

AGENDA & REPORTS

for the meeting

for the meeting

Thursday, 4 August 2022

at 8.30 am

in the Colonel Light Room, Adelaide Town Hall

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Membership	The Lord Mayor 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum	4
Presiding Member	David Powell
Committee Members	The Right Honourable the Lord Mayor [Sandy Verschoor] Paula Davies John Oliver Simon Rodger Councillor Franz Knoll
Proxy Members	Councillor Mary Couros [proxy for Councillor Knoll]

1 Acknowledgement of Country

'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 recognize 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.'

2 Apologies and Leave of Absence

Apology -
Simon Rodger

3 Confirmation of Minutes

That the Minutes of the meeting of the Audit and Risk Committee held on 17 June 2022, be taken as read and be confirmed as an accurate record of proceedings.

4 Presiding Member Reports

5 Presentation

5.1	Update on Service Planning & Performance	4 - 12
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6 Reports

6.1	Valuation Methodology Report Assessment	13 - 25
6.2	2021/22 Quarterly Business Update Q4	26 - 109
6.3	Presiding Member's Annual Report	110 - 114
6.4	Risk Statement	115 - 118
6.5	Strategic Internal Audit Plan	119 - 132
6.6	Internal Audit Progress Report	133 - 136

7 Emerging Key Risks

8 Independent Member Discussion

9 Other Business

10 Exclusion of the Public

In accordance with sections 90(2),(3) and (7) of the *Local Government Act 1999* (SA) the Audit and Risk Committee will consider whether to discuss in confidence the reports contained within section 11 of this Agenda.

11 Confidential Item

- | | | |
|------|---|-----------|
| 11.1 | Activity of Strategic Risk & Internal Audit Group
[S90(3) (i)] | 137 - 141 |
| 11.2 | Confidential Meeting with Internal Auditors
[S90(3) (b)] | 142 - 144 |

12 Closure

Enabling Priorities

Update on Service Delivery Plans

Progress of Service Performance Measures

Recap – Integrating Planning and Performance with Strategy

Align services with strategy

Service delivery planning is focussed on a rolling 4 year plan, aligning planned activity with endorsed strategies or plans and incorporating principles of the Contestability/Service Assessment framework.

Integrate services with capital works and asset management plans

Projects identified through the Service Delivery Plans (SDP) process will be captured, monitored and reported through the tool currently utilised for new, upgrade and renewal capital projects. This streamlines and creates a consistent way to capture, prioritise and report on capital and strategic projects.

Align performance measures with strategic and service outcomes

Performance measures reflect progress against identified strategic, organisational and service outcomes.

Performance measures support CoA's ability to undertake regular and ongoing contestability and service assessments and build upon organisation knowledge in a proactive and connected manner.

Build Data and Insights to inform Service Delivery

Gathering and generating data and insights, is integral to ensuring service delivery meets the needs of our customers and services are delivered in the most effective and efficient ways. Data and Insights will drive decision making for service delivery.



A UNIQUE TEAM CREATING AN EXTRAORDINARY CITY

Align services with strategy

Our Framework	Our Services	Our Annual Plan and Budget
Strategic Plan	Longer-term view	Current deliverables
Long Term Financial Plan	Planned deliverables and estimated costs and works	Cost of Service
Strategic Asset Management Plan		Priorities, Projects and Capital

The Service Delivery Plans are incorporated into Council's Business Plan and Budget (BP&B).

The BP&B communicates our priority, service and project commitments for the next 12 months, why we deliver them, how much they cost and how we will fund delivery.

The Senior Leadership Team meets regularly to progress and monitor the implementation of the BP&B.

New quarterly reporting against the BP&B will be implemented in 2022/23 to ensure transparency and accountability.

Insights and observations from our community continue to inform planning and delivery of our services.

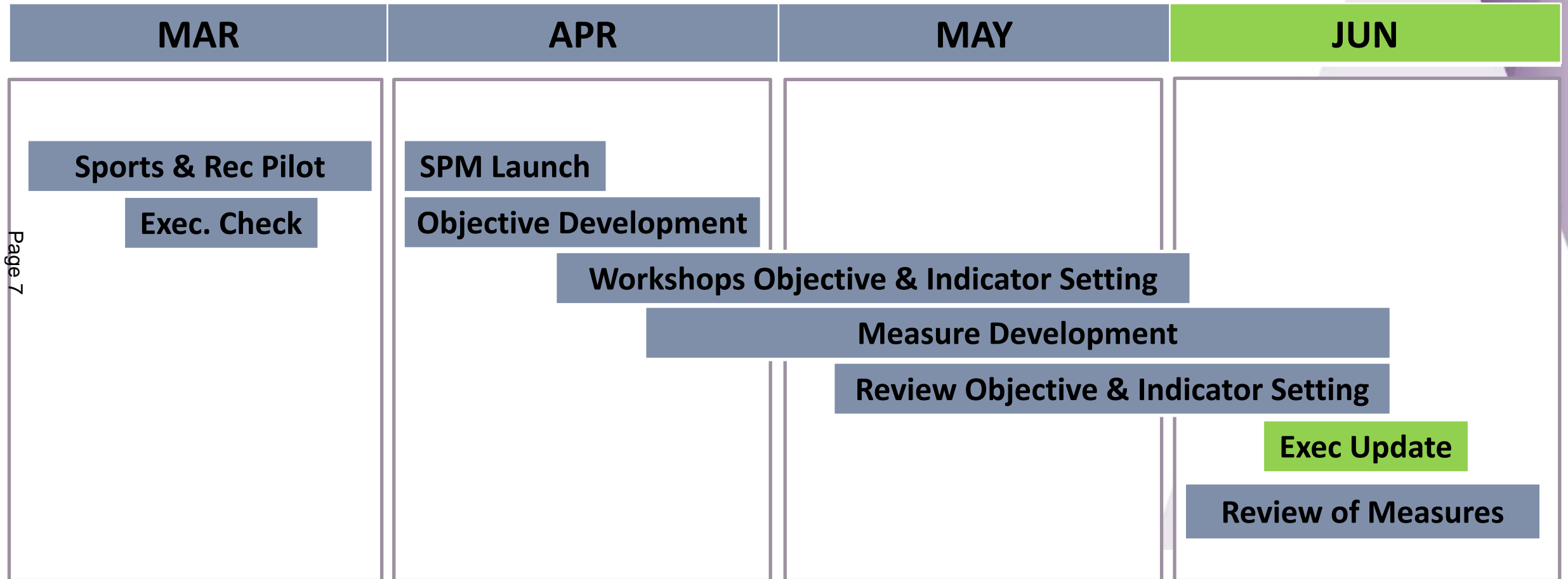
Align performance measures with strategic and service outcomes.

To determine the effectiveness and efficiency of services, developing and implementing meaningful performance measures has continued to progress and is a key priority in 2022/23.



A UNIQUE TEAM CREATING AN EXTRAORDINARY CITY

Service Performance Measures to date



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Objective & Indicator Summary

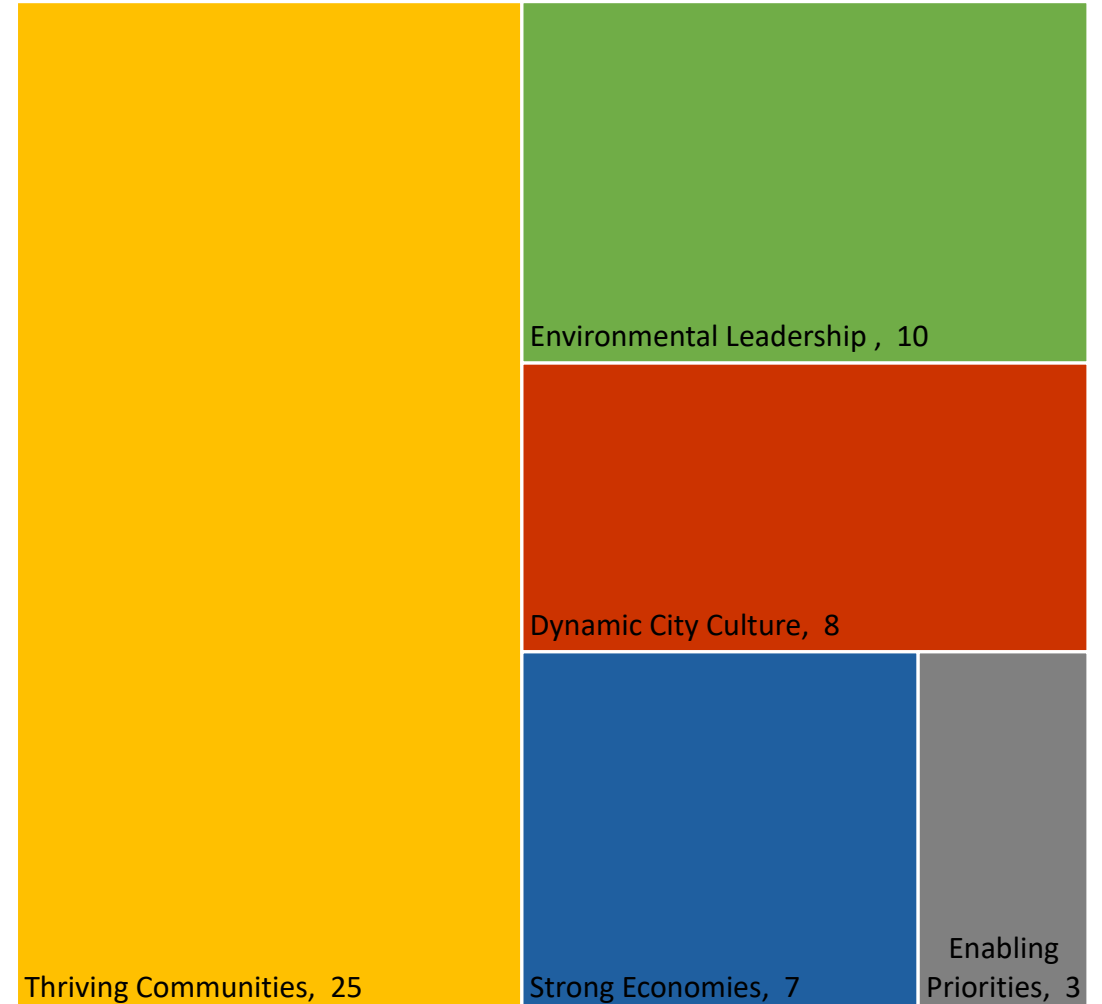
Summary

13 Services

53 Objectives

62 Functions

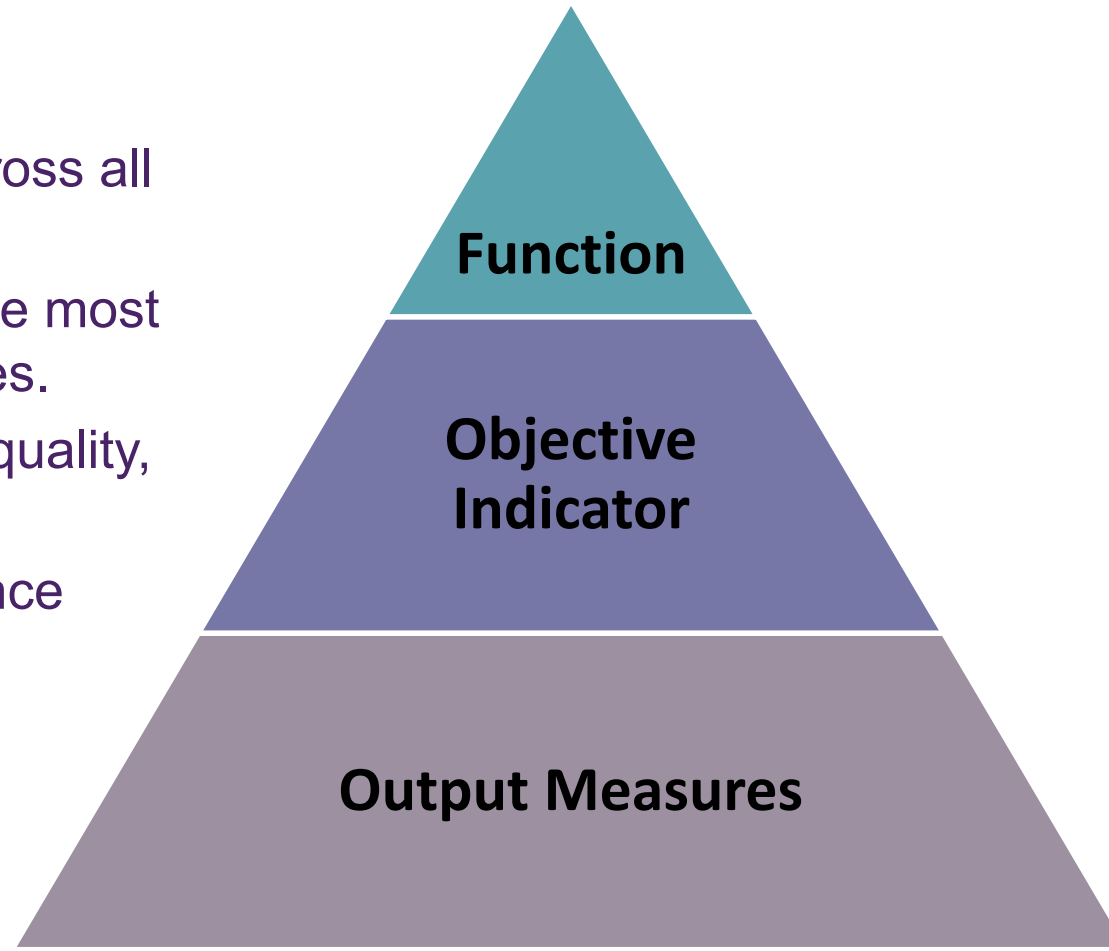
94 Indicators



Performance Measurement Development

Working across the organisation to identify and develop measures that examine what the service does to achieve the objective.

- Workshops on objective indicators completed across all Services.
- Enterprise discussions to refine and determine the most meaningful indicators, measures and data sources.
- The measurement outputs will address quantity, quality, cost and timeliness.
- Internal trial of the effectiveness of the Performance Measures to commence.



Service Reporting

Quarterly reporting improvements to support service performance:

1. Delivery against commitments in the Business Plan & Budget including the Strategic Annual Priorities
2. Service Highlights for the quarter
3. Future quarter service focus areas
4. Capital and Strategic Projects delivery
5. Connecting Strategic Risk and Opportunities to Services

Next Steps

Priorities

1. July 2022 – Complete the development of measures with function leaders
2. July 2022 – Complete the development of the data contribution portal
3. July 2022 – Commence roll out framework to Corporate Services
4. Q1 2022/23 Reporting – Available Service Performance data captured and reported, in line with integrated quarterly reporting.

Appendix: Strategic Connection

Thriving Communities	Strong Economies	Environmental Leadership	Dynamic City Culture
Park Lands & Open Spaces (4)	Economic Planning & Growth (3)	Environmental Sustainability (6)	Arts, Culture & Events (4)
Streets & Transportation (4)	Property Management & Development (3)	Resource Recovery & Waste (2)	Sports & Recreation (1)
Community Planning & Development (3)	Arts, Culture & Events (1)	Park Lands & Open Spaces (1)	Park Lands & Open Spaces (1)
Library Services (3)		Streets & Transportation (1)	Resource Recovery & Waste (1)
Parking (3)			Planning, Building & Heritage (1)
Planning, Building & Heritage (3)			
Community Safety (2)			
Sports & Recreation (2)			
Economic Planning & Growth (1)			

Valuation Methodology Report Assessment

Thursday, 4 August 2022

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Manager Finance & Procurement

Public

Approving Officer:

Amanda McIlroy - Chief
Operating Officer

EXECUTIVE SUMMARY

At its meeting on 4 February 2022, the Audit and Risk Committee resolved “*that Council reassess the valuation methodology report from 2017 to include reviewing all the options available in relation to valuations for the purposes of future rate determinations.*”

The 2017 report was prepared by an external consultant, Mr John Comrie. The focus of the report was to assess Council's approach to Rates and Revenue, and identify opportunities for Council regarding its Rating Policy and other revenues, to support Council's intent to reduce reliance on rates. Some of the recommendations from the review have been undertaken in the recent Rating Policy review, a summary of these have been provide in the report in Attachment A.

Administration has undertaken an internal review of the report and outcomes are provided here for the Audit and Risk Committee to note.

The options available for valuations are determined by legislation and Council selects the most appropriate valuation method from these options. The choice of method should be determined based on an understanding of the mix and types of ratepayers within the council area. Council adopts this method via the adoption of its Rating Policy.

It is recommended that City of Adelaide retain the use of the Assessed Annual Value methodology as the most appropriate valuation method for its rating base.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

That Council

1. Notes the review of valuation methodology and associated report undertaken in 2017 provided in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
2. Notes the retention of the Assessed Annual Value methodology as per Rating Policy adopted by Council.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities Council's Rating Policy and associated guidelines set Council's intention and adopted method of valuation.
Policy	Council's Rating Policy identifies the use of the Assessed Annual Value method for the purposes of valuations used for rating purposes.
Consultation	Council's Rating Policy was extensively reviewed in 2021 and put out for public consultation in conjunction with the 2021/22 Annual Business Plan and Budget. Any significant changes to the Rating Policy must undertake public consultation in accordance with the <i>Local Government Act 1999 (SA)</i> .
Resource	Not as a result of this report
Risk / Legal / Legislative	Under the <i>Local Government Act 1999 (SA)</i> , Council must determine the method of valuation utilised for rating purposes. Council adopts this method via the adoption of its Rating Policy.
Opportunities	Not as a result of this report
21/22 Budget Allocation	Not as a result of this report
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. At its meeting on 4 February 2022, the Audit and Risk Committee resolved “*that Council reassess the valuation methodology report from 2017 to include reviewing all the options available in relation to valuations for the purposes of future rate determinations.*”
2. An internal review of the report has now been undertaken, with detailed analysis and recommendations provided in **Attachment A**.
3. The report that was reviewed had been prepared in 2017 by an external consultant, Mr John Comrie. The focus was on assessing Council’s approach to Rates and Revenue and identifying opportunities for Council. This report was presented to Council on 25 July 2017 – view [here](#).
4. Section 151 of the *Local Government Act 1999 (SA)* (the Act) states that the value of land for the purpose of rating is its capital value.
5. Capital value can be derived in three ways in accordance with the *Valuations Act*:
 - 5.1. Site Value (SV) – unimproved value of the property
 - 5.2. Capital Value (CV) – improved value of the property (including structures)
 - 5.3. Assessed Annual Value (AAV) – a function of capital value, calculated based on rental potential from the property.
6. Council’s Rating Policy adopts AAV as the appropriate valuation methodology for its rating base. This is due to the high rental occupation of the city and is common amongst other Australian capital cities, as cited in **Attachment A**.
7. In considering the 2017 report, the review confirmed the grounds for application of the AAV method are still as relevant and, on this basis, recommends retention of this method.
8. The report also provides further information on the decision-making elements for Council to consider in future rating decisions. It is important that these decisions are incorporated into the Rating Policy of Council and follow the public consultation requirements outlined in section 151 of the Act.

DATA AND SUPPORTING INFORMATION

Link 1 – Rating Policy

Link 2 - 2017 Report – Review of Rates and Revenue by Mr John Comrie

ATTACHMENTS

Attachment A – Internal Review of 2017 Rates and Revenue report

- END OF REPORT -

RATING METHODOLOGY REVIEW

June 2022

ACKNOWLEDGEMENT OF COUNTRY

The City of Adelaide acknowledges that we are located on the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past, present and emerging.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We also extend that respect to visitors of other Aboriginal Language Groups and other First Nations.

DOCUMENT PROPERTIES

Contact for enquiries and proposed changes

If you have any questions regarding this document or if you have a suggestion for improvements, please contact:

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BACKGROUND

At its meeting on 5 February 2022, the Audit and Risk Committee (ARC) resolved that Council reassess the valuation methodology report from 2017 to include reviewing all options available in relation to valuations for the purposes of future rate determinations.

The context behind the decision of ARC was a discussion regarding the understanding of why Annual Assessed Value (AAV) is the chosen methodology for rating at City of Adelaide, different from all other South Australian councils. Further to understand the operations available in terms of rating methodology under legislation for Council to ensure the most appropriate rating methodology is applied.

2017 REVIEW

The report referred to by the ARC resolution was prepared by John Comrie and presented to Council in 2017. The report was a Review of Rating and Revenue. In summary the report provided the following findings with regards to rates:

- There is no single rating system that best suits or is preferred by all ratepayers.
- Rating system is a choice of Council that should consider relevant public finance criteria of each rating option to ensure the decision is objective and able to be defended.
- Rating systems are a form of tax that must consider equity of benefits received by and capacity to pay of different classes of ratepayers
- Two other options available outside of AAV being Capital Value and Site Value. Capital Value and AAV are both a better indicator of capacity to pay compared to site value.
- CoA does not levy a minimum rate or fixed charge, unlike all other SA Councils

The findings and elements of the report that were assessing revenues outside of rates have not been reviewed as a purpose of this report.

RATING CONSIDERATIONS

There are various elements to consider when looking at rating which are defined as:

Rate Revenue Level - Council must determine how much rate revenue to raise.

