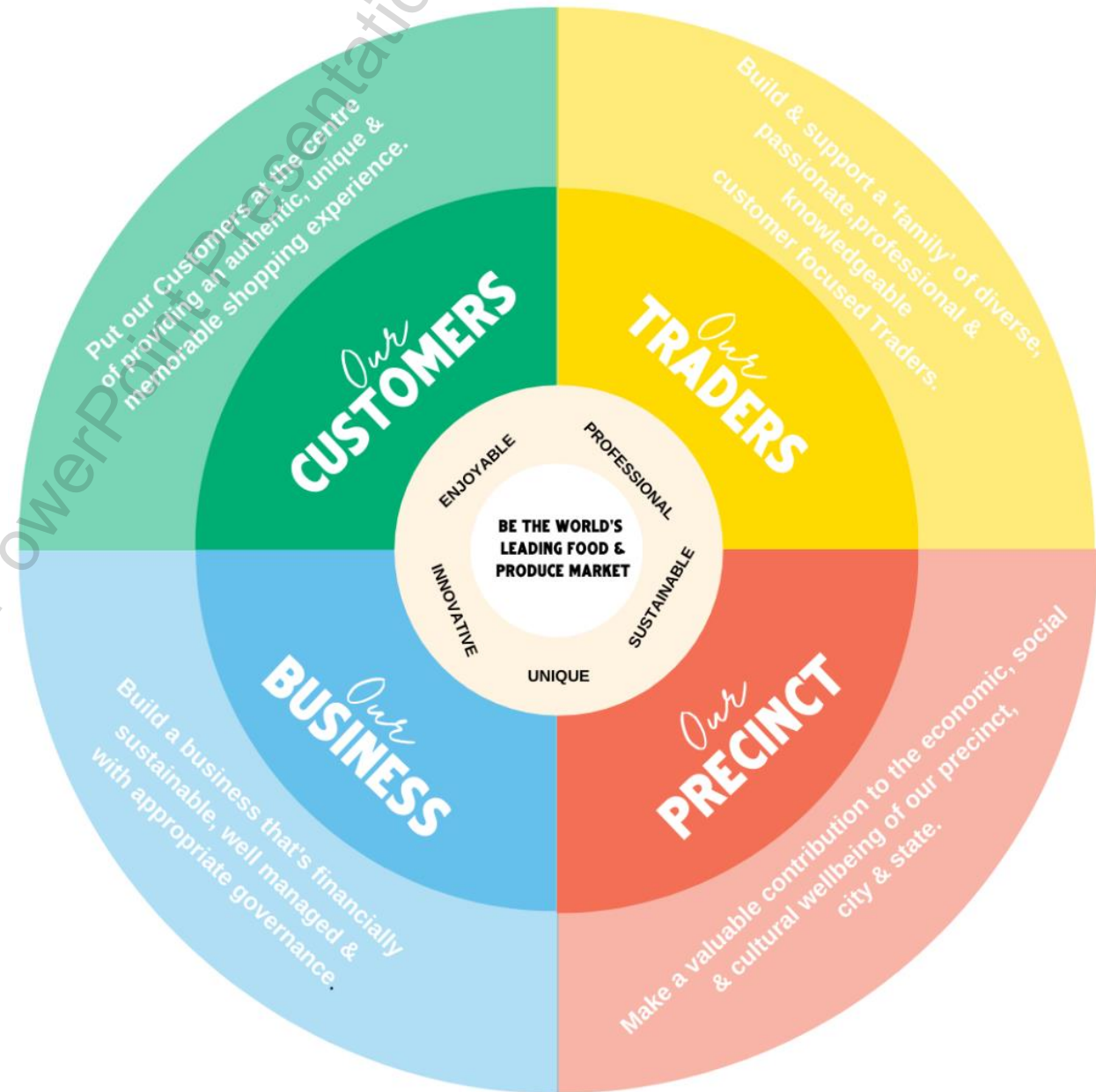
STRATEGIC PLAN

Our **MARKET.**

OBJECTIVES & PURPOSE

The primary objects and purpose as outlined in ACMA Charter are:

- Oversee the management and operation of the Market
- To be responsible for maintaining and enhancing the iconic standing of the Market for the benefit of all stakeholders;
- To be responsible for the Market becoming internationally recognised as a vibrant, diverse and unique fresh produce market community that is commercially sustainable for traders and the City of Adelaide.