Rate Revenue mix - The LG Act requires councils to have regard to equity in determining their basis of rating. Equity considerations need to have regard to both benefits received and capacity to pay.

Rate Valuation base – Council must determine whether to base rating on the site, annual or capital value of properties.

Rate Charges – Council can determine to apply a fixed or minimum rate but can't apply both and don't have to apply either.

Differential Rates – Council can choose to apply rates based on different land uses and/or localities. Typically, a higher rate is set for non-residential rate payers based on the capacity to pay.

Separate Rates & Service Charges – Council can set rates based on specified services provided. Commonly used for Water Management schemes, Areas of higher service provision e.g. Rundle Mall Levy.

RATES REVENUE LEVEL

Council is free to determine what level of rate revenue they raise annually.

Unlike eastern states, there is no cap applied in South Australia under current legislation. Though it is important to note the introduction of the Rates Oversight Scheme introduced as a part of the recent LG reform which will ensure that rate revenues are being raised appropriately.

In the 2017 review, Mr Comrie noted that *“It is in the best long-term interests of both a council’s ratepayers and the council itself that the council exercise its rating powers responsibly, strategically and accountably”*. Administrative simplicity and economic efficiency are key considerations to ensure rate revenue levels are raised appropriately.

There is a clear desire from Council, through the last nine years of rating decisions, that the rate revenue level is kept to a level that will ensure rates are not a core source of income and the dependency on increasing rate revenues to fund new services is reduced with the expansion of other revenue streams.

The Council resolution on 15 December 2020 seeks to ensure that rate revenue levels grow in the future as a result of growth through new developments only, rather than seeking higher rates from existing rate payers.

RATES REVENUE MIX

The 2017 review noted the intent of Council to raise approximately 20% of its rates revenue from the residential sector and the 80% balance from non-residential properties.

This intent is typically derived from the ‘capacity to pay’ element of the taxation system. The value of a property used for the purposes of rating represents the capacity to pay of each ratepayer. Whereby higher values suggest greater capacity and as such rates are levied in the same weighting.

City of Adelaide current valuation mix is 71% Non-Residential vs 29% Residential which has moved slightly from the 80/20 basis from some years ago.

As a result, movement in the rates revenue mix would expect to move with the movement in valuations.

In 2016/17 the rates revenue mix was 20.6% Residential vs 79.4% Non-residential which is clearly aligned to the 80/20 valuation mix. Table 1 below was included in the review with 2017 figures and has been updated for the purpose of this report. Table 1 shows how the mix is now moved to be 24.9% Residential vs 75.1% Non-residential, not quite aligned with the 71/29 valuation mix.

Impacting this is the Council decision to retain the rate in the dollar over the last nine consecutive years. The changes in valuations over that time have driven the amount of revenue derived from residential to non-residential to be slightly skewed from the desirable 71/29 mix. As Council continues to set rates based on RID instead of rate revenue, this mix will continue to skew away from the intent to align valuation mix to rate revenue mix.

Table 1: CoA Assessments, Rates Revenue and Average Rates by Property Class 2022

Differentiating Factor	No. of Rateable Assessments	% of Rateable Assessments	Rates Revenue (\$000's)	% of Rates Revenue	Average Rates / Property
Residential	16,722	62.3%	\$29,443	24.9%	\$1,761
Commercial	9,732	36.2%	\$73,860	72.5%	\$7,589
Industrial	110	0.5%	\$484	0.4%	\$4,400
Vacant Land	44	0.2%	\$260	0.2%	\$5,909
Other	254	0.8%	\$2,356	2.0%	\$9,276
Total	26,862	100%	\$118,423	100%	\$4,409

RATES VALUATION BASE

Council must determine the basis for valuation utilised for rating. The legislation provides for three alternatives summarised by the 2017 report as follows:

Site Value:

- More economically efficient than capital value as a rating base, no need for assessment of capital built as it doesn't recognise structural improvements.
- Are not generally as good an indicator of capacity to pay as capital values
- Relative rates can become disproportionate which would increase the rates burden to certain property types.

Capital Value:

- Recognises the value of land including structural improvements
- reasonable indicator of relative capacity to pay between different ratepayers
- Utilised by many agencies

Annual Assessed Value:

- Typically reasonably correlated with capital values (and as a guide are generally about 5% of capital values)
- reasonable indicator of relative capacity to pay between different ratepayers.
- work well in localities where strong rental markets for different types of properties exist
- often cause confusion though for ratepayers and are therefore not administratively simple
- Not popular in circumstances where the majority of properties are occupied by their owners

The 2017 review resolved that *"There is no compelling justification for CoA to switch valuation bases"* and formalised the recommendation that CoA continue to set rates based on each property's assessed annual value.

RATES CHARGES

Council can apply a fixed or minimum rate to each ratepayer as a mechanism to achieve equity from a benefit principle perspective. That is, each ratepayer receives benefits from Council and a fixed or minimum rate ensures that each ratepayer contributes a set amount regardless of the value of their property.

This service charge is then usually complemented with a variable rate in the dollar that then recognises the value of the property applied to whatever valuation base is chosen.

The 2017 review noted that because a council uses capital value or assessed annual value it has already determined that capacity to pay and as such a minimum rate would not be justifiable. This is based on the fact that minimum rates set a value threshold *"for which the minimum applies have the amount they pay determined purely based on their property value. Arguably this may mean that too much emphasis is being given to 'capacity to pay' relative to 'benefits received' considerations. At least equally importantly it means owners of the lowest valued properties, i.e. those to which the minimum applies, are effectively paying a higher ad valorem rate."*

By contrast a fixed rate, would support Councils capacity to pay and benefit principle and Mr Comrie's recommendation was for *"CoA remain open to considering the introduction of a modest fixed charge in future but on the basis of available evidence not do so at this time."* For the purposes of this report, the fixed rate modelling has not been reviewed again, however the analysis included in section 6 of the 2017 report still remain valid as a demonstration of impact.

DIFFERENTIAL RATES

Council can apply differential rate based on land use and location but cannot apply it based on availability or levels of service. Differential rates must be set objectively based on:

- perceptions of differences in capacity to pay relative to property value between properties with different land uses or in different localities; and / or
- the costs to a council generated by or in servicing properties affected by the differential, or
- the policy objectives of a council.

Differential arrangements are commonplace and have not changed materially over time as such they are generally accepted as a capacity to pay. Council's policy has chosen three differential rates based on land use: Non-Residential, Residential and Vacant Land. Consideration could be given to variations of land use.

SERVICE CHARGES AND SEPARATE RATES

The CoA currently levies a separate which is applicable to an area defined by resolution of Council as the Rundle Mall Precinct. Setting such fees presents equity issues in terms of whether a separate rate is justified. When applied appropriately, these charges and rates must be measured directly against the activity by which they are raised in order to ensure value and equity of the additional rate is achieved and justified.

The 2017 review provided a recommendation for the CoA to consider further separate rates in support of its significant retail precincts.

CAPITAL CITY COMPARISON

City of Adelaide by comparison to all other South Australian Council is the only Council to use Assessed Annual Value, while a majority of other SA Council's utilise Capital Value and other regional areas adopting site value.

The key point of difference and support for the AAV methodology is the high level of occupier/rented premises in the CBD. As mentioned above, AAV is a simple function of Capital Value and as a result a change in methodology cannot be justified other than its simplicity of administration.

Its is of more relevance to compare CoA to other capital cities in Australia. This comparison was provided in the 2017 Review and updated below with the information in Table 2.

Table 2: Capital City Valuation Methodology Comparison

City	Valuation Base	Minimum Rate / Fixed Charge	Differential Rates
Adelaide	AAV	Nil	Yes
Brisbane	Site Value	Yes	Yes
Melbourne	AAV	Nil	Yes
Perth	AAV*	Yes	Yes
Sydney	Site Value	Yes	Yes
Darwin	Site Value	Yes	Yes
Hobart	AAV	Nil	No

City of Perth recently conducted a rating methodology review and resolved to retain an AAV methodology referred to as Gross Rental Values (GRV).

2017 REVIEW RECOMMENDATIONS

The final report provided 13 recommendations, some of which related to rating and others to revenue given the scope of the report.

Details on how each recommendation has been addressed is provided below:

Recommendation	Action – Current Recommendation
1. CoA continue to set rates based on each property's assessed annual value.	Recommend to continue to use the Assessed Annual Value
2. CoA remain open to considering the introduction of a modest fixed charge in future but on the basis of available evidence not do so at this time.	Council's Rating Policy undertook significant review and change with public consultation in 2021. Council is committed to review its Rating Policy on an annual basis and confirmation of this element can be considered as a part of the review.
3. Consideration be given to introducing a waste service charge relative to overall equity and administrative considerations.	Review of this particular charge has not yet been undertaken. Council needs to consider this as a part of a broader overall strategic approach to waste in the City and consideration of these other factors may impact the appetite to want to introduce such a charge.
4. Council consider introducing a separate rate to support the promotion of retail activity in all significant retail precincts.	Consideration has been given, since the review, to introduce a separate rate for the East End, however Council did not support. Recent conversations regarding separate rates for Mainstreet Precincts also did not favour such a rate. Opportunities in this area will be assessed when deemed appropriate.
5. CoA monitor the development of the application of value capture by the State and other local governments in SA and elsewhere and consider applying the concept in future where it considers it has merit.	The concept of Value Capture has not moved since 2017 and in fact has been overshadowed by rates capping and rates oversight scheme. Continued review of State developments and legislative changes will be undertaken and reported to the Audit and Risk Committee where relevant.
6. COA review the basis of determining its <ul style="list-style-type: none"> residential rate relative to its rate for other classes of property and whether it is appropriate to continue to set rates based on residential properties generating 20% of total rate revenue, Vacant land rate relative to other differential rates and whether it would be practical and effective to charge a higher vacant land rate to encourage development 	The concept of setting rates based on 20% relative to other property classes has been assessed with Table 1 in this report. With the holding of the Rate in the Dollar the alignment between value and rate revenue has skewed slightly. Council's Rating Policy undertook significant review and change with public consultation in 2021. Included in this review was an additional differential rate for Vacant Land equivalent to 100% of the non residential rate. This was put in place to encourage development of land and prevent land banking.
7. The merits of providing pensioner and self-funded retiree remissions be reviewed, with a view to potentially discontinuing these concessions	Council's Rating Policy undertook significant review and change with public consultation in 2021. Included in this review was the removal of the pensioner concessions given the concessions offered via State Government.
8. That COA's rating policy be reviewed in the light of Council's response to the conclusions and recommendations set out in this report.	Council's Rating Policy undertook significant review and change with public consultation in 2021.

Recommendation	Action – Current Recommendation
9. Council develop a policy regarding the pursuit of commercial income that encourages a cautious approach that has regard to social considerations and risk consideration. Commercial opportunities should not be disregarded but rates are likely to be an appropriate source of revenue to fund much of CoA's aggregate service costs on an ongoing basis.	Council has resolved to focus on commercial incomes to remove the burden of reliance on rate income. In development is a Finance Strategy to be considered by Audit and Risk Committee to agree the principles applied to non-rates revenues and its contribution to the overall financial position of Council.
10. It is recommended that in the absence of reasons to the contrary CoA generally base its charges for private goods on comparable market prices or in the absence thereof the full long-run cost of provision to ratepayers	Council reviews its fees and charges annually which includes a market assessment of prices. Recently, Council has resolved to hold amendments to fees and charges in support of businesses and community.
11. Council have regard to expected trends in the development of driverless cars and the likely financial impact thereof in its long-term financial planning considerations.	Council reviews its businesses and services for impact of all market and community trends through insights. Any variations to services are considered and will be factored into long term financial planning where relevant.
12. Council review the basis of the financial indicator target ranges it has set and base the annual update of its long-term financial plan and annual budget and business plan revenue and expenditure decisions on achievement of these targets, and	Council recently reviewed its Treasury Policy in November 2020 and again in February 2022 to assess its financial indicators and treasury management. These ratios are included in all Budget Review and annual reporting to ensure Council has full visibility and understanding of the financial implications of its decision making.
13. The annual achievement of financial results consistent with soundly based financial indicator target ranges be recognised as a key strategic policy objective by CoA.	These financial indicator ranges exist within the Treasury Policy. The creation of a financial policy is being considered as a part of the development of the finance strategy document. This is a key future consideration of the Audit and Risk Committee.

CONCLUSION

It is determined that there are elements of the 2017 Rate and Revenue review are still relevant and a majority of the recommendations have been addressed since.

It is recommended that the continued use of AAV as the representative method for value and capacity to pay be retained until a future review.

2021/22 Quarterly Business Update Q4

Thursday, 4 August 2022

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Bree Goodchild, Manager
Strategy & Insights

Public

Approving Officer:

Amanda McIlroy - Chief
Operating Officer

EXECUTIVE SUMMARY

As part of monitoring the performance and effectiveness against Council's planned activities, as required under Section 122(1) of the *Local Government Act 1999* (SA), Administration prepares a consolidated report each quarter providing the following updates to Council:

- Budget Reviews
- Commercial Activities
- Capital Projects
- Adelaide Central Market Authority
- Adelaide Economic Development Agency
- Kadaltilla / Parklands Authority
- Brown Hill Keswick Creek

This report also provides information on future alignment and integration of reporting through the Strategic Management Framework.

We have invested more than \$20m in support programs to reignite our city, directly assisting businesses across the CBD and North Adelaide and creating compelling reasons for people to return to our streets, offices, venues and park lands.

Strong leadership and sensible financial management have seen us steadily improve our financial position in recent years and we have achieved \$24.7m in permanent savings in the last two years. To further our commitment to robust financial management, transparent decision making and effective service delivery, we continue to review and improve services.

The 2021-22 preliminary financial position report summarises:

1. The preliminary end of year financial performance for the year ended 30 June 2022 including the final borrowing position for 2021-22 and an estimate of the operating position for 2021-22.
2. The detail of expected end of year adjustments for 2021-22 and estimates where applicable.

The adopted budget for 2021-22 was a \$37,000 surplus. This budget included a budget repair item of \$4.75m to continue to drive improved operating position and achieve the surplus. This budget repair was achieved over the course of the year by identifying cost savings, working more efficiently, and focusing on what really matters for ratepayers and city users. The final budget review in QF3 did introduce an increased depreciation figure which resulted in a revised budget of \$4.4m.

The preliminary end of year financial result is estimated to be a \$88,000 surplus. This is a strong improvement on the revised budget in QF3 and aligned with the intent at time of adoption of the original budget, to achieve a break even position for the Council for 2021-22.

The current estimates expect capital expenditure to be approximately \$52.1m with approximately \$32m of capital works to be delivered in 2022-23 as predicted in the 2022-23 Business Plan and Budget.

On 5 February 2021 the Acting Chief Executive Officer gave an undertaking to provide ongoing capitalisation updates to the Audit and Risk Committee based on key performance indicators (KPIs). This report provides an update on the Capitalisation KPIs.

1. KPI 1 - 85% of Projects capitalised within 10 Weeks (Target above 70%)
2. KPI 2 - < 10% Variance between Preliminary Year End and Annual Financial Statement.

Proactive planning has resulted in the retiming of a number of projects identified in Budget Review 3 to actively manage substantial risk to delivery resulting from unprecedented market conditions, supply chain disruptions and market volatility. Council has been advised of these impacts during workshops throughout 2022.

As a result, we have:

- spent 82% and committed 99% of the BR3 budget for Major Projects
- spent 75% and committed 85% of the BR3 budget for New and Upgrade Projects.
- spent 92% and committed 100% of the BR3 budget for Renewals

The capitalisation KPI's regarding write off and handover will be met for the 2021-22 financial year. Expected borrowings at 30 June 2022 is \$8.0m – considerably down on the original budget of \$77.5m due to delayed capital spending and much improved financial results. This falls within Council's Prudential Borrowing Limits and the full treasury report as required by Council's treasury policy is included in this report. Council's strong leadership and strategic approach to its finances for 2021-22 will enable a solid foundation to achieve a break-even budget in the next financial year and work towards future operational surpluses as well as sustainable debt levels, in accordance with the Long Term Financial Plan.

Council at its meeting on 13 April 2021 resolved to bring a quarterly report to the Audit Committee regarding consultant spend. The consultants report per **Attachment G** to this report is for the Audit and Risk Committee to review and provide feedback.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 2021-22 Preliminary Financial Position and notes results are estimates only at this stage.
 2. Notes the capitalisation KPIs outlined in Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
 3. Notes the Capital Works Quarter 4 Review as presented in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
 4. Notes the Commercial Operations Quarter 4 Review as presented in Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
 5. Notes the Adelaide Economic Development Agency Quarter 4 Review as provided in Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
 6. Notes the Adelaide Central Market Authority Quarter 4 Review as provided in Attachment D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
 7. Notes the Kadaltilla / Park Lands Authority Quarter 4 Review as provided in Attachment E to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
 8. Notes the Brown Hill Keswick Creek Quarter 4 Review as provided in Attachment F to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
 9. Notes the Consultants Spend report provided as Attachment G to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The preliminary result for 2021-22 is directly aligned to the delivery of year 2 of the 2020-2024 City of Adelaide Strategic Plan
Policy	The report includes disclosure as required by Council's Treasury Policy
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	The regular monitoring and reporting of Council's performance is a key step in mitigating risks events that could impact the delivery of the Strategic Plan and Business Plan and Budget. This includes the effective performance of services, business activities, delivery of projects and the execution of Subsidiary responsibilities.
Opportunities	The provision of quarterly reporting assists Council to fulfill its obligations of Section 122(1) of the <i>Local Government Act 1999 (SA)</i> with regard to the development, management and monitoring of the documents within the Strategic Management Framework.
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 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
22/23 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

Preliminary Financial Result for 2021-22 Operating Result

1. Council anticipates a net operating result for the 2021-22 financial year of approximately \$88,000 surplus. This is favourable to the adopted budget of \$37,000 surplus and the revised budget at Quarter 3 Forecast of \$4.4m deficit. This is primarily due to:
 - 1.1. Favourable movements including:
 - 1.1.1. Increased fees and charges due the progressive recovery of income from the UParks \$0.7m
 - 1.1.2. Increase in the value of Grant's received \$3m
 - 1.1.3. Reduced operational expenditure including savings in utilities \$1.2m, employee costs savings through vacancy management and provisions of \$4m.
 - 1.2. Offset by increased expenditure due to:
 - 1.2.1. Reignite initiatives of \$2.5m.
 - 1.2.2. Increased recognition of depreciation of \$1.5m
 - 1.2.3. Increase in debt provisions for \$0.5m

	Original Budget	Approved Budget BR 1	Approved Budget BR 2	2021/22 Preliminary Actuals	Approved Budget BR 3	Variation to Approved BR3
Net Operating Surplus/(Deficit)	31	37	37	88	(4,363)	4,451

Capital Expenditure Result

2. Current estimates expect final capital expenditure for 2021-22 to be approximately \$52.1m which is a result of delivery of the \$28.8m of renewals and \$17.3m of new and upgraded assets. The variance to the adopted budget is a result of project savings achieved over the year and delays in ability to deliver due to COVID, contractor availability and delays and major projects expected to be delivered over multiple years.
3. The 2022-23 Business Plan and Budget estimated a carry forward of \$27.4m. The anticipated increase of New and Upgraded Assets is due to the delay of other minor projects (inclusive of resources costs) that were unable to be completed due to delays. The detail of these works and their values align in the majority to those projects included in the Business Plan & Budget and detail will be provided to Council via the quarterly budget review.
4. The increase in carry forward for Renewals relates to projects unable to be completed by 30 June 2022 due to contract delays and market conditions.
5. Further detail on the delivery of capital projects for the year is provided in **Attachment A**.

Borrowings Impact

6. Reduction in budgeted capital spend presents a favourable impact on borrowings. The savings in capital will translate to a direct reduction in borrowings while the delay in capital has already been factored into the budgeted debt for 2022-23 per the Business Plan and Budget.
7. Further detail on the balance of borrowings at 30 June 2022 are provided in the Treasury section of this report.

Financial Capitalisation Update

8. KPI 1 – Target above 70% of Projects capitalised within 10 Weeks
 - 8.1. 125 projects processed from July 2021 to July 2022 with 75% meeting the KPI as at 26 July 2022 as a preliminary result, noting additional detail will be provided once the work in progress (WIP) process has been finalised.
 - 8.2. Of these, 94 projects achieved practical completion and were processed within 10 weeks with the remaining 31 projects not being finalised within 10 from time of practical completion.
 - 8.3. 23% of projects that failed to meet the KPI were fully processed within a week of missing their KPIs (i.e., within 11 weeks of Practical Completion). These projects include Road Resurfacing King William

Road North-bound (Pennington Tce to Kermode St), Road Resurfacing King William Road South-bound (Brougham Pl to Kermode St), Road Resurfacing Mansfield St (Glover to Tynte St), Road Resurfacing Tynte St (Wellington Sq to Mansfield St), Road Resurfacing Gladstone St (Carrington St to End), Adelaide Bridge - Minor Works, Victoria Square/Tarntanyangga Access & Inclusion Works

- 8.4. 23% of projects that failed to meet the KPI are Major Projects or Multi-Asset Projects. Due to their complex nature, it is not often practical to meet the 10-week target as there have been challenges in receiving the required information from contractors to enable capitalisation i.e., Final claims and payments were received late, or As-Constructed Drawings were issued late. These projects include Moonta Street, Jeffcott Stage 2, Whitmore Square, Bikeways – Brougham Gardens, Bikeways – War Memorial Drive Wombat Crossing, Brougham Place, and Gawler Place Development Defect Rectification Works.
- 8.5. Infrastructure, Finance and the Project Management Office will mitigate the challenges of not completing within the 10-week timeframe on a project-by-project basis and will continue to identify opportunities to improve the process and enable efficiency. Together with the Procurement team we will work with our contractors to receive information in a timely manner and escalate where there are challenges.
9. KPI 2 - < 10% Variance between Preliminary Year End and Annual Financial Statement
 - 9.1. The final KPI can only be determine once we finalise the 2021-22 Financial Statements.
 - 9.2. The estimated write off expense of \$0.8m is within budget of \$1.5m and retains a total provision of \$4.1m for capital projects currently in delivery.
 - 9.3. The improvements implemented in our processes throughout the year have ensured that we have processed any write-off elements of the capital projects within the current financial year.

Proposed adjustments

10. The preliminary results are estimates only at this stage. There are a number of items to be completed which will still impact the final number presented for the external audit.
 - 10.1. Items impacting the operating result include, but are not limited to:
 - 10.1.1. Provisions and accruals for any items not invoiced prior to 30 June 2022.
 - 10.1.2. Impairment of major assets
11. Items impacting the balance sheet include, but are not limited to:
 - 11.1. Asset revaluations on footpaths
 - 11.2. Grant income recognition
 - 11.3. Assets held for sale

Treasury Report

12. As per the requirements set out in the Treasury and Cash Investment Policy, the borrowing and cash investment performance for as at 30 June 2022 is reported below.
13. Borrowings as at 30 June 2022 were \$8m

Borrowings Facility	Available	Interest Type	Interest Rate	Borrowing(s) Amount as at 30 June 2022	Change since previous report	Maturity Date	CAD Interest Rate
LGFA CAD 554	\$30m	Variable	2.10%	\$8m	(\$2.05m)	16/12/2023	2.10%
LGFA CAD 555	\$70m	Variable	2.10%	-	-	15/06/2033	2.10%

* Note 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.

14. The Prudential Limits as at 30 June 2022 based on borrowings of \$8m are below:

Prudential Limit Ratio	Comments	Limits	YTD Actual to June 2022
Interest Expense Ratio	Number of times annual General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	0.2%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy)	Max 1.5 years	0.07
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 25%	3%

15. The net interest expense for the 2021-22 financial year was \$0.3m. This was \$0.3m favourable to the Quarter 3 Forecast of \$0.6m, primarily due to lower interest rates and the delay and deferral of projects and infrastructure works.

Preliminary Financial Statements and Long Term Financial Plan

16. Council's Long Term Financial Plan will be updated to reflect the final result for 2021-22 as a part of the 2022-23 budget review for quarter one.

Quarterly Commercial Operations Review 4

17. The Commercial Operations Quarterly review within **Attachment B** provides Council with a status update on the operations and expenditure of key revenue generating operations such as Parking, the Aquatic Centre, North Adelaide Golf Course, Adelaide Town Hall and Property Services. This report provides an update to Council for the period 1 April 2022 to 30 June 2022.

Quarterly AEDA Review 4

18. In accordance with their Charter, the Adelaide Economic Development Agency (AEDA) Quarter 4 Review, included as **Attachment C**, provides a quarterly update to Council on progress against milestones and performance indicators as outlined in the AEDA Business Plan and Budget for 2021-22.

19. This report provides an update to Council for the period 1 April to 30 June 2022.

20. The Charter states: *"Within 14 days of the end of each quarter the Agency must submit to the Council's CEO a quarterly report on progress against the strategic milestones and key performance indicators as outlined in the Strategic Plan and the Annual Business Plan and Budget."*

21. Key highlights within the report include:

21.1. ADL Unleashed \$30 Eats Campaign.

21.2. AEDA Business Summit.

21.3. Salvador Dali's Triumphant Elephant in Rundle Mall.

21.4. Rundle Mall store openings.

21.5. Sporting celebrations and announcements in Rundle Mall.

21.6. Rundle Mall events and campaigns.

21.7. Shopfront Improvement Grants.

21.8. ADL Unleashed events and activations campaign.

21.9. Tourism Partnership Campaign.

21.10. Business Support

22. Forward Activities and / or services:

22.1. Applications sought for Shopfront Improvement Grants Round 2.

22.2. Applications sought for 2022-23 Strategic Partnership Program.

22.3. Applications open for Strategic Events Fund – support for new events and expansion of existing events.

22.4. Development of a city-wide fashion festival to be held 6-9 October.

22.5. Development of WellFest Adelaide to be held 7-30 October.

22.6. ADLocal – continue to produce and share the stories of small businesses across the city, including business leaders highlighting the businesses they support.

22.7. Continued engagement with business owners and investors on expansion and investment opportunities.

23. AEDA Quarter 4 Financial Position

23.1. AEDA finished the 2021-22 financial year in line with the approved 2021-22 budget.

Quarterly ACMA Review 4

24. In accordance with the Charter of the Adelaide Central Market Authority (ACMA), the ACMA Quarter 4 Review, included as **Attachment D**, provides a quarterly update to Council on progress against milestones and performance indicators as outlined in the ACMA Business Plan and Budget for 2021-22.

25. The ACMA Charter states: *'Within 14 business days of the end of each quarter the Authority must submit to the Council's CEO a quarterly report on progress against the strategic milestones and key performance indicators outlined in the Strategic Plan and the Annual Business Plan and Budget.'*

26. Key highlights within the report include:

26.1. Easter program

26.2. Refugee week

26.3. Saudade launch

26.4. Delivery of Market Expansion assets & call to action "always" campaign

26.5. Organic social posts with combine reach over 1 million

27. Forward Activities and / or services:

27.1. Deliver Bastille Day event

27.2. School holiday program including Market Trail and Little Market Chefs

27.3. New store Mr Cheese scheduled to open

27.4. Online Home Delivery Service: expansion of delivery zone and Click & Collect

28. Quarter 4 Financial Position

28.1. ACMA's financial position is \$0.3m favourable from the original 2021-22 budget

Quarterly Kadaltilla / Park Lands Authority Review 4

29. Kadaltilla / Park Lands Authority (Kadaltilla) is the principal advisory body to both the City of Adelaide and the State Government on the protection, management, enhancement, and promotion of the Adelaide Park Lands. Kadaltilla is established pursuant to section 5 of the *Adelaide Park Lands Act 2005 (SA)* and operates as a subsidiary of the City of Adelaide, pursuant to section 42 of the *Local Government Act 1999 (SA)*. Kadaltilla acts in accordance with its Charter and as set out in the *Adelaide Park Lands Act 2005 (SA)*.

30. Key updates will be provided in **Attachment E**

Quarterly Brown Hill Keswick Creek Review 4

31. The Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens have worked collaboratively over several years via a Section 43 Committee Under the *Local Government Act 1999 (SA)* to develop a Stormwater Management Plan (SMP) aimed at mitigating flood risk within the catchment, sharing a vision of becoming water sensitive cities.

32. Key updates have been provided in **Attachment F**.

Consultants Spend

33. From time to time council engages with consultants to undertake activities which may require specific technical expertise.

34. On 13 April 2021, Council decided the following:

'Resolves that all engagements of consultants that are of a value greater than \$10,000 are recorded and provided to the Audit Committee quarterly, and that the report will include for each record:

a. The name of the consultant

- b. *The dollar value of the contracted works*
 - c. *The purpose for their engagement*
 - d. *The team or department the engaged consultant was assisting*
 - e. *The contracts approving officer*
 - f. *Whether the work was openly tendered and/or whether competing quotes for the work were sought, and if so, how many.'*
35. Consultant engagement contracts are a particular defined type of procurement contract, and the report included as **Attachment G** consists of all contracted consultants spend in the third and fourth quarter of the 2021-22 financial year.
36. It is worth noting, that the procurement policy has a threshold of \$150,000 for procurement to be offered in the open market, while the guidelines have all spend over \$50,000 being under contract even if not sought via open market offerings.
37. It is therefore expected that some consultants can be engaged outside of contract. A further review of all 'off-contract' expenditure is being undertaken, however as noted in the response to the motion on notice to generate this level of information for all consultants spend over \$10,000 requires substantial administrative effort to ensure the data is quality reviewed and meets the definition of consultants. It is anticipated that this report will expand as we work to improve systems to generate this information more efficiently.

Future Quarterly Reporting

38. With the integrated approach provided in this report to address Council's monitoring obligations under Section 122 of the *Local Government Act 1999 (SA)*, there is opportunity to further streamline quarterly reporting with the 22/23 Business Plan and Budget. Reporting regularly on performance and achievement against Council's planned activities is an essential element of transparent, accountable and responsible public administration.
39. For the past 2 years, Council has worked towards developing Service Delivery Plans, which articulate the activities and deliverables of 13 community facing services and eight corporate services. The Service Delivery Plans have been integrated into the Business Plan and Budget process, enabling Council to identify the vision, priorities, services, business activities and budget in a more detailed and contextualised manner. This approach offers the opportunity to improve our reporting approach on the delivery of the Business Plan and Budget into the future.
40. To further align and integrate reporting, the 22/23 year will be focused on Business Plan and Budget reporting based on the service delivery plan structure. The full cost attribution model of the Service Delivery Plans will streamline quarterly reporting in consistent manner that creates regular monitoring and oversight for Council on services, activities and projects. The intention is to improve transparency, accountability and access to Council's performance information, tracking how we are delivering what we have committed to throughout the year, and making recommendations and adjustments based on insights, risks, opportunities, and performance. We will continue to utilise assessment and reporting process iteratively to inform service improvement.

ATTACHMENTS

Attachment A – 2021-22 Capital Works Quarter 4 Review

Attachment B – 2021-22 Commercial Operations Quarter 4 Review

Attachment C – 2021-22 AEDA Quarter 4 Review

Attachment D – 2021-22 ACMA Quarter 4 Review

Attachment E – 2021-22 Kadaltilla / Park Lands Authority Quarterly Review 4

Attachment F – 2021-22 Brown Hill Keswick Creek Quarterly Review 4

Attachment G – Consultants Spend Report

- END OF REPORT -

City of Adelaide Capital Works Status Report Quarter 4 2021-22

June 2022

Prepared by the Program Management Office

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Status Update

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2021/22 Funding and Expenditure Summary

Renewal Project Carry overs by Asset class

Status Update

Glossary

Contracted: The amount of money that is allocated under a legal commitment between CoA and the supplier to acquire goods or services in the completion of the works

Expenditure Summary: An indicator to the financial status of a program of works. The total budget is split between actuals, contracted and not yet committed funds. This section has been included as a comparison to graphically represent the financial progress of the program from one quarter to the next.

Major Projects: Significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding being administered via a contractual deed. They usually result in an increased level of service for the community.

New and Upgrade Projects: Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.

Not yet committed: Represents the amount of approved budget that has yet to be committed in the procurement of goods and services.

PC: Practical Completion (PC) is when a project is 'practically complete', in the sense of the works being capable of being used, as distinct from when they are completely finished (with all defects rectified).

Renewals: Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

Spent: Works have occurred and invoice has been processed in the financial system.

Whole of Project Budget: The capital expenditure required to deliver the scope of the project over multiple financial years.

Major Projects Update

Whole of Project Financial Summary

This page shows the quarter 4 status update for Major Projects, presenting preliminary end of year results. The table reflects changes to timing across the financial years based on actual spend incurred in 2021/22. The end of financial year figures will be presented in the Annual Financial Statements and any necessary approvals will form part of 2022/23 Budget Review 1.

Major Projects Whole of Project Budget

Project Name	previous years	2021-2022	future years	Whole of Project
City Skate Park	1.0	2.4	0.2	3.6
Central Market Arcade Redevelopment	-	0.0	22.3	22.3
Cycling Infrastructure	0.4	2.6	3.0	6.0
Events Infrastructure Rymill Park	-	0.8	2.3	3.1
Market to Riverbank - Bentham and Pitt St	1.2	1.5	5.1	7.8
Moonta Street Reinvigoration	2.3	1.3	0.5	4.0
North-South Bikeways	3.2	0.7	2.2	6.0
Paxton's Walk Revitalisation	-	0.1	2.1	2.2
Quentin Kenihan Inclusive Playspace Additional Works	0.0	0.5	-	0.5
Reviving Laneways to Adelaide's West End - Stage 1				
Solomon Street	-	0.4	-	0.4
Whitmore Square Greening	0.0	0.9	-	0.9
City Deal - City Safe Network Upgrade		1.1	4.7	5.8
Rymill Lake/Murlawirrapurka (Park 14) Upgrade	0.0	0.2	4.8	5.0
Greening Sturt St West	0.0	0.0	0.5	0.5
Preliminary EOY position	8.1	12.3	47.7	68.2
Total QF3 position	8.1	15.1	45.0	68.2
Variance	0.0	-2.7	2.7	0.0

The project whole of life budget for Major Projects has remained unchanged since the adoption of Budget Review 3. (BR3)

Major Projects Update

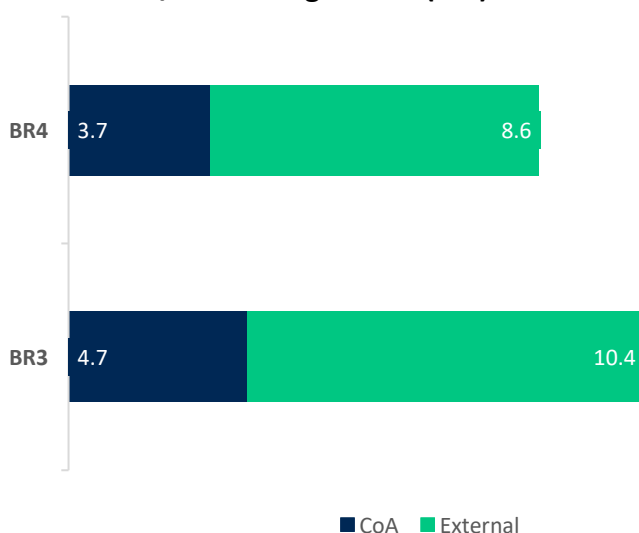
The last quarter has seen significant progress in the delivery of Major Projects, with Skate Park construction works nearing completion, several sections of Cycling Infrastructure and Bentham St well into their construction, Rymill Park Events Infrastructure, Paxton's Walk and Central Market Arcade Redevelopment enabling works commencing and the Procurement of City Deal completed.

Proactive planning has resulted in the retiming of a number of projects identified in Budget Review 3 to actively manage substantial risk to delivery resulting from unprecedented market conditions, supply chain disruptions and market volatility. As a result, we have spent 82% and committed 99% of the BR3 budget.

More detailed status updates are available in the status update section.

Major Projects - Funding and Expenditure Summary

2021/22 Funding Source (\$M)



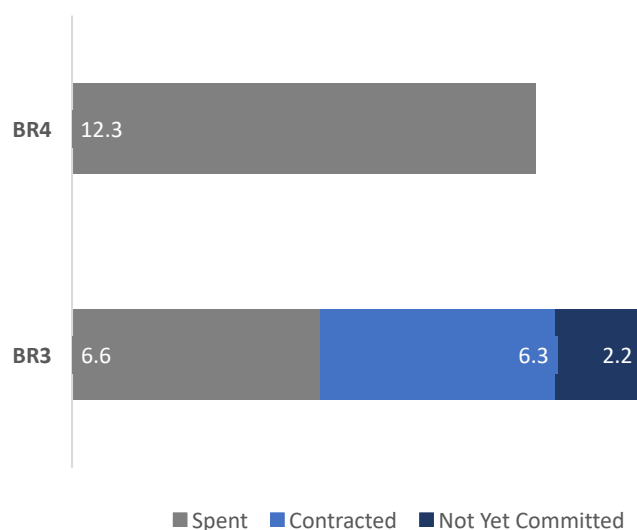
Funding and Expenditure Summary

This section provides information on the financial progress of the Major Projects for the current financial year, representing the financial movement across the program since the adoption of Budget Review 3 (BR3).

Funding Source Graph: Outlines the breakdown of external funding and City of Adelaide contribution to Major Projects in 2021/22.

The reduction compared to BR3 directly relates to the Q4 re-timing of works to future years of \$2.7M.

2021/22 Expenditure Summary (\$M)



Expenditure Summary Graph:

The annual forecast expenditure has decreased by \$2.7M from the approved BR3 budget of \$15M to a revised budget of \$12.3. This is due to retiming of works between financial years, reducing 2021/22 figures by \$2.7M.

A total \$12.3M has been spent to date with a further \$2.6M contracted resulting in 99% of the BR3 program budget committed. This equates to an additional \$2.1M being committed in the last quarter.

Major Projects Update

As advised in the quarter 3 report we are still actively managing substantial risk to delivery resulting from unprecedented market conditions, supply chain disruptions and market volatility. We are seeing extended lead times, delivery delays and sharply increased costs, all of which impact our ability to successfully deliver our program of works. Ensuring we are providing the best results for our community and delivering works with the least impact to businesses is also more complex and time consuming within these volatile times.

The table below provides the total carry over for Major Projects by root cause. The total carry over is now \$25M – an increase of \$2.7M from the \$22.3M flagged in Budget Review 3 (BR3).

Major Projects Carry Overs

Root Cause	Number of Projects	Carry Over	Comments
Stakeholder Consultation	5	14.4m	Complex and extensive stakeholder engagement requirements have delayed the construction start date of projects <i>Projects such as: Central Market Arcade Redevelopment, Paxton's Walk and Vaughan Place, some Sections of City of Adelaide North-South Bikeways and Rymill Park Lake</i>
Contractor Issues / Unfavourable Market Conditions	2	0.7m	Post Covid Stimulus funding to the construction sector has increased construction prices, limited the capacity for design and construction contractors to tender for works, and extended product leads times <i>Projects such as: Street Lighting LED Renewals and Skate Park</i>
Delay due to New and Rescheduled Events / COVID Related Delays	3	10.4m	COVID Pandemic have resulted in events having to be rescheduled or works suspended impacting construction timelines <i>Projects such as: Event Infrastructure Upgrade – Rymill Park, sections of Cycling Infrastructure and Market to Riverbank – Bentham and Pitt</i>
Grant Funding Opportunities	2	0.6m	Moonta Street project has remaining budget after successfully completing all originally scoped works, we have recently been awarded a variation in scope to utilise the remaining funds. Sturt West Greening was a new grant for works in 2022/23, CoA contribution is from savings in greening projects from 2021/22.
Projects Brought Forward	1	-1.1m	Grant funding allocated in 2022/23 has been brought forward as City Safe CCTV Network Upgrade (City Deal) works have commenced ahead of schedule
21/22 Total Carry Over	13	25.0m	

Major Projects – Status Update

This section provides a status update for each Major Project, including a brief description of works, an estimated completion date and status comment. Overall projects are tracking well with 71 % of our projects on time and 86% of the projects are on budget.

Risk Status: red projects are no longer on track or budget, amber where a project has risks that are being managed and may exceed budget or time and green where everything is tracking well.



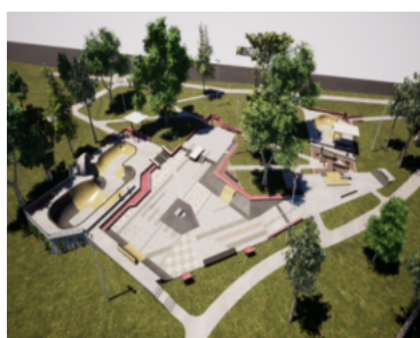
City of Adelaide Bikeways – North-South

Stage	Est Completion	Budget	On Time	On Budget
Plan/ Design/ Construct	June 2023	6.0M	N	Y

Description of Works: The North-South Bikeway will build on the existing Frome Bikeway and will connect the existing Rugby/Porter Bikeway in Unley to the Braund Road Bike Boulevard in Prospect.

Status Update:

- NS Bikeway / Cycling Infrastructure Deed received to extend to June 2023
- Frome Rd (Vic Drive to NT) - Zero Tender Response, review to be undertaken due to the lack of tenders and flooded market conditions we will postpone until July to re-establish tendering in the market.
- Frome Rd (Vic Drive to Albert Bridge) Lighting Received (WGA), Traffic Plan Review Whole of Street Approach - reviewing approach and impact of Frome Rd on the South Bound Approach - Zero Tender Response, review to be undertaken due to the lack of tenders and flooded market conditions we will postpone until July to re-establish tendering in the market.
- Albert Bridge Design - Heritage Balustrade Design 70% completed, Structural Review to be undertaken on Bridge to accommodate the width of the path
- North Terrace to Rundle - 90% Design Review completed, External Consultant preparing drawings for Issued for Tender



City Skate Park

Stage	Est Completion	Budget	On Time	On Budget
Build/ Construct	July 2022	3.6M	Y	Y

Description of Works: New City Skate Park in Gladys Elphick Park / Nurnungga (Park 25) in the west Park Lands. The project is expected to deliver a regional facility drawing users from across the metropolitan area and State with the ability to hold competition events and be a main attraction for skate park users.

Status Update: Contractor has been battling the same issues that are seen across the construction industry nationwide. Largely weather and covid have slowed productivity. Final concrete works are currently being completed with the opening event scheduled for mid- August.