OUR CUSTOMERS

To put our Customers at the centre of all that we do to provide them with an authentic, unique & memorable shopping experience.

Strategic direction:

- 1 Establish the best produce Market offering in the world.
- 2 Develop & maintain a strong understanding of existing & potential Customer service needs, relating to Customer engagement & experience.
- 3 Create unique food & entertainment experiences for our customers.



Our **MARKET.**

OUR CUSTOMERS

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Strategic priorities 2020/21:

- Trader mix aligned to customer needs and preferences, guided by blue print for curating cohesive retail mix.
- Develop and deliver integrated annual marketing plan that focuses on post-COVID recovery, customer engagement, unique customer experiences and highlights trader storytelling.
- Recommend amended trading hours that align to customer preferences, including Sunday trading
- Develop and deliver community engagement plan, including Reconciliation Action Plan.



Our **MARKET.**

OUR TRADERS

To build & support a market 'family' of diverse, passionate, professional & knowledgeable customer focused Traders.

Strategic direction:

- 1 Work with Traders to identify their business' point of difference to reinforce the unique shopping experience in the Market.
- 2 Opportunity to improve individual stall atmosphere.
- 3 Improve Traders' marketing skills to connect with existing & potential customers to drive stall visitation.
- 4 Lower Business operating costs and wastage.



OUR TRADERS

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Strategic priorities 2020/21:

- Integrate trader storytelling, theatre and unique products into annual marketing plan to differentiate the Market from its competitors.
- Engage retail and visual merchandising expertise to enhance displays, highlight regional and seasonal and maximise sales opportunities.
- Develop program of training to help upskill traders in social media, digital media and general marketing skills.
- Work with traders to reduce business costs, find economies of scale and operating efficiencies to maximise sales return
- Create unique Market experiences through strategic collaborations and creative execution to drive 'local tourism' visitations.



Our **MARKET.**

OUR BUSINESS

To build a business that is financially sustainable, well managed & with appropriate governance.

Strategic direction:

- 1 Ensure the Market remains a safe environment for customers & visitors.
- 2 Provide opportunities for Traders to strengthen their skills & access high quality business support & advice.
- 3 Improved communication between Market Traders & between Traders & the Market Office.
- 4 Encourage new investment.
- 5 Ensure Market and carpark accessible for customers and Traders.
- 6 Maintain good relationships with CoA and RMMA.



OUR BUSINESS

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Strategic priorities 2020/21:

- Ongoing security and safety review.
- Provide program of business support and trader engagement to advance Traders' commercial skills.
- Continue to engage Traders Advisory Group and Traders Assoc to enhance collaborative working relationship and communication.
- Fit-out incentive scheme to encourage investment in the Market
- Commence regular review of car park assess pricing, layout, operations and data capture.
- Continue to engage, lobby and liaise with CoA leadership team and RMMA to seek shared outcomes.



OUR PRECINCT

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To make a valuable contribution to the economic, social & cultural wellbeing of our precinct, city & state.

Strategic direction:

- 1 Be the leader in the Market District & City of Adelaide.
- 2 Improve Gouger and Grote St presence.

Strategic priorities 2020/21

- Continued engagement with precinct groups, Arcade and Plaza management and CoA to support placemaking strategies.
- Continued engagement with CoA throughout the stages of the Arcade Redevelopment to implement customer and trader advocacy plans that address key challenges including carparking, access, disruption mitigation and district strategy to engage local catchment.





Minute Item 3.7

FY 2020/21 BUDGET

Our MARKET.

BUDGET ASSUMPTIONS

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The ACMA 2020-2021 Operating Budget has been prepared to ensure efficient operation of the Market in an increasingly competitive environment and received ACMA Board approval on 23 July 2020 for submission to Council as a draft budget for public consultation purposes.

A review of the ACMA Charter, which includes the ACMA Head Lease and Operating Agreement with CoA, is currently in progress. All rental calculations and other budget assumptions are in line with the current ACMA Charter 2014.

ACMA Administration

- Depreciation & Interest on Capital Expenditure funding is excluded from cash-based budget.
- Net impact for FY 2020-21 for AASB16 Leases expense of \$44k and income reduction of \$295k is accounting impact only and is excluded from cash-based budget.

ACMA Car Park

- Transactions are expected to recover to 90% of casual income by January 2021
- Revenue has been adjusted for the loss of 230 days from May 2021 due to the commencement of the Arcade redevelopment

ACMA Market Complex

- Any rent waiver provided to ACMA tenants from 1 July 2020 due to Covid-19 will be funded and paid for by CoA.
- Tenant revenue assumes no CPI due to possible extension of the Covid-19 Emergency Response Regulations 2020.

CoA Head Lease

- Rent payable to CoA is calculated at 30% of gross revenue. ACMA Charter 2014 is under review.

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Our MARKET.

FINANCE SUMMARY - OPERATIONS

Budget \$'000	2018-19 Actual	2019-20 QF3 Forecast	2020-21 Budget
ACMA Administration	(1,406)	(1,225)	(1,434)
ACMA Car park	1,596	482	966
ACMA Market Complex	60	250	(387)
Arcade redevelopment priorities	0	0	(210)
Operating Budget (Cash)	250	(493)	(1,065)



FINANCE SUMMARY - INCOME

Budget \$'000	2018-19 Actual	2019-20 QF3 Forecast	2020-21 Budget
ACMA Administration	124	39	36
ACMA Car park	4,813	3,607	4,292
ACMA Market Complex	4,391	4,428	4,326
Operating Income (Cash)	9,328	8,074	8,654



FINANCE SUMMARY - EXPENDITURE

Budget \$'000	2018-19 Actual	2019-20 QF3 Forecast	2020-21 Budget
ACMA Administration	(1,519)	(1,258)	(1,463)
ACMA Car park	(1,350)	(1,537)	(1,512)
ACMA Market Complex	(2,979)	(3,124)	(3,343)
CoA Head Lease	(2,784)	(2,155)	(2,677)
CoA UPark Management Fee	(446)	(493)	(513)
Operating Expenditure (Cash)	(9,078)	(8,567)	(9,508)



ACMA CAPITAL WORKS 2020-2021

Project	Description	Capital Plan 2020/21 '000
Main Switch Board (MSB) Replacement	MSB and associated infrastructure needs to be upgraded due to the additional load created by new stalls/stall upgrades. Current is the current main switch may not turn back on in the event of a fault due to age which will leave the market without power for an extended period.	715
Waste Water Infrastructure To Compliance (Trade Waste)	Upgrade all waste water infrastructure to current standards as required per SA Water.	100
Install Backflow Prevention Provisions at Sewer Connections	To install backflow prevention provisions at sewer connections. Backflow valves are required in S/W and N/W corners.	50
Escalator Replacement	The escalators require replacement as a result of the escalators reaching the end of recommended operational life 2012. Modern building codes will not allow a like for like replacement.	1,400
Toilet Facility Refurbishment	Toilets required to support compliment restaurant/eateries at the southern end of the market. Original budget was for an external location. New budget price is dependant on an internal location.	250
Stall Structural Renewal Works	To undertake compliance works to stalls when and if they become vacant, particularly mezzanine column safety works. Includes upgrades to areas identified from past engineering reports.	800
Grote Street Entrances and Footpath	Undertake study and prepare concept plans to activate the Grote Street footpath and three Grote Street entrances into the market improving access, ambience and draw to the customer.	50
Information Desk Replacement/ Upgrade	Replacement of existing information desk	50
IT Upgrade Fund	Ongoing improvement to current IT system to ensure operational effectiveness	30
Roof Sheeting replacement	The corrosion present on the roof sheeting is spreading to the structural support beams on the I12 car park. This is damaging the structural integrity of the beams and if left untreated they will not have the structural integrity required to support the services on the roof (air conditioning and solar). Roof sheeting will need to be replaced and effected structural beams will need to be replaced or treated.	341
Tower	Floor re-enforcement & stair replacement. The tower floors require a rating of 4 kpa and a compliant staircase in order for them to be certified for commercial use.	250
Cool room	Convert the produce storeroom into a large cool room or multiple small cool rooms for trader storage.	400
Pop up stall	Movable stall for pop up activations	20
		4,456