Central Market Arcade Redevelopment

Stage	Est Completion	Budget	On Time	On Budget
Plan/ Design	June 2024	22.6M	Y	Y

Description of Works: The Central Market Arcade Redevelopment will be a catalyst for enriching the city. The redeveloped arcade will be a flagship mixed-use development of national significance and elevate the precinct as a major destination embracing culture, art, retail, and tourism. The arcade will promote the market district as the premier precinct showcasing the very best of South Australian food, wine and produce.

Status Update: Enabling works commenced on 25-Jun-22 with Multiplex starting on site. The Central Market Arcade is now closed with all traders vacating the premises by 27-Jun-22. Arcade traders have been provided the opportunity for assistance through AEDA support programs to enable their relocation within the city. It is also anticipated that hoardings will be erected around the Central Market Arcade site in late July with the hoarding design to support opportunities for a public interface including artwork. Further progress in detailed design development has occurred in the last 6 months with early contractor involvement directly with Multiplex in the process.

Major Projects – Status Update



Cycling Infrastructure

Stage	Est Completion	Budget	On Time	On Budget
Plan/ Design/Construct	December 2022	6.0M	N	N

Description of Works: Design and construction of 11 cycling infrastructure projects to improve access, safety and connectivity for bicycle riders within the Council area, prioritised to improve cycling connections to and around Lot 14.

Status Update:

NS Bikeways and Cycling Infrastructure Deed extended to June 2023

Projects in Construction

George St/ North Terrace - Construction underway

North Tce/ East Tce - Construction completed

Rundle Park/ Park 15/ South Terrace - Construction Underway

Contract Award underway

Rymill Park Port Rd

Wombat Crossings

Bonython Shared Access Path

Reviewing additional projects for the remaining funds on other initiatives as agreed with the Department for Infrastructure and Transport



Events Infrastructure Upgrade - Rymill Park

Stage	Est Completion	Budget	On Time	On Budget
Plan/ Design	December 2022	3.1M	Y	Y

Description of Works: The Events Infrastructure Project will provide improved and upgraded services that will support the ongoing and continued use of the area as a major event and entertainment hub in the eastern parklands.

Status Update: Site works have now started. Steady progress to date, without any significant issues. The biggest risk is significant and/or sustained rain. A challenging programme with a tight delivery programme, with hard/heavy event programme in Spring/Summer '22/23.



Market to Riverbank Laneways Upgrade

Stage	Est Completion	Budget	On Time	On Budget
Build/ Construct	June 2023	7.6M	N	Y

Description of Works: The Market to Riverbank link project is a joint investment project between the City of Adelaide and the State Government (through Renewal SA) to upgrade Bank Street, Leigh Street, Topham Mall, Bentham Street and Pitt Street. 2021 scope: Bentham Street upgrade to kerbless environment with feature decorative concrete, continuation of Market to Riverbank public art outcomes and improvements to greening and lighting. Pitt Street design works.

Status Update:

Bentham Street: *Works commenced Feb 2022 expected completion late 2022 *Bentham Street closed to vehicles for duration of works. Bentham St closed to vehicles due to the location of a Medihotel and the restrictions in place

Pitt Street: designs being developed. Bentham delay has an impact on the Pitt St Project

Major Projects – Status Update



Moonta Street

Stage	Est Completion	Budget	On Time	On Budget
Build/ Construct	June 2023	4.0M	Y	Y

Description of Works: Street upgrade including supply and install of new granite paving, stormwater improvements, and greening.

Status Update:

Works complete except for minor omissions and minor defects which are being worked through. Additional scope approved in June 2022 for completion by 30 June 2023 and to be funded from project savings; - Refurbishment of Moonta Street gateway - Gouger Street pedestrian crossing, linking Moonta St and Field St



Paxton's Walk and Vaughan Place

Stage	Est Completion	Budget	On Time	On Budget
Build/ Construct	November 2022	2.2M	Y	Y

Description of Works: The Paxton's Walk Revitalisation project will bring new life to a popular East End pedestrian link, transforming it from a tired and constrained walkway into a vibrant, welcoming, green and accessible place. It will also provide a key link between Adelaide's East End Precinct to the Lot Fourteen site currently under rejuvenation by Renewal SA.

Status Update: Streetscape and stormwater upgrade project. Contractor has commenced demolition on site. All public, community and key external stakeholders have been notified and consulted. Expected project completion at end of November.



Quentin Kenihan Inclusive Playspace (QKIP)

Stage	Est Completion	Budget	On Time	On Budget
Practical Completion	May 2022	0.5M	Y	Y

Description of Works: Following completion of the Quentin Kenihan Inclusive playspace last year. Additional scope items are progressing in consultation with key stakeholders.

Status Update: Opening event being scheduled by the Lord Mayors office.

Major Projects – Status Update



Reviving Laneways to Adelaide's West End - Stage 1

Stage	Est Completion	Budget	On Time	On Budget
Practical Completion	June 2022	0.4M	Y	Y

Description of Works: This project is being undertaken in partnership with Palumbo (Sofitel Hotel Developer) and the State Government. Streetscape upgrades will be constructed along the Currie, Solomon, Rosina and Burnett Street frontages of the Sofitel Development. The Public Realm upgrades include creating a new shared use space on Solomon Street to enhance activation as well as replacement of footpath and kerbing along the Currie Street, Rosina Street and Burnett Street frontages

Status Update: Project Completed - Handover Process and Project Close in process.



Whitmore Square Greening

Stage	Est Completion	Budget	On Time	On Budget
Practical Completion	December 2021	0.9M	Y	Y

Description of Works: Following the safety improvement project, the greening of the perimeter of Whitmore Square was the second project to be delivered in terms of the approved master plan. The scope consists of trees, walking path and garden beds around the perimeter of the eastern, western (north of Sturt Street) and the northern section.

Status Update: Project completed 3 December 2021.



City Safe CCTV Network Upgrade (City Deal)

Stage	Est Completion	Budget	On Time	On Budget
Plan/ Design	Oct 2025	5.8M	Y	Y

Description of Works: CCTV Network Upgrade including purchase of new platform video management system and replacement or upgrade of cameras where required. Project is funded by the Australian Government via the Adelaide City Deals (\$3M) and CoA has committed to spend 2.8 million for Street Lighting LED Renewals as part of the deal.

Status Update: Design phase underway for camera position analysis and Video Management System. Network consolidation in progress. No facial recognition technology has been purchased.

Major Projects – Status Update



Rymill Park/Murlawirrapurka Lake Renewal

Stage	Est Completion	Budget	On Time	On Budget
Plan/ Design	June 2024	5.0M	N	N

Description of Works: This project is the next stage of the Rymill Park Masterplan, seeking to upgrade the Rymill Park Lake and surrounding infrastructure and amenities, including updated access improvements lighting, greening and tree planting. Considering the existing appearance and qualities of the lake, and reinforcing the cultural, historic and social importance of the lake as a place of gathering of families and water-based recreation.

Status Update:

Council have approved a sustainable lake. Detailed design has now commenced and look to be complete in October 2022. The project is within budget but the associated additional works have created additional time and cost impacts



Sturt West Greening

Stage	Est Completion	Budget	On Time	On Budget
Plan/ Design	June 2023	0.5M	Y	Y

Description of Works: This project is to undertake a greening upgrade along Sturt Street (West). Funding for this project will be applied for through Greener Neighbourhoods Grant. Council will need to contribute in-kind funding contribution.

Status Update: Streetscape Upgrade to green and improve amenity along Sturt Street from West Terrace to Whitmore Square. Construction expected to commence December followed by landscaping works. Project partnering with Uni SA for before and after heat mapping and grant funding received through Green Adelaide.

New & Upgrade Projects Update

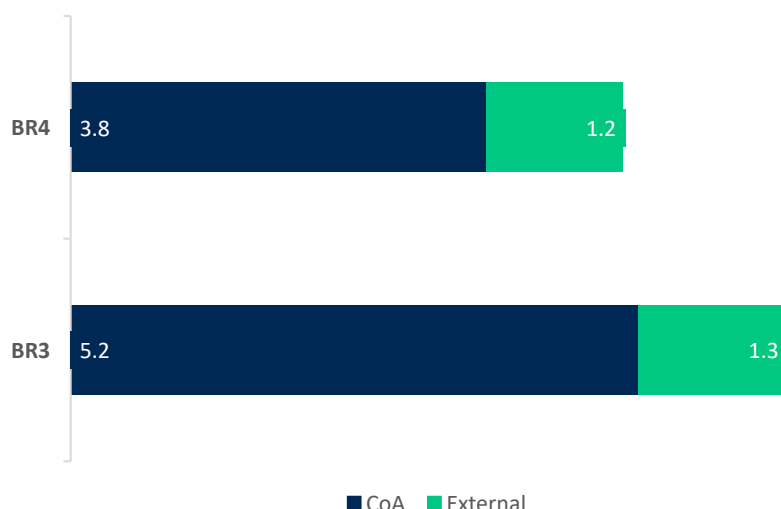
There has been significant movement in the New and Upgrade program in the final quarter with Visitor Info Centre, Turning Gray St Green – Arbour, Green Infrastructure, Smart EV charging stations for UParks, Kodo Apartment Tree Replacement, North Adelaide Golf Course Irrigation, MacKinnon Parade Pedestrian Refuge, Assetic devices, Rundle UPark shop 4/5 grease arrestor, Travers Street Tree Planting and Jeffcott Street/Montefiore Hill Intersection Improvements having all reached practical completion.

Proactive planning has resulted in the retiming of a number of projects identified in Budget Review 3 to actively manage substantial risk to delivery resulting from unprecedented market conditions, supply chain disruptions and market volatility. As a result, we have spent 75% and committed 85% of the BR3 budget.

More detailed status updates are available in the status update section.

New & Upgrade - Income and Expenditure Summary

2021/22 Funding Source (\$M)



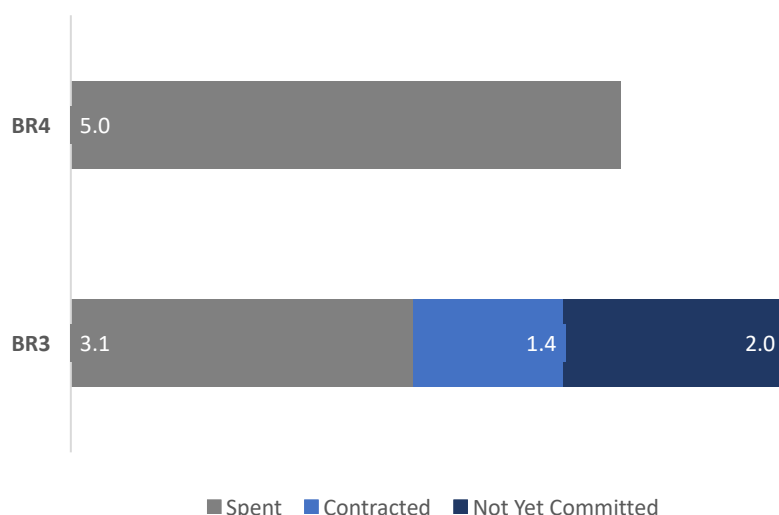
Income and Expenditure Summary

This section provides information on the financial progress of the New & Upgrade Projects. Representing the financial movement across the program since the Budget Review 3 (BR3) was adopted.

Funding Source: Outlines the breakdown of external funding and City of Adelaide contribution to New/Upgrade Projects in 2021/22.

The reduction compared to BR3 directly relates to the retiming of budget into the next financial year, there has been no change to external funding other than retiming into next year.

2021/22 Expenditure Summary (\$M)



Expenditure Summary: The annual forecast expenditure has decreased by \$1.5M from the BR3 budget of \$6.5M to a revised budget of \$5M. This is due carry over \$1.6 offset by \$0.1M of additional capital funding requirements that have already incurred actual spend.

The increase of \$0.1M will be requested in the BR1 Finance Report 22/23 for additional spend in New/Upgrade projects for existing Sustainability Projects which have been identified as capital works, this is offset by savings in the General Operations budget.

\$5.0M has been spent to date with a further \$0.62M contracted across the new and upgrade projects.

New & Upgrade Projects Update

New & Upgrade Projects Carry Overs

The following table reflects the quarter 4 changes to preliminary 2021/22 expenditure in the New and Upgrade Projects. New and Upgrade projects are impacted by the same market conditions as Major Projects. The total carry over for New and Upgrade Projects is now \$4.0M— an increase of \$1.6 M from the \$2.4M flagged in Budget Review 3 (BR3).

Root Cause	Number of Projects	Carry Over	Comments
Stakeholder Consultation	15	1.7m	Complex and extensive stakeholder engagement requirements have delayed the construction start date of projects. <i>Projects such as: Place of Reflection, Illuminate, Karrawira Parri Revegetation Project, Place of Courage, City Dirt Masterplan, ACMA Projects, Central Market Arcade Options, Field Street, Hindley Street, Sparkke Bollards, Wattle Grove Tree Planting</i>
Contractor Issues / Unfavourable Market Conditions	1	1.5m	Southwest Community Centre is being retimed into next financial year as locating a property that meets the criteria and is within budget constraints is proving challenging
Delay due to New and Rescheduled Events / COVID Related Delays	2	0.5m	COVID Pandemic have resulted in events having to be rescheduled, works suspended or productivity impacted delaying construction timelines <i>Projects such as: Reignite Adelaide – East End Festival and Event Place Retractable Bollards and City Skate Park – CCTV and Greening</i>
Others	3	0.3m	Remaining funds for Halifax Street Footpath Project to be carried over pending LRCI funding acquittal to be finalised in July as per the deed agreement. Christmas in the City carry over due to material lead times. Mistletoe Park /Tainmuntilla (Park 11) biodiversity project completing in July
21/22 Total Carry Over	21	4.0m	

New and Upgrade Projects – Status Update

This section provides a description and status update on all the New and Upgrade Projects currently in progress grouped by Service Delivery Category.

Adelaide Central Market Authority (ACMA)

Project	Description	Status Update	Stage
ACMA New and Upgrade Projects	Upgrade program including the installation of new grease arrestor, additional heating to the dining areas, a new customer toilet block, enhancements along the Grote Street frontage, a new cool room and construction of a pop-up stall to allow casual leasing within ACMA, WiFi project and reinforcement of Federal Hall Grote St & Gouger St mezzanines.	Projects completed: N/W Trade Waste Install, Heating for Dining Areas, Main Switchboard In Design/Delivery: Fed Hall & Gouger Lvl 1 Structural, Toilet Facility, Grote St Entrances, Pop Up Stall On Hold: CCTV, WiFi, Cool Room	Plan/ Design/ Construct

Adelaide Economic Development Agency

Project	Description	Status Update	Stage
Visitor Info Centre	Hardware to support the Visitor Information Centre.	Project has been completed	Practical Completion

Arts, Culture and Events

Project	Description	Status Update	Stage
Christmas in the City	Christmas in the City Funding Allocation.	Currently in development of new decoration ideas along King William St between Vic Sq and Rundle Mall.	Plan/ Design
Public Art 21-22	Deliver a range of public art capital projects that will surprise, delight and attract people and contribute to the development of Adelaide as the premier international arts market.	The works delivered in 21/22 included the portrait of Dame Roma Mitchel as part of the Women in Chamber commission series, de-commissioning of three sculpture for hire artworks as a result of the program review and confirmation of end-of-life, contemporary acquisitions for the Civic Collection from the Helpmann Academy Graduate Exhibition and partnership program with Guildhouse to deliver ARTWORKS at the ATH. We propose a carry forward of \$99k to support the projects in progress, including the City of Music laneways, further Women in the Chamber portraits. and artwork in Bentham St following the completion of the street upgrade.	Build/ Construct
Decorative Lighting	Decorative Lighting Melbourne, O'Connell and Hutt St.	Melbourne Street, Hutt Street and O'Connell Streets completed 22/12. Morphett Street to be completed prior to Fringe Festival 2022	Practical Completion
Illuminate	Three-year partnership project between CoA and Illuminate Adelaide and a commitment in the 2021-22 CoA Budget and Business Plan to commission a permanent light-based public artwork with the budget of \$300k per year.	To support the Illuminate Adelaide event, City of Adelaide is partnering with Illuminate Adelaide to commission a series of permanent public artworks. A budget of \$300k per year is included in the CoA Budget & Business Plan. Reports regarding the deliverables for the 2022 and 2023 events will come to Council in July and August 2022.	Plan/ Design
Reignite Adelaide - East End Festival and Event Place Retractable Bollards	The installation of strategically placed automated street bollards (Ebenezer Place, Vardon Avenue and Rundle Street) to enable local businesses, events and festivals to temporarily close-off and activate key locations in the East End.	Bollards are installed. Electrical works to complete now engaged, however a long lead time will complete the project in July/August '22 following Illuminate.	Build/ Construct

New and Upgrade Projects – Status Update

Community Development

Project	Description	Status Update	Stage
Southwest Community Centre	To purchase a new property for the Adelaide South West Community Centre based on the Gross Floor Area (GFA) of the previous premises at Sturt Street and establish this as a staffed facility run by Council.	Locating a property that meets the criteria and is within budget constraints is proving challenging. Due to unfavourable market conditions the project is being retimed into next financial year.	Plan/ Design

Community Safety

Project	Description	Status Update	Stage
E-Planning Hardware	Devices supporting new E-Planning system	Project completed.	Practical Completion

Environmental Sustainability

Project	Description	Status Update	Stage
Turning Gray St Green - Arbour	Installation of arbour to accommodate greening along Gray Street in two locations where conventional tree planting could not be achieved. Two installation locations are between Currie Street and Hindley Street and between Franklin Street and Waymouth Street.	Arbour and planting works are completed on both streets.	Practical Completion
Various Sustainability Projects	New and upgrade program including Green Infrastructure, Smart EV Charging Station for UParks, Mistletoe/ Tainmuntilla biodiversity project, Public Place Organics Pilot Program and Karrawirra Pari Revegetation Project.	Green Infrastructure project completed. Smart EV Charging Station for UParks completed. Mistletoe Park /Tainmuntilla (Park 11) biodiversity project nearing completion with a few outstanding minor works. Public Place Organics Recycling Pilot Program bins manufacture in progress. Karrawirra Pari revegetation project concept design in progress.	Design/ Construct/ Practical Completion

Information Management

Project	Description	Status Update	Stage
Infrastructure Computers and Peripherals	Specialised IT hardware required for technical and design work now completed inhouse	Project completed.	Practical Completion
Assetic Devices	Purchase of mobile devices to enable City Operations to manage the maintenance of Council assets.	Project completed.	Practical Completion

Park Lands and Open Space

Project	Description	Status Update	Stage
Wattle Grove Tree Planting	Concept design to explore the opportunity to enhance Golden Wattle Park / Mirnu Wirra (Park 21W). Construction subject to future funding endorsement by Council.	Construction commenced.	Build/ Construct

New and Upgrade Projects – Status Update

Park Lands and Open Space

Project	Description	Status Update	Stage
Sparrke Bollards	Installation of bollard in front of Sparrke at the Whitmore for outdoor dining	Bollard scope has been confirmed with Sparrke. Contractor has been awarded work.	Build/ Construct
Brownhill Keswick Creek	Funding contribution to facilitate the implementation of the Brown Hill & Keswick Creeks Stormwater Management Plan. The Stormwater Project is an initiative of the Cities of Unley, Adelaide, Burnside, Mitcham and West Torrens to progress stormwater projects set out in the Brown Hill Keswick Creek Stormwater Management Plan 2016. Works in City of Adelaide area includes Creek remediation, wetland and creek realignment in Park 16 & 20.	Funding contribution only - to facilitate the implementation of the Brown Hill & Keswick Creeks Stormwater Management Plan 2016 across 5 Council areas. Works in City of Adelaide area include wetlands and other works in Parks 16 and 20. Project being managed by a dedicated Project Management team engaged by the Brown Hill and Keswick Creeks Stormwater Management Board.	Practical Completion
Bank St Granite Plinth	Additional granite plinth in Bank Street to protect the trees from reversing cars.	The new granite plinth outside Bonobo café was delivered to Council in April and installed on May 14th. Operations to follow up with replacement tree planting.	Practical Completion

Parking

Project	Description	Status Update	Stage
Old Bus Station - Temp Car Park	Installation of a new temporary car park at the location of the old bus station.	Project completed.	Practical Completion
Smart City Compliance Technology for On Street Parking	Procurement of compliance technology to improve our community services and which also prioritises the health, safety and wellbeing of our people.	Project completed.	Practical Completion
Rundle UPark shop 4/5 grease arrestor	Grease arrestor installation for a new tenancy at Rundle UPark	Project completed.	Practical Completion

Property Management and Development

Project	Description	Status Update	Stage
Central Market Arcade Options	Progress the Central Market Arcade Redevelopment with project development partner, ICD Property.	Enabling works commenced on 25-Jun-22 with Multiplex starting on site. The Central Market Arcade is now closed with all traders vacating the premises by 27-Jun-22. Arcade traders have been provided the opportunity for assistance through AEDA support programs to enable their relocation within the city. It is also anticipated that hoardings will be erected around the Central Market Arcade site in late July with the hoarding design to support opportunities for a public interface including artwork. Further progress in detailed design development has occurred in the last 6 months with early contractor involvement directly with Multiplex in the process.	Build/ Construct

New and Upgrade Projects – Status Update

Social and Economic Planning

Project	Description	Status Update	Stage
Place of Reflection	The creation of a Place of Reflection in Rymill Park/Murlawirrapurka honouring the Aboriginal Stolen Generation. Co-funded through the Stolen Generation Reparations Fund and supported by Arts SA	Yvonne Koolmatrie & Exhibition Studios are on track with the detailed design and fabrication of the sculptural elements of this project to meet the grant funding requirement of \$100k being spent by June 2022. Landscaping works will progress during 22/23, to ensure respectful engagement with key project stakeholders and the Aboriginal community. Site works have been moved out into 2022/23, to ensure respectful engagement with key project stakeholders and the Aboriginal community.	Build/ Construct

Sports and Recreation

Project	Description	Status Update	Stage
North Adelaide Golf Course - Course Improvements	Improvements on hole no.6 of the North Adelaide Golf Course.	Project completed.	Practical Completion
Golf Course North Irrigation (grant)	The North Adelaide Golf Course consists of three courses across 82 hectares of parklands. This project is Co-funded and will automate the irrigation system on the North Golf Course to improve the quality of the facility.	Project completed.	Practical Completion
Golf Cart Renewal	Purchase 3 electric golf carts.	Project completed.	Practical Completion

Streets and Transportation

Project	Description	Status Update	Stage
Hindley St	Continuation of the Hindley Street Project, to include parklets and planter boxes.	Works scoped for 21/22 have been completed (footpath extensions, greening planter boxes, etc). Additional Works in front of Music hall to fall into 22/23, with design expected by end of August and delivery by Christmas (subject to final design option selected).	Build/ Construct
Whitmore Square Safety Improvements	Upgrades and improvements to Whitmore Square including new signalised intersection and pedestrian activated crossing on the northern intersection, new DDA compliant pedestrian paths and ramps, mature tree plantings, understory plantings and irrigation.	Project completed.	Practical Completion
Field St	Streetscape upgrade of Field Street to increase overall amenity through increasing footpath widths, improving pedestrian facilities, calming vehicular traffic, installing new street trees and providing increased outdoor dining opportunities.	Detailed Design continuing to ensure design meets requirements, reflects street developments and existing infrastructure.	Design Only
Tavistock Lane	Continuation of Co-funded upgrades to Tavistock Lane to facilitate a taxi drop-off area and the lane being upgraded and operating as a public road.	Project completed.	Practical Completion

New and Upgrade Projects – Status Update

Streets and Transportation

Project	Description	Status Update	Stage
Halifax Street Footpath Project	Footpath and Kerb Renewal between Hallet Street & Stephens Street, incorporating new protuberance buildout and greening (WSUD) and DDA compliant crossing points.	Project completed.	Practical Completion
Greening in the City's North West and South West	Undertake new street tree planting in Byron Pace and Young Street (Waymouth St to Franklin St).	Project completed.	Practical Completion
Flinders Street Pedestrian Crossing Improvements	Improved pedestrian crossing facilities on Flinders Street at the Pilgrim Lane crossing through installing kerb protuberances and increasing the pedestrian refuge size (Council decision ID 19708 – 8 Oct 2019).	Project was dependant on decisions regarding the East West Bikeway, concept design now underway to inform construction budget.	Plan/Design
MacKinnon Parade Pedestrian Refuge	Install a pedestrian refuge on MacKinnon Parade adjacent the childcare centre.	Project completed.	Practical Completion
Kodo Apartments Tree Replacements	Replacement of trees as a result of Kodo Apartments development	Project completed.	Practical Completion
Travers Street Tree Planting	Following Council Decision (21013), this project has been initiated to investigate opportunities to plant trees within Travers Place in North Adelaide. Preliminary investigations undertaken by the Arboriculture and Technical Design team have identified two potential opportunities for trees to be planted within engineered sites on the roadway of Travers Place (Western side 13.5m from corner of building at 117 Barton Terrace West.	Project completed.	Build/Construct
Blackspot Projects	Improvements to various intersections to improve safety and reduce vehicular crashes	Hindley Street/Gray Street – project completed. Angas/Pulteney St - project completed. Jeffcott Street/Montefiore Hill – project completed.	Practical Completion

Renewals Update

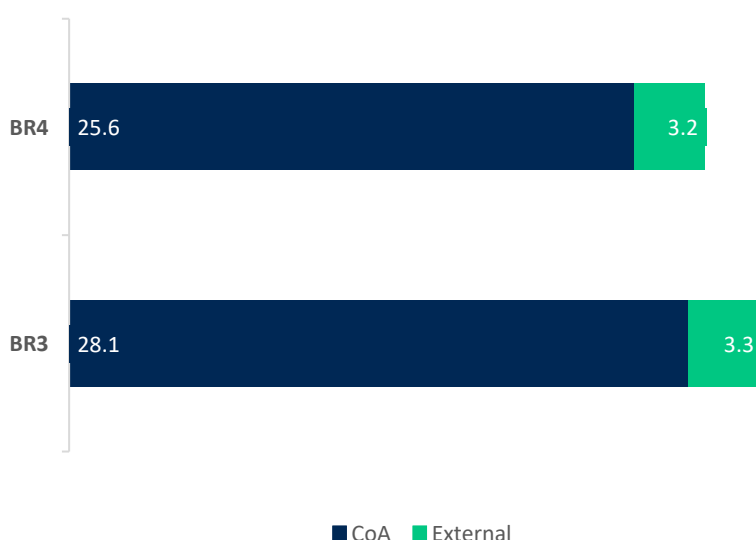
Renewal is the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset. The renewals program ensures that our assets get renewed according to their condition status and in alignment to the Asset Management Plans.

There has been significant progress across all asset classes in the last quarter, with 71 projects achieving practical completion and a significant number of projects now committed and scheduled for completion in the coming months, having progressed through planning, design and procurement.

Proactive planning has resulted in the retiming of a number of projects identified in Budget Review 3 to actively manage substantial risk to delivery resulting from unprecedented market conditions, supply chain disruptions and market volatility. As a result, we have spent 92% and committed 100% of the BR3 budget.

More detailed status updates are available in the status update section.

2021/22 Funding Source (\$M)



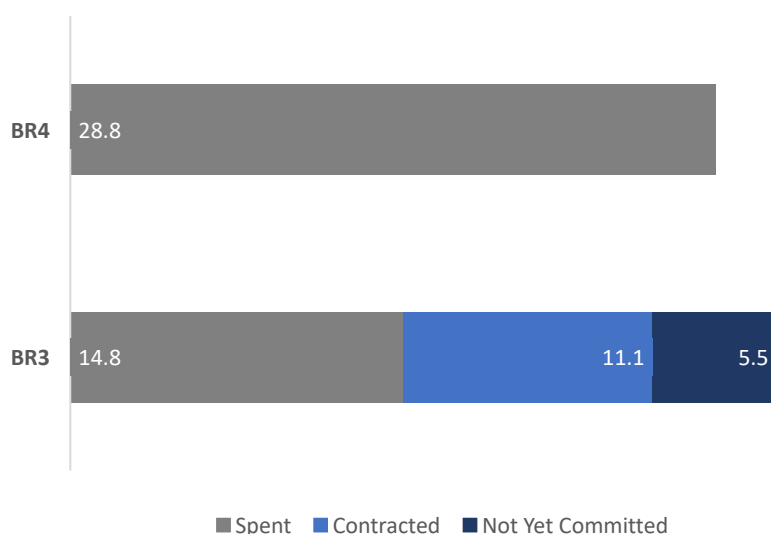
Income and Expenditure Summary

This section provides information on the financial progress of the Renewals Program, representing the financial movement across the program since the Budget Review 3 (BR3) was adopted.

Funding Source: Outlines the breakdown of external funding and City of Adelaide contribution to Renewals Projects in 2021/22.

The reduction compared to BR3 directly relates to the retiming of budget into the next financial year, there has been no change to external funding other than retiming into next year.

2021/22 Expenditure Summary (\$M)



Expenditure Summary: The forecast expenditure has decreased by \$2.6M from the BR3 budget of \$31.4M to a revised budget of \$28.8M. This is due to the re-timing of \$2.6M of committed works into future years.

\$28.8M has been spent to date and a further \$5.5M has been contracted across asset renewal projects.

Renewals Update

Renewals Carry Overs






The following table reflects the quarter 4 changes to preliminary 2021/22 expenditure in the Renewals Program. As advised in the quarter 3 report we are still actively managing substantial risk to delivery resulting from unprecedented market conditions, supply chain disruptions and market volatility. We are seeing extended lead times, delivery delays and sharply increased costs, all of which affect our ability to successfully deliver our program of works.

The total carry over for Renewal Projects is now \$5.4M an increase of \$2.64M from the \$2.73M flagged in Budget Review 3 (BR3).




Root Cause	Carry Over	Comments
Stakeholder Consultation	2.5m	Complex and extensive stakeholder engagement requirements have delayed the construction start date of projects. <i>Buildings – 1.4m</i> <i>Lighting & Electrical – 0.5m</i> <i>Transport – 0.5m</i> <i>Urban Elements – 0.1m</i>
Contractor Issues / Unfavourable Market Conditions	1.8m	Post Covid Stimulus funding to construction sector has increased construction prices and limited the capacity for design and construction contractors to tender for works, and extended product leads times. <i>Buildings – 1.4m</i> <i>Information Management – 0.1m</i> <i>Lighting & Electrical – 0.1m</i> <i>Transport – 0.05m</i> <i>Park Land Assets – 0.01m</i> <i>Urban Elements – 0.03m</i> <i>Water Infrastructure – 0.1m</i>
Delay Due to Rescheduled Events / COVID Delays	0.4m	COVID Pandemic have resulted in events having to be rescheduled, works suspended or productivity impacted delaying construction timelines <i>Transport – 0.4m</i>
Others	0.7m	Plant and Fleet project needs to be retimed as per contract negotiations resulting in a later payment than first anticipated.
21/22 Total Carry Over	5.4m	

Renewals – Status Update

Renewals are managed as a number of individual projects within programs of work relating to asset class. The following report outlines the number of individual projects within each program, the key projects in each category and the individual works that have reached practical completion in the last quarter. There has been substantial progress in quarter 4.


<div>Bridges</div> <div></div>	<table><tr><td>On Track</td><td>Total Projects</td><td>Projects In Progress</td><td>Projects Reached PC</td></tr><tr><td>Y</td><td>7</td><td>5</td><td>2</td></tr></table> <p>Investment in the Council's bridge infrastructure to ensure accessible and safe movement throughout the City for residents, visitors and the public including Footbridge Renewal Program, Adelaide Bridge - Minor Works, Footbridge Renewal Program, Bridge Renewal Program - Urgent Works</p>	On Track	Total Projects	Projects In Progress	Projects Reached PC	Y	7	5	2
On Track	Total Projects	Projects In Progress	Projects Reached PC						
Y	7	5	2						
<div>Buildings</div> <div></div>	<table><tr><td>On Track</td><td>Total Projects</td><td>Projects In Progress</td><td>Projects Reached PC</td></tr><tr><td>Y</td><td>27</td><td>21</td><td>7</td></tr></table> <p>General building renewals of ACC Corporation facilities including Gawler UPark Renewals, Wyatt Street Lift, ACMA 2201 - Stall Structural Renewal Works, ACMA -2104 - Escalator Replacement, Colonel Light Centre Renewals</p>	On Track	Total Projects	Projects In Progress	Projects Reached PC	Y	27	21	7
On Track	Total Projects	Projects In Progress	Projects Reached PC						
Y	27	21	7						
<div>Information Management</div> <div></div>	<table><tr><td>On Track</td><td>Total Projects</td><td>Projects In Progress</td><td>Projects Reached PC</td></tr><tr><td>Y</td><td>7</td><td>3</td><td>4</td></tr></table> <p>Renewal of computer systems, communication systems, software and hardware owned, used or licensed by the Council for the purposes of information management including PC Replacement, Network Connectivity & Security 20-21, Network Connectivity, PC replacement 20-21, Server Replacement</p> <p>Works Delivered in the last Quarter: PC Replacement 21/22 Network Connectivity and Security 21/22</p>	On Track	Total Projects	Projects In Progress	Projects Reached PC	Y	7	3	4
On Track	Total Projects	Projects In Progress	Projects Reached PC						
Y	7	3	4						
<div>Light'g & Electrical</div> <div></div>	<table><tr><td>On Track</td><td>Total Projects</td><td>Projects In Progress</td><td>Projects Reached PC</td></tr><tr><td>Y</td><td>22</td><td>19</td><td>3</td></tr></table> <p>Lighting and Electrical renewals to support a safe, secure and continuous service including CCTV Network Renewal and Compliance Program, Decorative Lighting East End Renewals, Street Lighting City Safety Renewals, Underground Cabling and Switchgear, Adelaide heritage poles renewals</p> <p>Works Delivered in the last Quarter: Switches Backfill</p>	On Track	Total Projects	Projects In Progress	Projects Reached PC	Y	22	19	3
On Track	Total Projects	Projects In Progress	Projects Reached PC						
Y	22	19	3						
<div>Park Lands Assets</div> <div></div>	<table><tr><td>On Track</td><td>Total Projects</td><td>Projects In Progress</td><td>Projects Reached PC</td></tr><tr><td>Y</td><td>12</td><td>6</td><td>6</td></tr></table> <p>Ensures that landscape features and green infrastructure located within our Park Lands are actively managed giving consideration to legislative requirements, environmental performance, community expectation and safety including Park Lands Renewal Program, Public Art Refurbishments, Three Rivers Fountain Lighting, Accelerated Works Minor Irrigation renewals, Streetscape Renewals</p> <p>Works Delivered in the last Quarter: Irrigation Renewals Park 25 Renewal of Landscaping Swales and Garden Beds Park 5 Dog Park Restoration Streetscape Renewals</p>	On Track	Total Projects	Projects In Progress	Projects Reached PC	Y	12	6	6
On Track	Total Projects	Projects In Progress	Projects Reached PC						
Y	12	6	6						

Renewals – Status Update

<div>Plant and Fleet</div> <div></div>	<table><tr><th>On Track</th><th>Total Projects</th><th>Projects In Progress</th><th>Projects Reached PC</th></tr><tr><td>Y</td><td>10</td><td>3</td><td>7</td></tr></table> <p>Replacement of major plants and fleet assets to ensure safe and sustainable services by optimising the use of our plant and fleet assets including Plant & Fleet 21/22, UPark Hardware Replacement, Library books 19-20, Library Grant 20-21, Library Grant 2022</p> <p>Works Delivered in the last Quarter: Aquatic Centre Gym Equipment Replacement</p>	On Track	Total Projects	Projects In Progress	Projects Reached PC	Y	10	3	7
On Track	Total Projects	Projects In Progress	Projects Reached PC						
Y	10	3	7						
<div>Traffic Signal</div> <div></div>	<table><tr><th>On Track</th><th>Total Projects</th><th>Projects In Progress</th><th>Projects Reached PC</th></tr><tr><td>Y</td><td>11</td><td>2</td><td>9</td></tr></table> <p>Investment in Traffic Signal infrastructure to ensure accessible and safe movement throughout the City including Traffic Signal Renewal Program, Renewal of Traffic Lanterns & Signal Controllers, Underground Electrical Conduit and Switchboard Renewals</p> <p>Works Delivered in the last Quarter: Sir Smith/Melbourne/Frome St Traffic Signal Cables and Conduits Replacement</p>	On Track	Total Projects	Projects In Progress	Projects Reached PC	Y	11	2	9
On Track	Total Projects	Projects In Progress	Projects Reached PC						
Y	11	2	9						
<div>Transport</div> <div></div>	<table><tr><th>On Track</th><th>Total Projects</th><th>Projects In Progress</th><th>Projects Reached PC</th></tr><tr><td>Y</td><td>104</td><td>30</td><td>74</td></tr></table> <p>Essential roadworks to ensure we continue to provide a safe, efficient and accessible road and pathway network including Jeffcott St Stage 2, Local Government Infrastructure Partnership Program Funding, Accelerated Transport Works, Brougham Place, Victoria Square/Tamtanyangga Access & Inclusion Works</p> <p>Works Delivered in the last Quarter: Footpath surface renewal - Jerningham Street (East side) Footpath renewal and kerb and water table renewal of Morphett Street (Gilbert Street to South Terrace) Road Resurfacing - Fisher Pl (Gawler Pl to Dead End, road) Road Resurfacing, Kerb and Water Table Renewal of South Terrace (West Terrace to Morphett Street) Heavy Patching of King William St Bus Bays (North Tce to Flinders St) Heavy Patching of Anzac Hwy S/bound (South Tce to Greenhill Rd) ts) Footpath Replacement North Terrace ce (Under Morphett Bridge, footpath) Road Resurfacing - Park 1 - Par 3 Golf Course Car Park Road Resurfacing - Kingston Tce (Lefevre Tce to Jerninham St) Road Resurfacing - Prince Crt & Albert St (Waymouth to Gray St) Road Resurfacing - Unknown Name Lane (Gawler Pl to Dead End) Road Resurfacing - Tapley St (Gilbert St to Dead End) Road Resurfacing - Angus Crt (Angas St to Dead End) Road Resurfacing -East Tce (Wakefield to Angus St) Road Resurfacing - Angus Str (Hutt St to East Tce) Access Ramp Renewal Program Footpath and Kerb & Water Table Renewal on Brougham Place (Palmer Place to Australia Lane) Currie-Grenfell Corridor Serviceability Works Road Resurfacing and Kerb and Water Table Renewal of Waymouth Street (West Tce to Morphett Street) Road Resurfacing and Kerb and Water Table Renewal of Mills Terrace (Hill Street to Buxton Street) Resurfacing of King William Street /Angas Street and King William Street /South Terrace intersections Footpath surface renewal - Sir Donald Bradman Dr Road Resurfacing - Catholic Cemetery Road (Sir Donald Bradman Drive to Dead End) Footpath Renewal - Alfred Street (south side) (Mary Street to Maud Street) Heavy Patching - King William Road (Victoria Drive to North Tce) Heavy Patching - Wellington Square Road Resurfacing - Peppertree Lane East (Margaret St South to Murray St) Road Resurfacing - Peppertree Lane West (Margaret St South to Dead End) Road Resurfacing - Wright St (Whitmore Square to KWS) Road Resurfacing - Margaret Lanes (Off Margaret St) Road Resurfacing - Albert Lane (NS) (Albert St to Dead End) Road Resurfacing - Carrington St (Hutt St to East Tce) Road Resurfacing - McLaren & Cardwell St (Regent St South to Hutt St) Road Resurfacing - Gilles St (Hutt St to East Tce) Road Resurfacing - Holland St (KWS to Dead End) Road Resurfacing - Hyde St (Pirie to Flinders St) Road Resurfacing - Elizabeth St (Currie to Waymouth St) Franklin Street Ramp Installation Intersection Renewals - Montefiore Road /Jeffcott Street Heavy patching serviceability works along the Currie-Grenfell Corridor</p>	On Track	Total Projects	Projects In Progress	Projects Reached PC	Y	104	30	74
On Track	Total Projects	Projects In Progress	Projects Reached PC						
Y	104	30	74						

Renewals – Status Update

Urban Elements



On Track	Total Projects	Projects In Progress	Projects Reached PC
Y	44	25	19

Program of renewal works to ensure the provision of safe, accessible, clean and well-maintained Urban Elements suite of assets for delivering the quality services to the community including Urban Elements Renewal Program, Public Art Refurbishments, Boat Landing/Ramp - Park 12 South Bank, Accelerated Urban Elements Works, Public Art Refurbishment

Works Delivered in the last Quarter:

Retaining Wall Renewal - Various Locations

Catherine Helen Spence – Light Square – Restoration

BBQ Renewal - Various locations

Bin Renewal - Various locations

Bollard Renewal - Various locations

Drinking Fountain Renewal - Various locations

Fence & Gate Renewal - Various locations

Seat Renewal - Various Locations –


Rainbow Walk Renewal

Base/Bowl fountain Hindmarsh Sq Renewal

Planter Box Renewal – Various Locations

Softfall and Equipment Renewal Park 20 Playground

Water Infrastructure



On Track	Total Projects	Projects In Progress	Projects Reached PC
Y	22	14	8

Program of works dedicated to renewal of various water infrastructure asset components including Torrens Lake retaining structure renewal along the North and South banks, Stormwater Park 16, Torrens Lake Weir - Component Renewals, Golf Course irrigation, ANZAC Highway Stormwater Pipe Re-lining

Works Delivered in the last Quarter:

Unley Rd Stormwater Replacement

Park 1 - North Golf Course Water Supply Line Renewal

2021-22 Commercial Operations Quarter 4 Review

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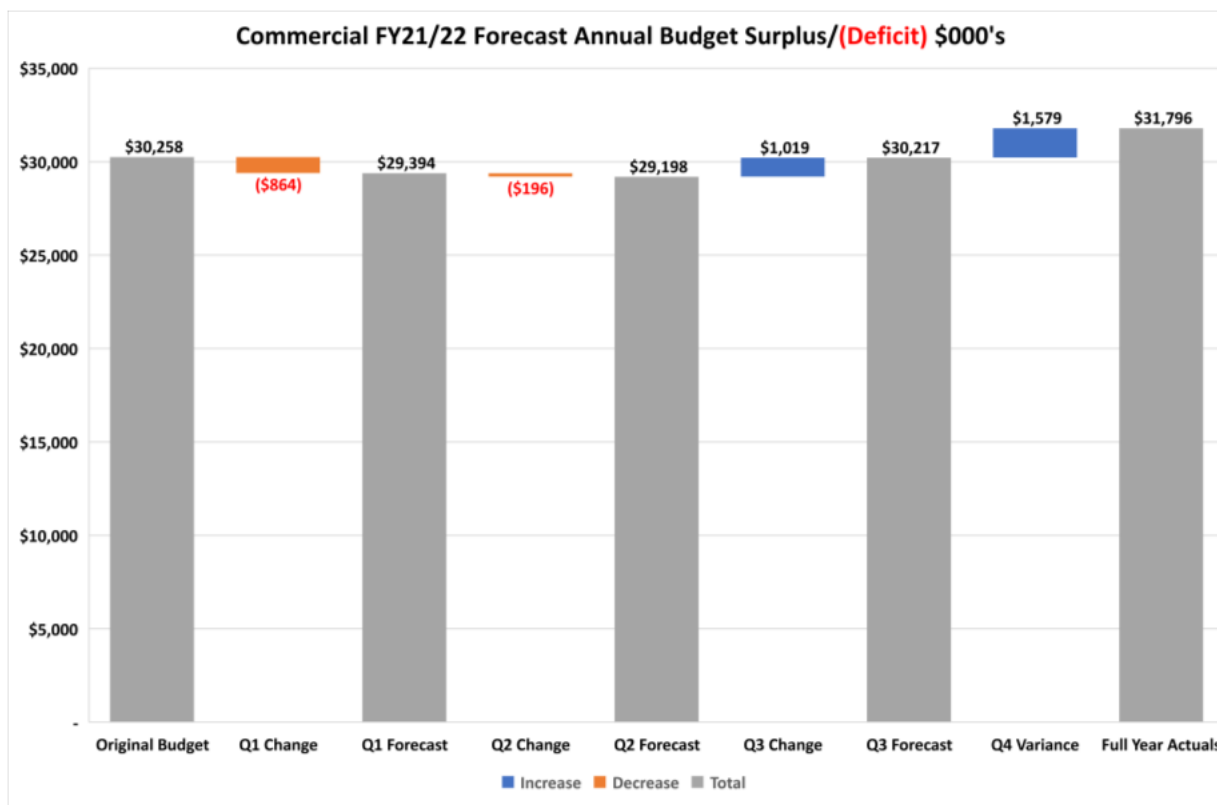
Commercial Operations Overview

Overview

\$'000	Year To Date			Prior YTD Actuals	
	Actual	Budget	Variance	2019/20	2020/21
Parking	26,782	26,772	10	20,638	22,627
North Adelaide Golf Course	(73)	(241)	168	(535)	(14)
Adelaide Town Hall	(139)	(259)	120	141	(343)
Property Services	5,226	5,277	(51)	9,154	10,250
Program Teams Net Position	31,796	31,549	247	29,399	32,519

Full Year Surplus \$31.8m, \$247k favourable to budget.