The ACMA 2020-2021 Capital Expenditure Budget has been formulated in line with the ACMA 10-Year Capital Works Program, based on the 2017 Building Services Audit Report provided by Lucid Engineers.

Our **MARKET.**

Rundle Mall Business Plan & Budget FY20/21

Minute 2 - Item 3.2 - PowerPoint Presentation



Overview

Preparing a Strategic Plan, Business Plan and Budget are all requirements of the Rundle Mall Management Authority Charter 2017

Strategic Plan

The vision for Rundle Mall is to be the premier retail destination in SA and the heart of the city. The primary objectives are to attract more visitors to the Mall, ensure that they stay longer, provide people with an enjoyable shopping experience and ultimately drive sales for businesses in the precinct

Business Plan

This is the final year of delivery against the current Rundle Mall Strategic Plan, and the Business Plan outlines 'how' the Year 4 Strategic Plan Actions will be achieved.

Budget

All actions outlined in the Business Plan have been budgeted for



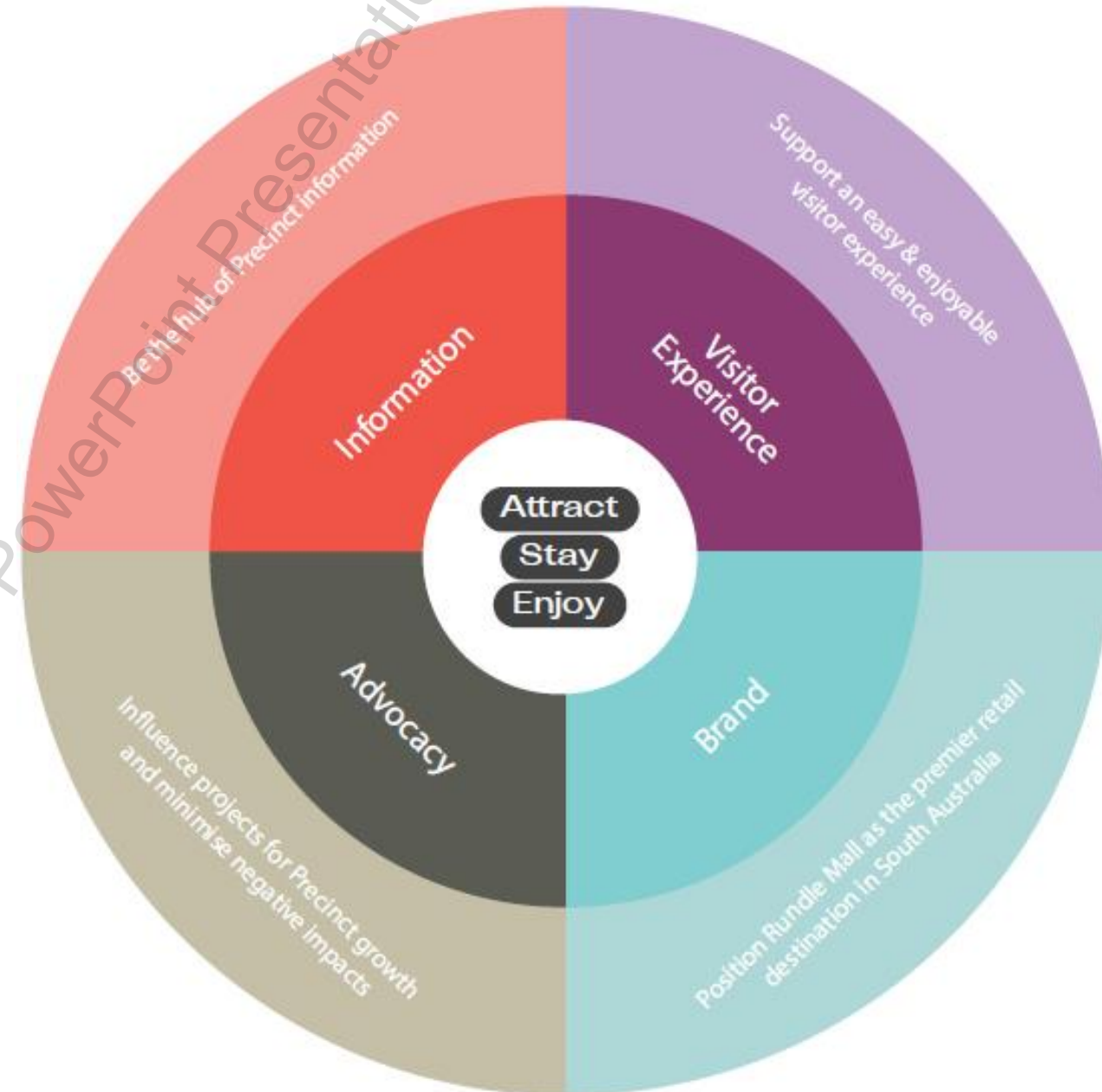
Strategic Plan

Minute 2 - Item 3.2 - PowerPoint Presentation

Objectives & Purpose

The primary objectives and purpose as outlined in the RMMA Charter are:

- To position Rundle Mall as the State's premier retail and commercial shopping precinct in order to sustain retail, business and economic viability
- To promote Rundle Mall and encourage its use by residents, visitors and the community



Information

Be the hub of precinct information

Strategic Outcome