- Parking revenue during Q3 was significantly impacted by State Government work from home recommendation but recovered in Q4 to finish on budget.
- All other businesses performed better than budget except Property Services.



Note: All figures in this report exclude depreciation.

Parking Highlights

- Commencement of roll out of upgraded car park operating system, with installations complete at UPark Grote, Andrew and Light Square. Includes new License Plate Recognition technology.
- Installation of Electric Vehicle Chargers as part of State Government's Electric Vehicle Smart Charging Trial in UPark Wyatt and Topham.
- Leverage of Port Adelaide Football club sponsorship

Parking Upcoming

- Ongoing installation of upgraded car park operating system at remaining car parks.
- Pilot of Next Generation ticketless, cashless on street parking meter to observe performance and obtain customer feedback.
- Provision of web based validation solution at UPark Central Market.
- Integration of UPark Plus platform with new License Plate Recognition technology to provide customers a windows up frictionless parking experience.
- Installation of up to 54 Electric Vehicle chargers in UParks as part of the state charging network, in collaboration with RAA.
- Collaboration with ACMA to prepare for reduction in spaces at UPark Central Market for the Central Market Arcade Development, including customer communication.

North Adelaide Golf Course Highlights - Quarter 4

- Hosted Blitz Golf which attracted excellent promotion for the course including screening of a highlights package on Foxtel
- Hosted the Lord Mayors Corporate Golf Day which raised almost \$10,000 for local charity and exposed the course to new corporate groups
- Refurbished the Par 3 public toilets
- Replaced outdated on course toilets on North Course with an Exceloo
- Finalised North Course irrigation so all 18 holes are again open to the public
- 17th tee on South Course resurfaced
- Introduced a weekday Season Pass option on North Course to maximise accessibility
- Finalised business plan and initial concept for development of Mini Golf

North Adelaide Golf Course Highlights - Over 2021/22

The course has made significant progress in facility and service improvements over the last few years. This has enabled it to attract and retain a broader range of participants. This is in line with its role as the manager of a significant portion of parklands and ensuring it meets Council priorities particularly in providing a high level of environmental stewardship while encouraging an active healthy population as well as improving the financial performance of the Course. Maintaining such a large portion (over 80Ha) of the parklands would cost the Council in the order of \$800,000pa if not utilised as a golf course.

Customer Service:

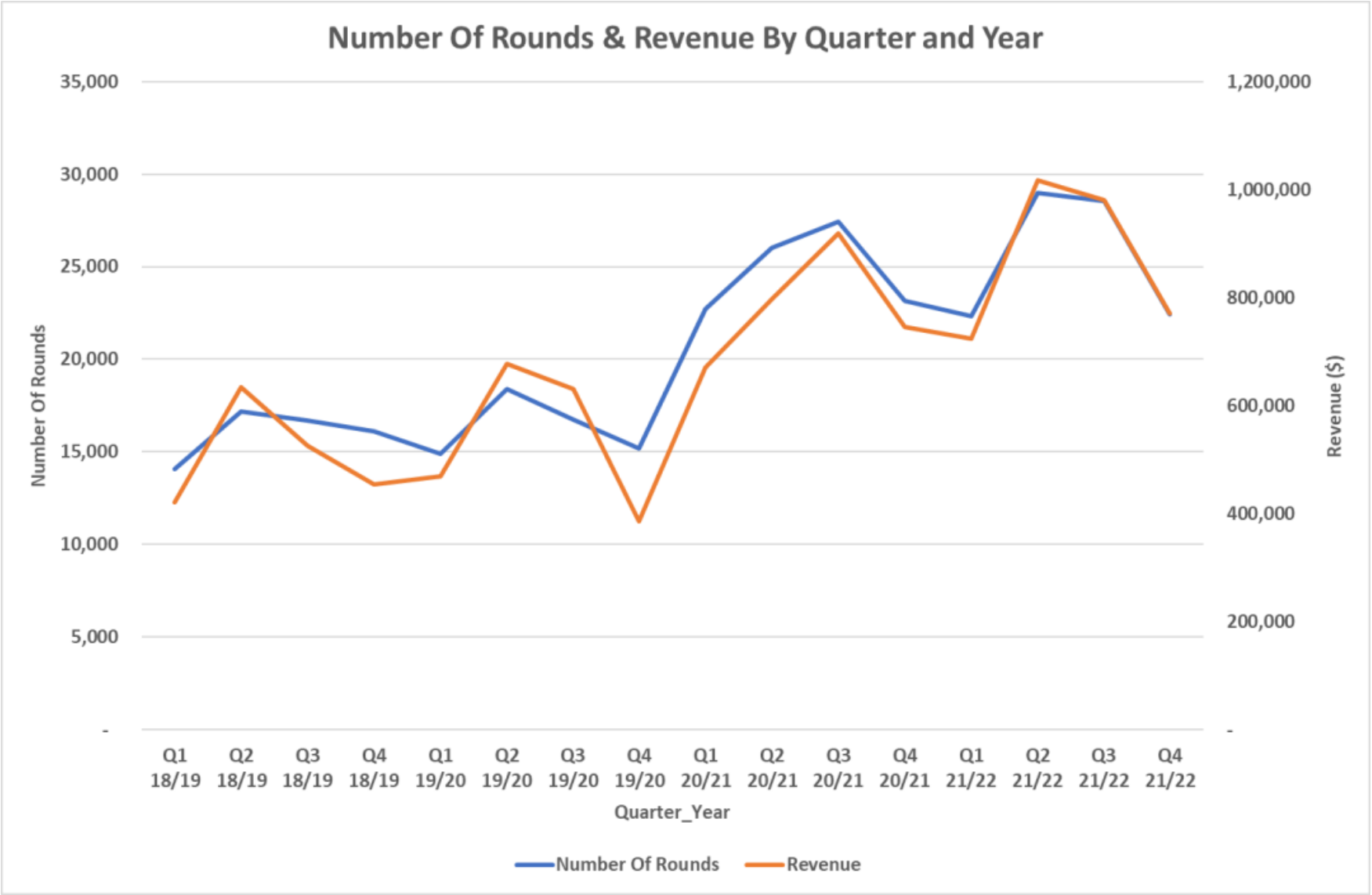
- Ongoing customer reviews are carried out with online surveys with ratings for Customer Service, Course Quality, Food & Beverage and Support Facilities consistently achieving over 4 out of 5
- Ongoing daily staff engagement surveys are undertaken and usually achieve greater than 4 out of 5

Outcomes:

- Over 100,000 rounds played across the courses in 21/22 up from an average 65,000 pre 2020
- Compared to 18/19
 - Course income up from \$2million to \$3.5million
 - Season Pass sales have almost doubled, increasing particularly in beginner areas which has seen Season Passes increase from:
 - Juniors 9 to 83
 - Par 3 5 to 46
 - North (now Short Course Combo) 7 to 95
 - Growth in course run competition rounds from 0 to 1,800 (including a targeted womens competition)
 - Online public bookings up from 9.4% to 28.3%
 - Driving Range bucket sales up from 3,100 to 6,700
 - Coaching lesson up from 1,250 to 1,700 with new clinics focussed largely on juniors and entry level golfers

Facilities & Services:

- Ongoing improvements and attention to maintenance have provided the course with a growing reputation among golfers ensuring the course can attract and retain new and experienced golfers
- Increased numbers of coaching clinics offered to new and inexperienced golfers combined with special times set aside and activities to encourage people to meet other like minded people will be used to grow the game and build a 'Golf Family' at the course.
- Ongoing attention to facility improvements, staff training, technology and service innovations to maximise customers experience will continue
- Smart investment in facility improvements will add to the attractiveness and viability of the Course.



North Adelaide Golf Course Upcoming

- Launch a *Course App* to allow easy dissemination of information to visitors/patrons as well as providing digital Loyalty ID cards saving set up fees for new Season Pass holders and improving efficiency and customer experience
- To host a **Vardon** in September, which is a premium golf event attracting the best players in SA, for the first time at North Adelaide in almost 50 years
- Open new short course tees on the North Course making the course more accessible and attractive to all
- Further develop the 'North Adelaide Golf Family' through promotion of special tee times and activities to encourage patrons to meet like minded people and engage more often with the course.
- As the spring comes on maintenance works will focus on those areas worn out or upgraded over winter to maximise presentation and playability especially on paths across all courses, the resurfaced practice putting green and on the North Course where irrigation works have impacted turf quality.

Commercial Operations Overview – Golf Recent Major Achievements

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Project	Details	Outcomes
Par 3 Kitchen and Toilet Upgrades	<ul style="list-style-type: none"> Renovated kitchen and toilet areas 	<ul style="list-style-type: none"> Enhance customer experience Increased secondary spend (commercial viability) Improved staff OH&S
South Course 6 th Tee & Green upgrade	<ul style="list-style-type: none"> Renovated hole that attracted most customer concern 	<ul style="list-style-type: none"> Feature hole commented on positively by customers
North Course <ul style="list-style-type: none"> Automated irrigation New short course tees installation Replaced old toilets 	<ul style="list-style-type: none"> Install automated irrigation across whole course Install short tee option on long holes Replaced rundown toilets with Exceloo 	<ul style="list-style-type: none"> Enhance course quality Reduce on course player disruption – no more hoses and sprinklers Broaden attraction of course to all levels of play Increase rounds and income
1 st tee area including new Practice Putting green and decking	<ul style="list-style-type: none"> Moved 1st tee, Built out deck area Developed practice putting green Resurfaced driving range 	<ul style="list-style-type: none"> Enhanced customer experience Improved practice facilities Broaden function opportunities
Ongoing replacement/ improvements to the worst tees & greens	<ul style="list-style-type: none"> Respond to customers identified priorities Upgrade tees, greens, fairways and roughs across all 3 courses 	<ul style="list-style-type: none"> Improve player experience & speed of play
Updated POS and Membership systems	<ul style="list-style-type: none"> SwiftPOS MiMembership Course App Tee time display in pro Shop & on first tee 	<ul style="list-style-type: none"> Enhance user experience More efficient operations
Introduced New Events	<ul style="list-style-type: none"> Weekly Course Competition Lord Mayors Corporate Golf Day Blitz Golf Vardon (Sept. 2022) Course Championship (Nov. 2022) 	<ul style="list-style-type: none"> Attract new users to the course & promote the high quality of course/s

Commercial Operations Overview – Golf Key Projects Future Plans

Enhanced Car Parking - Main Pro Shop area	\$TBC plan Implement	2022/23 2023/24	<ul style="list-style-type: none"> Help address the biggest barrier to ongoing course attraction. Update the existing parking to meet Australian Standards provision of park numbers closer to benchmark standards, Presently the biggest barrier to ongoing course attraction.
Mini Golf	\$2.2million	2022/23	<ul style="list-style-type: none"> Increase economic viability of Course, enhance participation encourage a more active healthy community
Driving Range	\$5million (est)	2025/26	<ul style="list-style-type: none"> Increase economic viability of Course, enhance participation encourage more active healthy community
Horticulture Upgrade	\$0.3million	2022/23	Ensure the Horticultural area meets WHS & Environmental standards
Clubhouse Upgrade	\$3million (est)	2022/23/24	Provide facility that meets expectations such as: <ul style="list-style-type: none"> disabled toilets; appropriate women's change facilities; Kitchen; takes advantage of location to attract secondary spend from patrons
18 th Green Replacement	\$25,000	2022/23	Update weed infested green.
11 th Green Replacement	\$60,000	2024/25	Update weed infested green.
Path Upgrades	\$15,000 annually	Ongoing	Existing paths are very prone to washing away and a focus on enhancing their long term presentation will enhance presentation & customer experience.
Putting/Chipping practice area	\$80,000	2023/24	Provide an appropriate training area to enhance attractiveness of course.

Town Hall Achievements

- The Adelaide Symphony Orchestra (ASO) held their annual Festival of Learning, led by internationally acclaimed educator and ASO Creative Partner Paul Rissmann. Approximately 1500 primary and high school students from various South Australian Schools attended over three days of the Festival in June 2022.
- The 'Stand with Ukraine' fundraising concert was held on 29th April 2022, with more than 700 attendees and over \$70,000 raised for the Ukrainian community. This event was proudly supported by the City of Adelaide.
- The Adelaide Youth Orchestra returned to Adelaide Town Hall, performing their first concert in the Auditorium since COVID.
- The Auditorium hosted its largest catered event since pre-COVID, with 360 attendees for the Family & Relationships Gala Dinner.
- Blanco Horner Catering were awarded the Adelaide Town Hall catering contract.
- The venue experienced an increase in enquiries and bookings. For Quarter 4, the Auditorium was utilised at 55 per cent, up from the busy period in March 2022 of 42 per cent.

Town Hall Upcoming

- Increased bookings in the lead up to Christmas. November is set to be the busiest month for 2022 for Adelaide Town Hall bookings.

Property Update

Central Market Arcade

- Tenants have vacated on 27 June 2022
- Final inspections completed and tenants have left the premises in a safe and secure condition
- 19 businesses have remained in CBD

Commercial Portfolio

- We continue to receive a high number of lease renewal requests and acceptance of offers to lease.
- Vacancies remain low. Currently we have 1 vacancy at Pirie Street. We have an offer on Shop 9 at Rundle Street (currently the only vacancy). Topham Mall is now fully leased. Wyatt Street continues to remain fully leased.

Residential/Community

- 100% occupancy in ERGO Apartments & Sydney Place Apartments

Adelaide Economic Development Agency – Quarterly Update

Ian Hill | 02.08.2022

Adelaide.
Designed for Life.



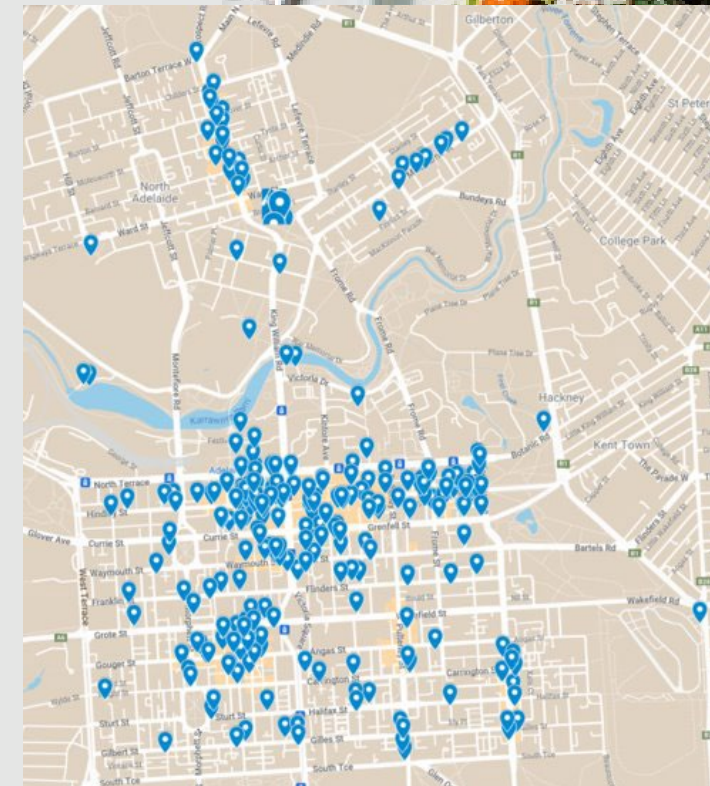
Key Highlights – April to June 2022

- ADL Unleashed \$30 Eats Campaign
- AEDA Business Summit
- Salvador Dali's Triumphant Elephant in Rundle Mall
- Rundle Mall store openings
- Sporting celebrations and announcements in Rundle Mall
- Rundle Mall events and campaigns
- Shopfront Improvement Grants
- ADL Unleashed events and activations campaign
- Tourism Partnership Campaign
- Business Support



ADL Unleashed \$30 Eats

- Over 97,700 entries received in the draw for one of 25,000 available vouchers.
- 274 participating businesses across the CBD and North Adelaide
- 14,810 (59%) of vouchers were redeemed
- \$442,369 value of redeemed vouchers + \$759,702 additional consumer spend
- \$1,202,071 total spend at city businesses
- Page 69 Post campaign survey
 - 86% of responding businesses strongly agreed or agreed the promotion delivered a positive impact on their business
 - 78% said the promotion delivered new customers
 - 91% responded they would like more of these promotions
 - 75% of responding winners who redeemed their voucher said they would not have visited or were unsure if they would have visited the business without the voucher
 - 99% of responding winners said they would participate again
- This initiative was funded by the City of Adelaide as part of Reignite Adelaide and the Government of South Australia.



AEDA Business Summit

- Held on 25 May 2022 the inaugural AEDA Business Summit provided a unique platform for 350 city business leaders to listen to insights on the city, network and forge relationships.
- Keynote speakers included The Honourable Peter Malinauskas MP, Premier of South Australia, Bernard Salt AM head of The Demographic Group, Adrian Tembel, Chair South Australian Productivity Commission and Clare Mockler Chief Executive Officer, City of Adelaide.
- Comprising speaker and panel sessions, the Summit covered the economic and commercial property outlooks for Adelaide (2022 and beyond), the role of the Adelaide CBD in a post COVID-19 environment, Jobs, Workforce and Skills Attraction, tourism and events.
- Post event survey results from attendees with -
 - 97% think there should be another AEDA Summit next year with 93% highly likely or likely to attend other similar events hosted by AEDA
 - 98% were extremely satisfied or somewhat satisfied with the quality of speakers and the overall event
 - 94% were extremely satisfied or somewhat satisfied with the panel sessions (with feedback indicating that people would like to have had the chance to ask questions from the floor)
 - 88% were extremely satisfied or somewhat satisfied with the networking opportunities.



Salvador Dali's 'Triumphant Elephant'



In partnership with d'Arenberg and Art Evolution, after a two-year residency at the iconic d'Arenberg Cube, AEDA successfully negotiated the installation of Salvador Dali's three-tonne, seven-metre-tall surrealist masterpiece the 'Triumphant Elephant' in Rundle Mall.

"Triumphant Elephant" commenced its 12-month residency in Rundle Mall in June.

AEDA was able to leverage this new attraction to garner local and national TV, radio and print media coverage, with an estimated earned PR value of approximately \$770,000.