Refine and use data captured in Year 3

Strategic Actions:

- Capture and measure key performance indicators for the Mall including: traffic, sales, dwell time, customer profiles, and market research
- Share data and information to inform businesses and retailers in the precinct
- Deliver education and information packages for precinct stakeholders
- Connect businesses to support and advice throughout the COVID-19 recovery period



Advocacy

Influence projects for Precinct growth and minimise negative impacts

Strategic Outcome

Influence CoA to invest in the delivery of the remaining Masterplan projects to ensure a high-quality amenity and public realm

Strategic Actions:

- Work with CoA to support post COVID-19 placemaking strategies
- Work with private property owners to deliver new retail experiences and support investment and minimise vacancy rates
- Work with State Government on trading hours legislation
- Work with CoA to deliver the City Wide Business Model



Brand

Position Rundle Mall as the premier shopping precinct in South Australia

Strategic Outcome

Create, implement and deliver an annual Marketing, Social Media & Events plan with input from information gathered in Year 3

Strategic Actions:

- Continue to develop the new Rundle Mall brand
- Create a “Roadmap to Recovery” and deliver activation and placemaking strategy post COVID-19
- Drive social media engagement and growth of digital channels
- Grow both business and customer EDM databases
- Further develop the Rundle Mall website
- Deliver strong PR including industry focus