Rundle Mall store openings

Supported the openings for flagship retailers:

- Rebel Sport experience store – 11 April



Dymocks – 20 April

Glue Store Rundle Mall - 25 June



Sporting Celebrations and Announcements in Rundle Mall

The Mall hosted the public celebration to congratulate the Adelaide Crows as the 2022 AFLW Premiers



Rundle Mall also hosted the announcement on 13 May that Australia would be hosting the Rugby World Cup in 2027 (Men) and 2029 (Women)



Image: ABC News: Evelyn Manfield

Rundle Mall Events and Campaigns

The **Urban Kitchen** campaign, that was part of the wider Tasting Australia Festival was an event that has been designed, created and executed by AEDA. The event ran from Friday 29 April until Sunday 8 May with daily cooking demonstrations hosted by Sprout located under the Gawler Place canopy.

- 3 x 45-minute cooking demonstrations per day featuring South Australian produce.
- All Urban Kitchen tickets sold out on 20 April 2022 via the Tasting Australia website. 930 tickets were sold in total.
- Digital promotion via RM eDM went to 82k subscribers and a combined social media reach of 79k. Instagram engagement was up 9.24% on the 2021 campaign. 118k YouTube views achieved on our channel.
- Mainstream media coverage in The Advertiser; Weekend Notes; Adelaide Locals; Glam Adelaide; Nova 91.9; Mix 102.3; Fresh 92.7.

The Rundle Mall precinct also welcomed 3 new **Renew Adelaide** start-ups, *Index*, *Fox in Jocks* & *Cielo* by *Fresia* and *Casia*. That brings the total to 8 new businesses in the precinct in 2021-22.

A partnership between AEDA and Disney - Frozen: The musical trail commenced 26 May.

Rundle Mall activations:

- Rundle Mall Fountain Flower bomb (26-28 May)
- Glitter Bar under the Gawler Place canopy (27 May)
- Shibui pop up under Gawler Place (26 May – 3 July)
- 2KW inspired cocktails throughout the period
- Decal shopfronts (6 x locations)
- *Ana's* costume was displayed in Adelaide Arcade
- Development of the Frozen the Musical city trail - featuring Frozen inspired experiences around the city



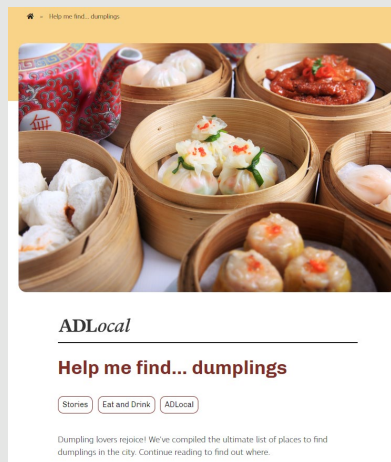
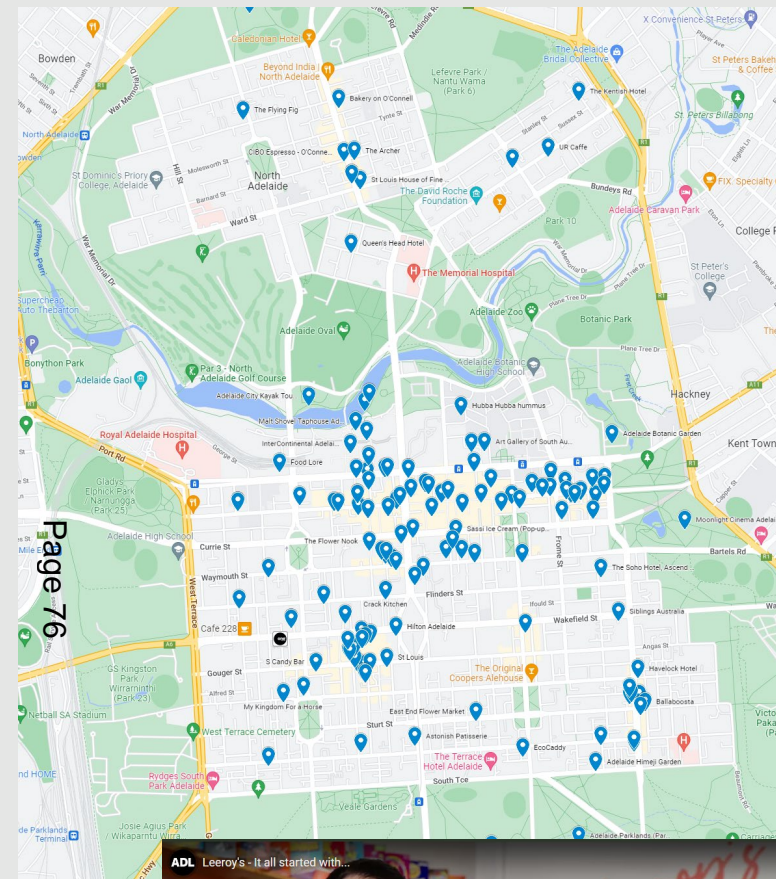
Shopfront Improvement Grant

- A Reignite Adelaide 2.0 initiative funded by the City of Adelaide, the Shopfront Improvement Grant drew 188 applications from small businesses, organisations and property owners across the city and North Adelaide seeking funding to enhance the presentation of their building or business, contribute to amenity for their customers and make a creative or unique contribution to the streetscape.
- Following assessment of all applications, 92 projects were successful in receiving full or partial funding, fully expending the \$600,000 budget.



Image: SATC Media Gallery KaZkaptureZ

ADLocal



- Promoted 150+ small businesses within the CBD and North Adelaide to date who have limited financial capacity and/or resourcing to market themselves at scale and have been impacted by restrictions relating to COVID-19.
- Campaign shares city business stories of people and places using video, social media reels, photography and written content, publishing on AEDA and CoA's owned channels.
- Paid media campaign in market from April continues to target CBD workers, residents and visitors, plus geo-targeting metropolitan Adelaide.
 - CBD Office Lobby & Lift Digital Screens
 - CBD & North Adelaide Café Screens
 - Cinema
 - Metropolitan Radio (traditional ads + content production using Ben and Liam + partnership with EcoCaddy)
 - Digital: Facebook/Instagram, YouTube, News Corp & InDaily website & eDM
 - Small Format Outdoor: Street Posters & Tram Stops
- Performance highlights to date:
 - 7,000+ website landing page views with 5,000+ users
 - 690,000+ video views, average view time of 45 seconds.



ADL Unleashed events and activations campaign



- Working closely with the City of Adelaide City Experience team who facilitated the ADL Unleashed events and activations, AEDA led the marketing and promotion of this initiative.
- The city was positioned as the place to experience events and activations under an umbrella campaign as well promoting the individual activities on the calendar.
- The campaign used AEDA and CoA's owned channels, as well as a paid media campaign including:
 - CBD Office Lobby & Lift Digital Screens
 - CBD & North Adelaide Café Screens
 - Metropolitan Radio
 - Digital: Facebook/Instagram, YouTube, Nine Digital, Solstice Media & Glam Adelaide
 - Small Format Outdoor: Street Posters, Venue Ads, Venue Posters, Digital Projections, Bus Shelter Panels & Tram Stops
 - Large Format Outdoor: Tram Wrap
- Details regarding event attendance, business engagement / surveys will be compiled as part of the post campaign report by City of Adelaide City Experience team

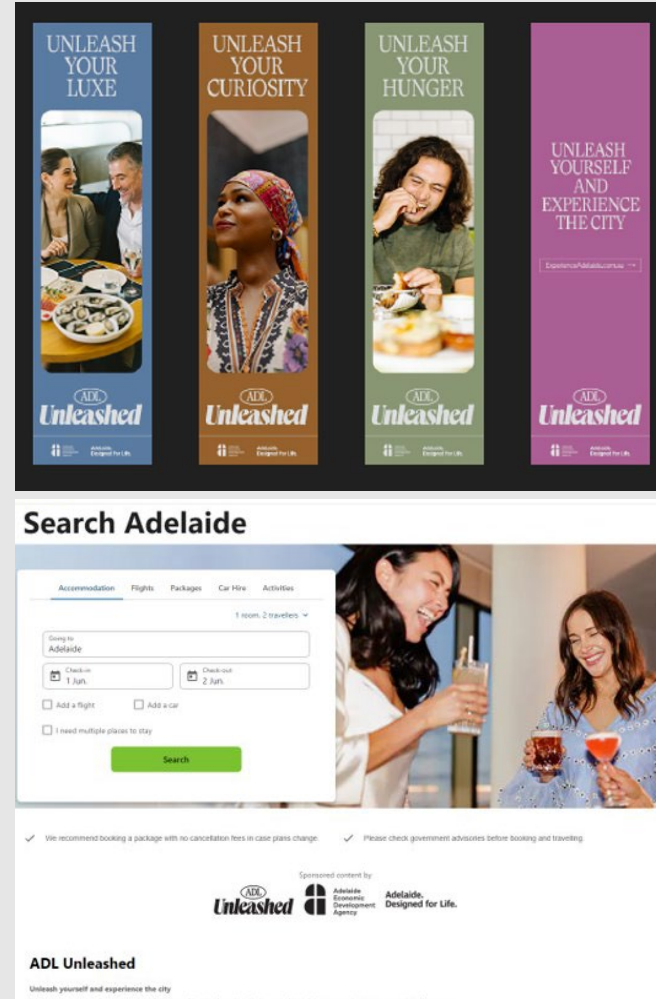
ADL
Unleashed

GOUGER STREET PARTY
Sat 30 April & 7 May

ExperienceAdelaide.com.au/Unleashed



ADL Unleashed tourism campaign



Intrastate advertising campaign targeted South Australians promoting Adelaide hotels and city experiences, using the ADL Unleashed umbrella campaign to leverage activity already in market.

The “unleash” line was used to highlight a range of ways to experience the city: Unleash your...hunger, thirst, adventure, curiosity, style, and more.

The campaign included AEDA and CoA’s owned channels as well as a paid media campaign including:

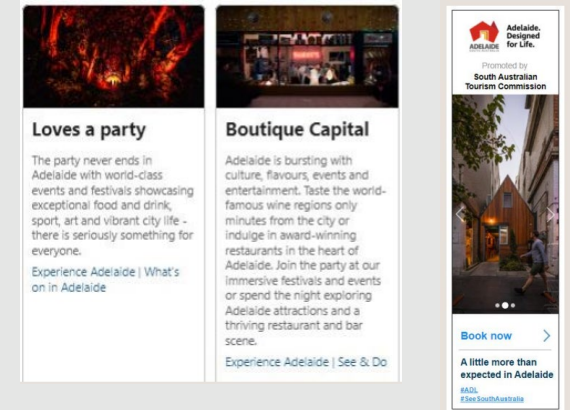
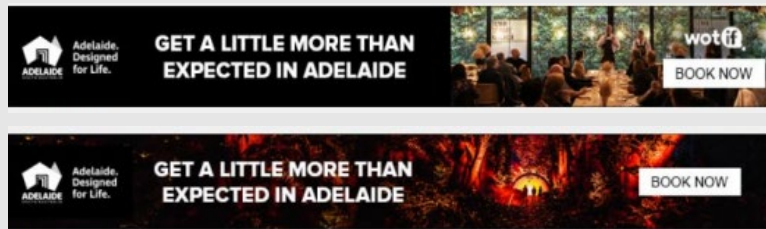
- Regional print
- Regional radio
- Regional TV
- Regional Small-format Outdoor: Digital Display Network / Venue and Roadhouse ads
- Digital: Facebook/Instagram (80% regional, 20% metro); regional YouTube, regional Google Discovery Advertisements
- Wotif Partnership with ADL Unleashed branded landing page
- Adelady “Hello SA” – full episode (Channel 9)
- Results will be collated when the campaign is complete

Tourism Partnership Campaign – Autumn

AEDA, in collaboration with the SATC and Wotif ran a campaign from 26 April to 30 June to entice travellers to visit Adelaide from interstate and intrastate. The campaign messaging ‘a little more than expected in Adelaide’ was designed to push the message of discovering the new Adelaide and scratching beneath the surface to find the curiosity of the city.

- For Adelaide (postcodes 5000 & 5006) we generated 12,560 pax, 11,654 room nights, 233 air tickets and over \$2.3m in booking revenue.
- For every \$1 SATC and AEDA collectively invested, the campaign generated a \$59 return on investment.

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To further stimulate interest in Adelaide the first 328 bookings will receive a \$100 Rundle Mall Digital Mastercard available via Apple, Google or Samsung digital wallets.



Business Support

During this quarter, the Business and Investment Team:

- Worked with 30 firms with potential employment in excess of 760 staff on inward investment opportunities
- Extended the Business SA partnership contract to include a contribution of \$150,000 from the Government of South Australia to provide the City Business Support package to a further 300 businesses within the city and North Adelaide.
- Launched initiative to support growth of the gaming sector in the CBD
- Extended the contract with Renew Adelaide to activate a further 15 vacant shopfronts in the City of Adelaide
- Delivered Welcome Adelaide packs to 380 Perks and Deloitte staff moving into the City.
- Facilitated two focus groups with PwC staff who have recently moved to Adelaide from interstate to better understand their experience and inform a potential residential concierge package.

In addition, 50 businesses participated in the City Business Growth Consulting package and 41 firms engaged with training opportunities through Business SA.

KMPG Rundle Mall Program Review Update

The plan addressing the recommendations and actions from the KPMG Performance Review is continuing to be implemented with the following being examples of either in progress or completed in the last quarter:

- The Executive Manager of Rundle Mall commenced in May 2022.
- Regular monthly meetings with key Rundle Mall Stakeholders have been established for an ongoing period.
- Ongoing Monthly eDM's to the Rundle Mall Stakeholder base.
- Identified and set new measurable KPI's for 2022-23 that address strategical and operational initiatives which have been incorporated into the 2022-2023 AEDA Business Plan and Budget approved by Council at its meeting on 28 June 2022.
- Developed a process to ensure that carparks are being engaged with at key times of the year on parking offers and discounts to overcome the barriers to visitation.

Of the 28 actions identified in the Performance Review, 22 have been implemented and the remaining 6 are underway or will commence shortly. Rundle Mall stakeholders were updated on progress at a meeting held on 24 June 2022.

Coming Up

Over the next quarter:

- Applications sought for Shopfront Improvement Grants Round 2
- Applications sought for 2022-23 Strategic Partnership Program
- Applications open for Strategic Events Fund – support for new events and expansion of existing events
- Development of a city-wide fashion festival to be held 6-9 October
- Development of WellFest Adelaide to be held 7-30 October
- ADLocal – continue to produce and share the stories of small businesses across the city, including business leaders highlighting the businesses they support
- Continued engagement with business owners and investors on expansion and investment opportunities





Adelaide Central Market Authority

QUARTERLY UPDATE

July 2022



Our **MARKET.**

Attachment D

ACMA HIGHLIGHTS Q4

DELIVERED:

April 2022	STRATEGIC PILLAR ACMA/CoA
<p>Delivered Easter marketing program including:</p> <ul style="list-style-type: none"> • Inaugural Free kids Easter Trail (target 150 customers, with over 500 families attending) • Free Easter craft for pre-schoolers and face painting • Live music • Live outside radio broadcast with FiveAA • Customer Gift with purchase (\$20 Market gift card with purchase promotion returned a retail spend of \$10,000 to Market traders) 	Our Customers/ Thriving Communities
<p>April school holiday program delivered across 6 Market days and again was well received with 880 kids participating in the Market Trail, 90 in Little Market Chefs and hundreds in free Lego workshops and face painting. Lego model of our Market was on display and generated media coverage across radio, social media and digital news.</p>	
<p>ACMA hosted a two-day free Tasting Australia associated event, hosted by Mandy Hall. The free program featured cooking demonstrations by some of Adelaide's best chefs including Simon Bryant, Clare Falzon, Kane Pollard, Rose Adam and Daniel Motlop, plus two fully booked free kids cooking class with Sprout, roving entertainment, face painting and live music.</p>	Our Customers/ Thriving Communities
<p>ACMA continued to adapt the Market to changing COVID-19 regulations, with masks no longer mandatory indoor retail from 16 April 2022.</p> <p>Noting: dining areas at 100% capacity since 12 March 2022</p>	Our Business/ Strong Economies
<p>ACMA supported new trader Saudade Portuguese Tarts opening, with proactive PR, social media support and media packs to 17 food influencers. Coverage also included an article by Broadsheet and Glam Adelaide.</p>	Our Traders/ Strong Economies



ACMA HIGHLIGHTS Q4

DELIVERED:

May 2022	STRATEGIC PILLAR
Stall 47/48 rebuild commenced and finalised in June	ACMA/CoA Our Infrastructure/ Strong Economies
<u>History Festival</u> As part of South Australia's History Festival, customers were invited to take a journey through the iconic Adelaide Central Market, meet traders and enjoy tastings.	Our Community/ Dynamic City Culture
<u>National Reconciliation Week 2022</u> The Market acknowledged National Reconciliation Week 2022 and the theme, "Be Brave. Make Change." The week included: <ul style="list-style-type: none"> • Live music with an Aboriginal musician, Nancy Bates • Signage in Gouger St dining area to show our support and commitment to reconciliation • Kids colouring in pages available at the Market Stall • Market Lovers Newsletter including highlighting trader Something Wild • Social media including highlighting Something Wild and mural by Shane Cook 	
ACMA support to traders including Covid rebound webinars and follow up individual trader sessions.	
ACMA began implementing 'business as usual/As Always' advertising and roll out of wayfinding in the Market precinct ahead of the Arcade closure in June 2022.	Our Traders/ Strong Economies Our Business/ Thriving Communities



ACMA HIGHLIGHTS Q4

DELIVERED:

June 2022	STRATEGIC PILLAR ACMA/CoA
<p>Trader Advisory Group meetings held 5 May 2022. Trader Representative Committee meetings held 3 May and 2 June 2022.</p> <p>Comprehensive response to All Trader meeting held 29 March.</p>	Our Traders/ Strong Economies
<p>Saturday Market Day program continued, with free family activities running every week through to 30 June. The free program includes live music every Friday and Saturday, kids activities and face painting every Saturday morning.</p>	Our Customer/ Thriving Communities
<p>The Refugee Week Celebration with Australian Red Cross, showcased multicultural cooking, music and dance event. Migrant women from the English Through Food program shared their personal stories of coming to Australia and love for food during this free multicultural experience. The event featured music by the Sun of Africa, cooking by the Muslim Women's Association, together with host Rosa Matto.</p>	Our Community/ Dynamic City Culture
<p>As per the Council decision on 21 January, ACMA received additional \$100K funding for marketing programs. Concepts delivered included:</p> <ul style="list-style-type: none"> Tuesday morning parking incentive, supported by trader specials Food and beverage offers targeting returning corporate workers (after Easter) Call to action shop local/safely (March – June) <p>Marketing roll out included organic and paid socials, production of video content, office towers, street furniture, Indaily network and SALife.</p>	Our Customers/ Thriving Communities
<p>Online Home Delivery Service relocated to new location in the Market Plaza. 1 year of service acknowledgement and extension of service in progress.</p>	Our Business/ Thriving Communities



Our **MARKET.**

HIGHLIGHTS Q4

Easter Program



Alex Knoll and Lauren Brown at the Central Market.

Whole lot of fish a popular Easter dish

ANTIMO IANNELLA
JESSICA GALLETT

WHOLE fish is the dish of choice for seafood lovers looking to indulge this Easter. Central Market fishmongers had another holiday rush on popular varieties such as salmon, barramundi and snapper, along with traditional favourites SA oysters, prawns and crayfish.

Alex Knoll, seafood operations manager at Angelakis Bros, said while there'd been a supply shortage of salmon and barra, they had been able to source enough seafood for hungry shoppers.

"The popular ones are whole fish - snapper or other plate-size fish. Put it in the middle of the table and get the family together to eat," he said.

Mr Knoll said Angelakis Bros was expecting to sell 2.8 tonnes of SA king prawns and 600 dozen oysters in the lead-up to Easter.

Matt Cappel, from Cappel's Fish Market, said atlantic salmon, whole snapper and barramundi were in high demand, with prices remaining "steady" compared with Christmas and Easter 2021.

It's not just seafood on the menu this long weekend, with Central Market bakeries Dough and Skala Artisan Bakers expected to sell a combined 44,000 hot cross buns.

Lauren Brown, 32, of Clarence Park, said she usually did her shopping at the market and was stocked up for an annual Easter family picnic.

"We do salads, sandwiches and fresh prawns," she said. "I'm huge on hot cross buns."

Adelaide Central Market
April 10 at 6:04 PM

COMPETITION TIME

The Adelaide Nut's famous giant Easter bunnies are back! The fine folks at The Adelaide Nut are giving a lucky Market customer the chance to WIN a giant 2.5kg chocolate bunny, just in time for Easter. Simply like this post and tag yourself in the comments below for your chance to WIN!*

**Competition closes 9am Wednesday 13 April. T&C's apply
<https://bit.ly/3DoRRNQ...> See more



You and 1.9K others 2K Comments 45 Shares

The Advertiser, page 10 on Easter Friday

Refugee Week



Saudade launch



ACMA

The response we've had with our new shop at the Central Market has been nothing short of outstanding and keeping us all very busy, which is certainly great.

We really appreciate your support and initiatives on the marketing/social media fronts. You are right, the response/reaction has been fantastic with tons of comments and positive interactions. We are very excited for what the future will bring.

Please let us know if you need anything from us at this stage.

In the meantime, thank you once again for your support during Saudade's early days at the Adelaide Central Market. It's been great!