Visitor Experience

Support an easy and enjoyable visitor experience

Strategic Outcome

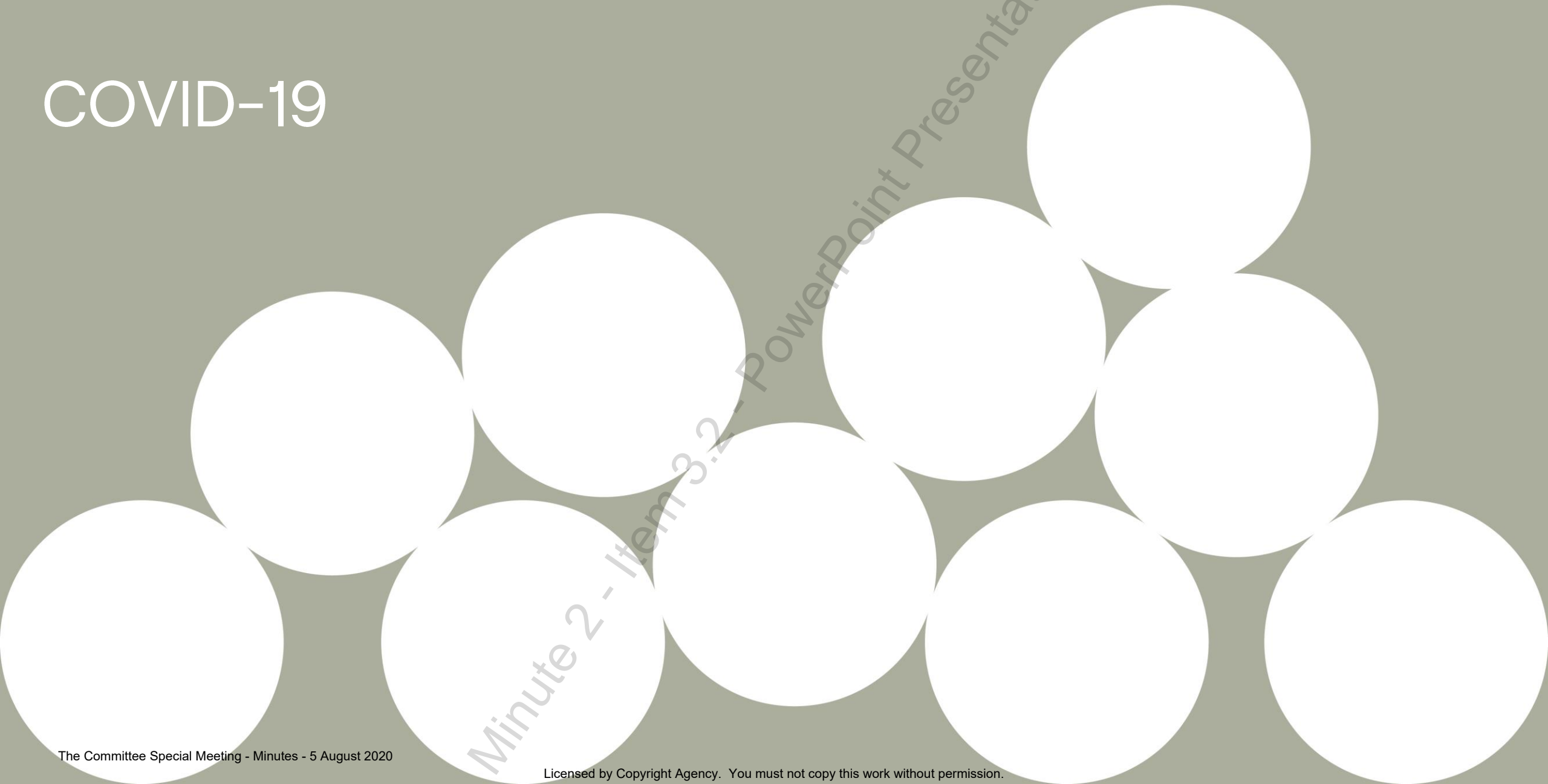
1. Stage and seek unique activations
2. Work with CoA to support a safe and attractive public space and trial new systems and technologies

Strategic Actions:

- Deliver activations and pop-up experiences
- Deliver supplementary income through 3rd party partnerships
- Improve Mall amenity and infrastructure
- Increase safety and cleanliness – work with security, SAPOL and CoA cleansing team
- Support CoA's Strategic Plan priorities



COVID-19



Minute 2 - Item 3.2 - PowerPoint Presentation

COVID-19 Response

- Business support
- Council decision to provide Rundle Mall Marketing Levy Rebate relief for Q4
- Essential services continued to operate
- Safety & Cleaning
 - Increased Security and SAPOL presence
 - Increased cleaning and high touch point areas
 - Hand sanitiser stations
- Social distancing and safety signage
- Support for CoA UPark Plus program in Gawler and Rundle Street car parks
- Regular digital communication to businesses and customers
- Digital and social media- Rundle Mall "At Home" campaign
- Pop Up Seating areas
- Music, PA Announcements and large format screens



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Minute 2 - Item 3.2 - PowerPoint presentation

Roadmap to Recovery

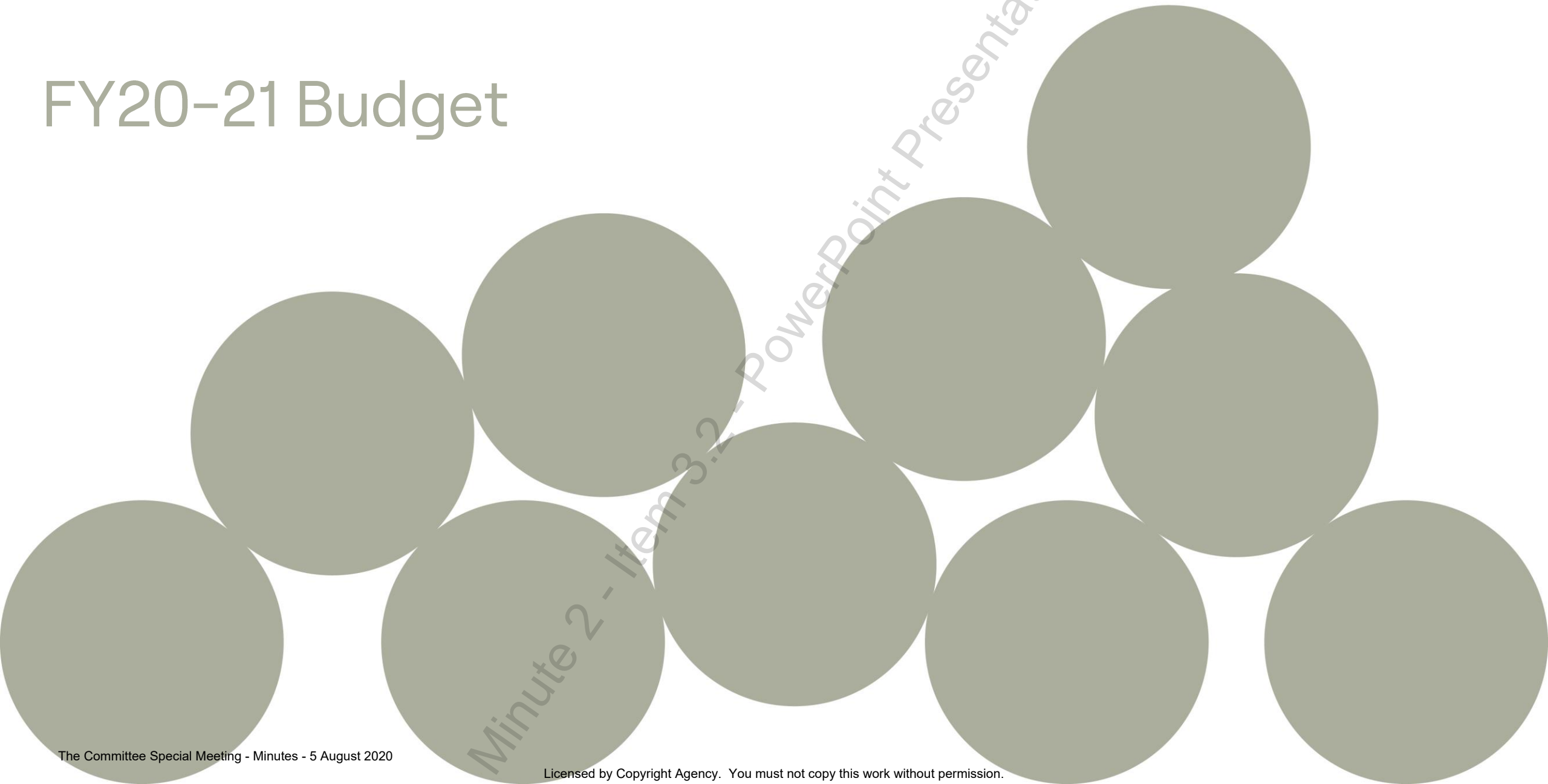
- Produced a “Roadmap to Recovery” booklet sent to all Rundle Mall businesses and stakeholders
- Focussed on placemaking and activation – staged, incremental approach
- Retail campaigns and support for businesses
- Fairy lights overhead and throughout the trees
- Green Walls, planter boxes and colourful flowers
- Pop Up Food and Beverage carts
- Colourful public art
- Strong support for Christmas season
- TV and digital advertising



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FY20-21 Budget



Minute 2 - Item 3.2 - PowerPoint Presentation

Budget Assumptions

Rundle Mall Levy

- Differential rate in the dollar frozen
- Levy income assumed to achieve a 0% increase, based on average property valuations and a vacancy provision

Pop Up & Activation Income

- Reduction reflects impacts of 3rd party bookings post COVID-19
- Inclusion of longer-term activations

Administrative/Operational Expenditure

- Labour costs in line with level/step changes
- Security costs increased in line with additional support for COVID recovery
- CPI increases to other services



Finance Summary

\$'000	2018-19 Actual	2018-19 Budget	2019-20 Forecast	2019-20 Budget	2020-21 Budget	Var 20-21 to 19-20 Forecast
Income (including rollover)	4,172	4,232	4,397	4,286	4,084	-7.1%
Accumulated Surplus Carry Forward	38	38	21	-	-	-
Marketing Expenditure	2,458	2,540	2,590	2,458	2,221	-14.2%
Admin/Operations Expenditure	1,731	1,730	1,828	1,828	1,863	1.9%
Total	21	0	0	-	0	

Income Summary

\$'000	2018-19 Actual	2018-19 Budget	2019-20 Forecast	2019-20 Budget	2020-21 Budget	Var 20-21 to 19-20 Forecast
Rates Levy	3,702	3,729	3,852	3,741	3,787	-1.7%
Other Revenue (Concessions, CML & Sponsorships)	470	503	545	545	297	-45.5%
Total Income	4,172	4,232	4,397	4,286	4,084	-7.1%

Marketing Expenditure Notes

- Reduction of 2 major events in July 2020 (Winter Festival) and October 2020 (Vogue Festival)
- Activation and placemaking budget directed to support COVID-19 recovery
- Digital investment remains strong. Prior year accounted for new website delivery
- Continued delivery of agency expertise including creative, digital and PR
- Continued investment in market research and insight



Minute 2 - Item 3.2 - Power



Marketing/Activation Expenditure

\$'000	2018-19 Actual	2018-19 Budget	2019-20 Forecast	2019-20 Budget	2020-21 Budget	Var 20-21 to 19-20 Forecast
Business to Consumer Marketing Campaigns, Activation & Events	1,818	1,776	1,815	1,683	1,534	-15.5%
Business to Business Marketing Campaigns	10	18	15	15	15	0%
Digital Investment	76	90	131	131	48	-63.4%
Services	327	373	501	501	512	2.2%
Strategic/Other	226	283	128	128	112	-12.5%
Total Marketing/Activation Expenditure	2,457	2,539	2,590	2,458	2,221	-14.2%

Admin/Operations Expenditure Notes

- Labour cost increase based on CPI, Level/Step changes
- Additional investment in security to support COVID-19 response and increased presence
- CoA recovery increase in line with Public Realm presentation and support including increased cleaning measures for COVID-19 response
- Other Admin includes office costs, Board fees, cleaning



Denis Smith Photography

Minute 2 - Item 3.2 - PO

Administration/Operations Expenditure

\$'000	2018-19 Actual	2018-19 Budget	2019-20 Forecast	2019-20 Budget	2020-21 Budget	Var 20-21 to 19-20 Forecast
Resource Costs	1,035	1,023	1,105	1,105	1,110	0.5%
Security	270	269	271	271	294	8.5%
CoA Recovery/Operations	222	220	224	224	230	2.7%
Other Admin/Operations Costs	204	218	228	228	229	0.4%
Total Administrative & Operational Expenditure	1,731	1,730	1,828	1,828	1,863	1.9%



Minute 2 - Item 3.2 - PowerPoint Presentation