Kind regards
Miguel

Miguel Alemão
Managing Director

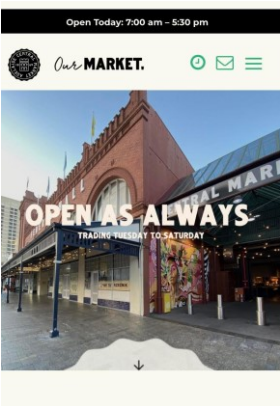


HIGHLIGHTS Q4 cont.

Delivery of Market Expansion assets & Call to action “Always” campaign



Page 88



HIGHLIGHTS Q4 cont.

Organic Social Posts including 3 posts below with combine reach **over 1 Million**

Page 89



Adelaide Central Market
Published by Alisha Kate [?] · May 31 ·

We just bumped into [Matt Preston](#) and [Manu Feildel](#) shopping up a storm at our Market 🍷





Get more likes, comments and shares
When you boost this post, you'll show it to more people.

679,201
People reached

34,762
Engagements

 10K

809 Comments 80 Shares



Adelaide Central Market
Published by Alisha Kate [?] · June 17 ·

Spotted! [David Koch](#) from [Sunrise](#) spent the morning at our Market. Thanks for visiting Kochiel!





Get more likes, comments and shares
When you boost this post, you'll show it to more people.

259,109
People reached

9,459
Engagements

 3.1K

165 Comments 32 Shares



Adelaide Central Market
Published by Alisha Kate [?] · June 24 ·

Plenty of supply here and you'll always find specials every Market day!
A couple of today's great specials include:
★ \$8.99kg diced chicken and \$17.99kg diced beef at O'Connell's Meats (so easy!)
★ \$2.50 baby spinach, mixed salad and rocket packs at Aubergines...
[See more](#)





Get more likes, comments and shares
When you boost this post, you'll show it to more people.

79,681
People reached

804
Engagements

HIGHLIGHTS Q4 Continued

\$'000	Budget	Draft Actual EOY	Variance
Income	3,937	4,287	350
Expenditure	-3,973	-3823	150
Other Expenditure	-255	-243	12
CMAR Redevelopment	-204	-208	-4
Rent Relief Accounting Treatment	-171	-171	0
Expenditure	-4,603	4,445	158
Net Operating Surplus/(Deficit)	-666	-158	508

Strategic Actions	Completed	C'FWD 2022/23	C'FWD MARKET EXPANSION
OUR CUSTOMERS	17	1	1
OUR TRADERS	10	1	1
OUR BUSINESS	7	2	0
OUR COMMUNITY	7	0	0
OUR INFRASTRUCTURE	5	1	1
	46	5	3
	85%	9%	6%

APRIL TO JUNE LEASES: Occupancy as at 30 June 2022 98%	
Renewals	2
New	0
Assignments	0
Holdovers	0
Vacancies (Stall 12 being held for popups and stall upgrades)	1



UPCOMING QUARTER.

- Deliver Bastille Day event including marketing, in Market activities and operational schedule
- NAIDOC week acknowledgement
- Deliver school holiday program including Market Trail and Little Market Chefs
- ABC 891 & SARM outside broadcasts
- New store Mr Cheese scheduled to open
- Finalise trader storage requirements and commence design for Level 1
- All trader meeting and facilitate trader information session for development update
- Market Expansion As Always campaign, hoarding project and car park messaging
- ACMA Strategic Plan 2023-2024 planning and initial stakeholder engagement
- Online Home Delivery Service: expansion of delivery zone and Click & Collect

OBJECTIVES AND PURPOSE

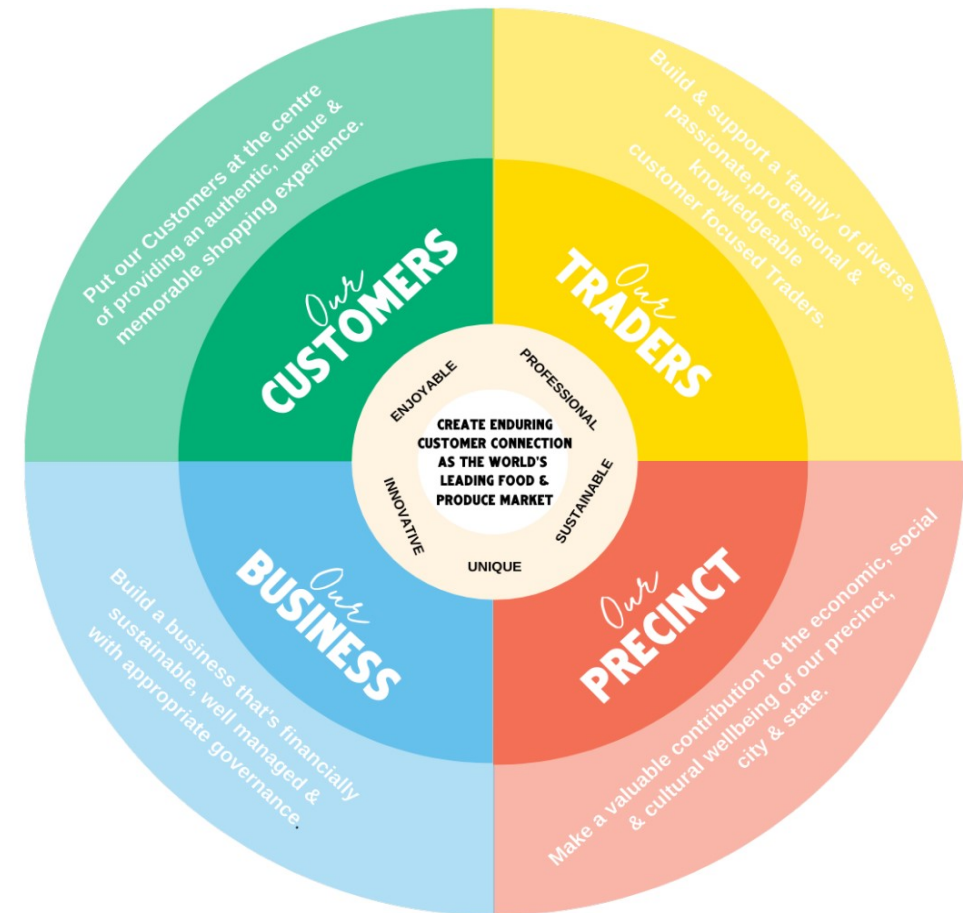
ACMA Charter 2021

Page 51

2.4 Objects and Purposes

The Authority is established as a management and marketing entity to:

- 2.4.1 ensure the management and operation of the Market in accordance with the:
 - 2.4.1.1 Charter;
 - 2.4.1.2 Council’s Strategic Plan; and
 - 2.4.1.3 Headlease; and, to the extent of any inconsistency, the order of precedence for interpretation for the purposes of such management and operation must be first this Charter, second the Council’s Strategic Plan, and third the Headlease;
- 2.4.2 be responsible for maintaining and enhancing the iconic standing of the Market for the benefit of all stakeholders;
- 2.4.3 be responsible for encouraging the use of the Market by South Australian residents, visitors and the community in general and for the Market being recognised locally and internationally as a leading, vibrant, diverse and unique fresh produce market community that is commercially sustainable for Market sub-lessees and/or licensees and the Corporation of the City of Adelaide;
- 2.4.4 contribute to the development of the wider market district; and
- 2.4.5 be financially self-sufficient in terms of its operations.



Thank you



Our **MARKET.**

Kadaltilla

Park Lands Authority

Quarterly Update

Kadaltilla



Core Responsibilities

PURPOSE FOR WHICH THE AUTHORITY IS ESTABLISHED

The Council and the State Government of South Australia are committed to protecting and enhancing the Adelaide Park Lands for the benefit of all South Australians.

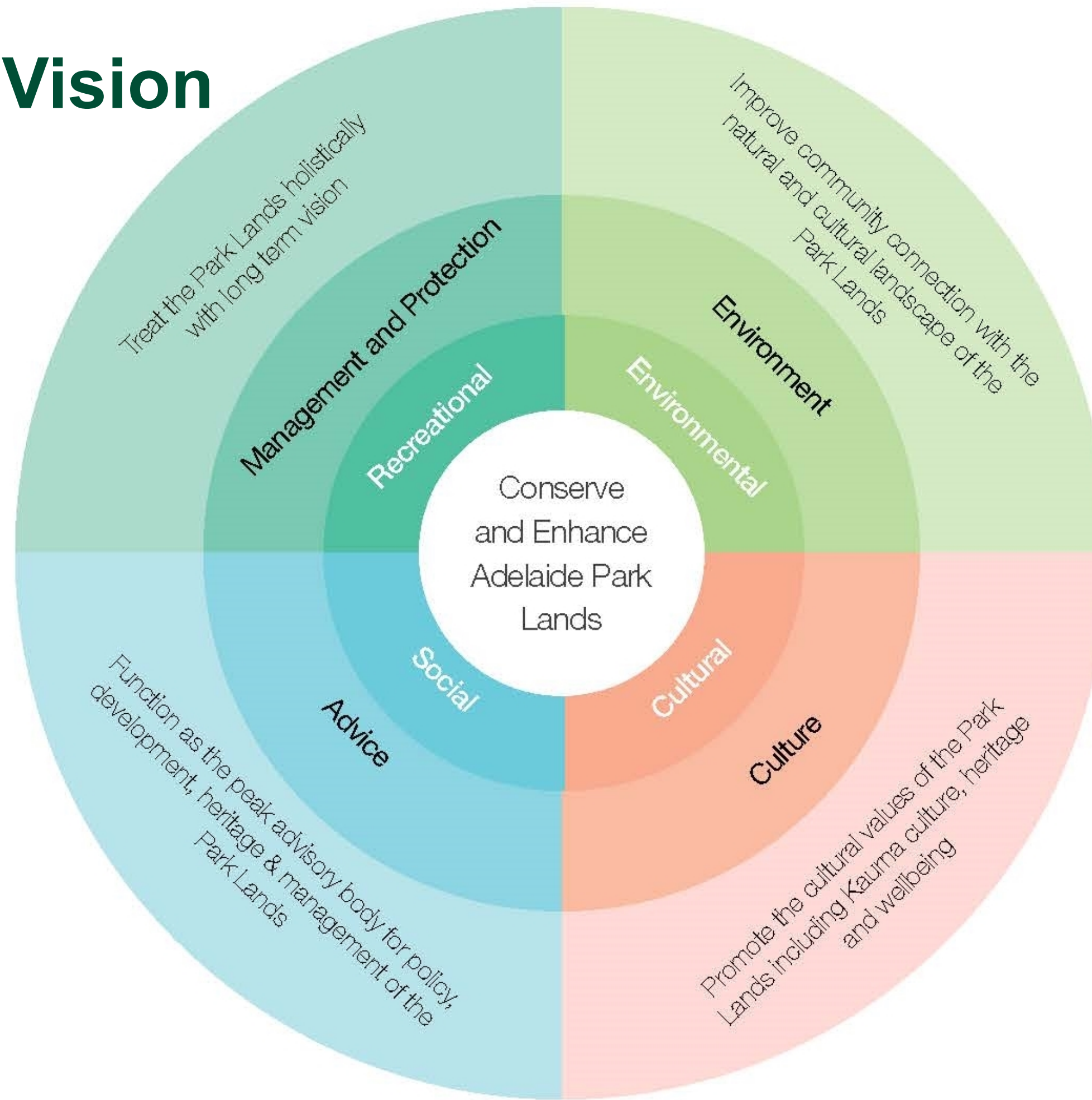
The Kadaltilla / Park Lands Authority (Kadaltilla) is the principal advisor to both the Council and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

The Council, on behalf of the communities of the City of Adelaide and the State, is committed to ensuring that Kadaltilla delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.

In this context, Kadaltilla is established by Statute to undertake in accordance with the powers conferred by the APLA Charter, the Functions of Kadaltilla as set out in section 9 of the *Adelaide Park Lands Act 2005*.



Vision



Key Highlights

April to June 2022

- Adoption of a new Kadaltilla / Park Lands Authority logo
- Continued comprehensive review of Adelaide Park Lands Management Strategy (APLMS), including:
 - Creation of an APLMS Project Plan
 - Creation of an APLMS Engagement Plan
 - Creation of a Project Steering Committee Terms of Reference and Project Control Group and Project Reference Group Purpose Statements.
 - Commenced engagement
 - Undertook a workshop with Committee
 - Performed a “Key Achievements” Park Lands site tour
- Creation of a Kadaltilla Strategic Risk Register
- Completion of Kadaltilla 2022/2023 Business Plan and Budget



Strategic Plan 2020-2025

Key Actions April to June 2022

Culture

- 1.4 Host an annual community forum
 - Approval of 2022 Community Forum theme, date, and location

Environment

- 2.1 Increase the accessibility of Information
 - Provided Customer Centre with hard copies of the Adelaide Park Lands Plan and Adelaide Park Lands Management Strategy for public viewing

Management and Protection

- 3.1 Review and improve the Adelaide Park Lands Management Strategy (APLMS) which includes prioritisation of projects
 - Commenced engagement for APLMS Comprehensive Review

Advice

- 4.1 Provide advice on plans, projects and policies for the Adelaide Park Lands
 - Advice provided to Council following Kadaltilla Board meetings
- 4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies
 - Creation of a Kadaltilla Strategic Risk Register



Advice to Council

April to June 2022

- Approve the interim use of the “Kadaltilla” logo and support the use of the abbreviated form “Kadaltilla” for the Kadaltilla / Adelaide Park Lands Authority
- Support the proposed Eastern Mound Redevelopment at Gladys Elphick Park / Narnungga (Park 25) by the South Australian Cricket Association (SACA)
- Support the draft Park Lands Lease and Licence Policy
- Support a Mini Golf footprint proposal within Possum Park / Pirltawardli (Park 1), but not the inclusion of an additional building, and recommends further design work
- Support the location of a public artwork by Ouchhh Studio within Light Square / Wauwi but recommend further consideration be given to its design and integration
- Support the final Rymill Park / Murlawirrapurka (Park 14) Master Plan
- Support the future closure of the informal car park Bonython Park/Tulya Wardli (Park 27) and recommend Council investigate options for design and funding for the return to Park Lands in the Q1 budget review process
- Approve the theme, day, and time for the 2022 Annual Community Forum
- Provide advice to Council for consideration in their communications and response to Adelaide 500 consultation with South Australian Motorsport Board



2021-2022 Business Plan & Budget

April to June 2022

Performance Measures Achieved

- Appointments to Kadaltilla based on skills and expertise set out in Part 2, Division 2, Section 6 of the *Adelaide Park Lands Act 2005*
- The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter
- Kadaltilla makes appropriate use of available finances provided by Council
- New Business Plan is adopted prior to the expiry of that currently in operation



Budget Position

July 2021 to March 2022

\$'000	Revised Budget	Full Year Forecast	Forecast Variance
Income	83	83	0
Expenditure	83	83	0



Upcoming Quarter

- **Review updated Community Land Management Plan**
- **Undertake Helen Mayo Park Workshop**
- **Continue comprehensive review of Adelaide Park Lands Management Strategy (APLMS), including:**
 - **Continue engagement**
 - **Launce YourSAY webpage**
 - **Undertake workshop with State agencies, KYAC, adjoining councils, Business Precincts and residents, and Schools**
- **Hold Annual Community Forum**
- **Complete Kadaltilla 2021/2022 Annual Report**



Thank You.

Kadaltilla



Enabling Priorities

**Brown Hill Keswick Creek
Quarter 4 Update**



CITY OF
ADELAIDE

Purpose of the Regional Subsidiary

Brown Hill Keswick Creek - Quarter 4 Update

The Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens have worked collaboratively over several years to form a Section 43 Committee Under the Local Government Act 1999 to develop a Stormwater Management Plan (SMP) aimed at mitigating flood risk within the catchment.

The Subsidiary has a shared vision of becoming 'water sensitive cities' by

- minimising flooding
- harnessing the potential of stormwater to overcome water shortages,
- improve waterway health,
- enhance city landscapes
- be utilised as a valuable community resource.

The vision is underpinned by six key objectives for Adelaide stormwater management:

- Protection from flooding
- Quality of runoff and effect on receiving waters
- Beneficial reuse of stormwater runoff
- Protection of watercourses and riparian ecosystems
- Effective planning outcomes
- Management of stormwater infrastructure

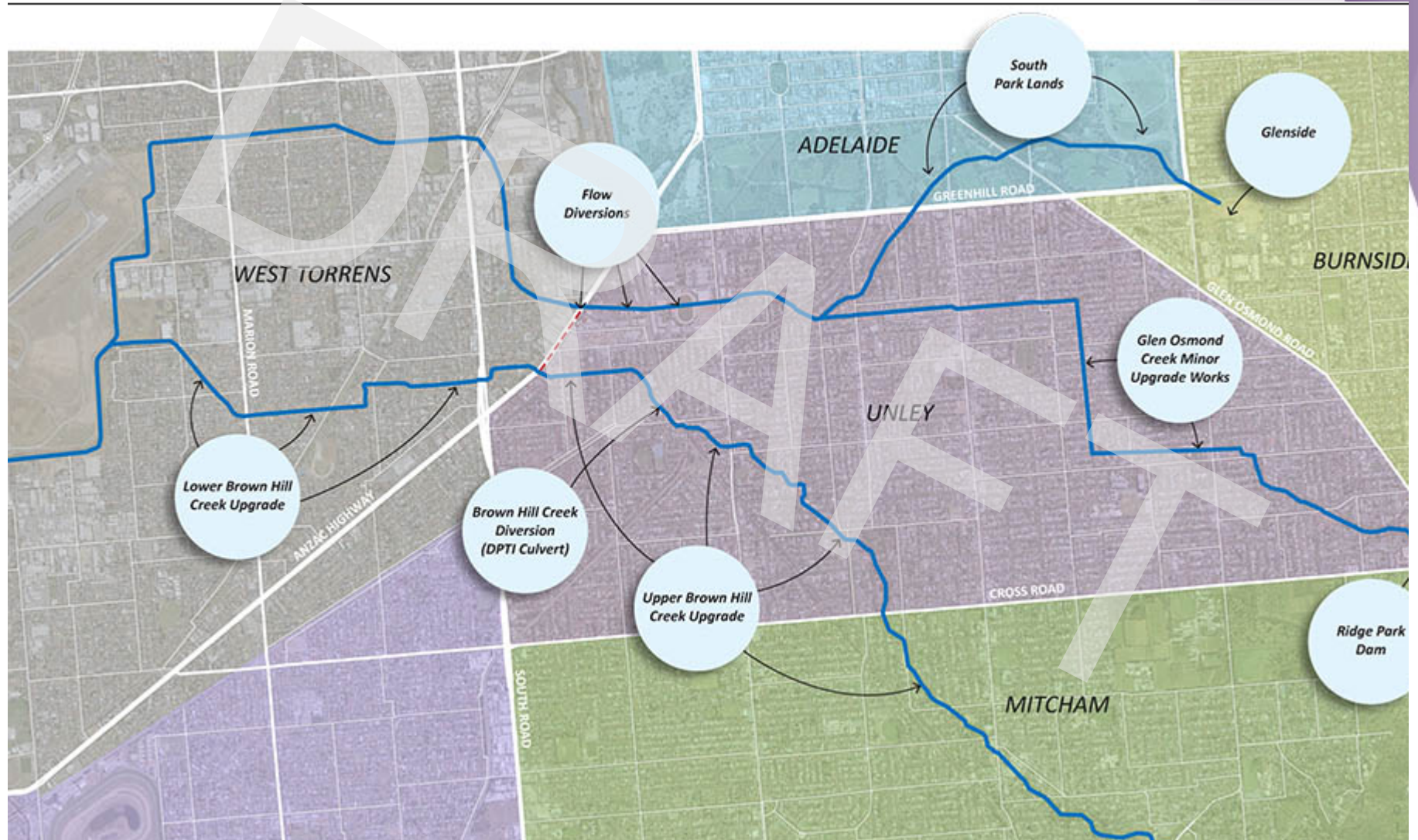
Quarter 4 Updates

The key projects underway include:

- Reference Design for sub projects – commenced in May 2021
 - Lower Brown Hill Creek Upgrade
 - Keswick Creek Flow Diversions
 - Upper Brown Hill Creek Upgrade
 - Glen Osmond Creek Minor Upgrade
- South Parklands – wetland in Victoria Park and creek works in Blue Gum Park:-
 - Victoria Park / Pakapakanthi (Park 16) – Completion of the wetland was completed and opened to the public in May 2022
 - Blue Gum Park / Kurangga (Park 20)- works commenced in September 2021 with practical completion anticipated in August 2022.
- Glenside – enlargement of detention basin and installation of 3 gross pollutant traps

Catchment Area

Brown Hill Keswick Creek - Quarter 4 Update



Consultant Spe

Showing only consultant spend under contract arrangements.

Purpose of Engagement	Consultant	Team or Department the Consultant was	
Contract Title	Supplier	Program	Team
CoA Walking Strategy	Planning Aspects Pty Ltd	INFRASTRUCTURE	INFRASTRUCTURE DELIVERY

nd Q3 and Q4 - January to June 2022

Contract Approving Officer	Dollar value of Consultant engagement		
Approver	Contract Sum	Market Approach	Contract Form
Associate Director, Infrastructure	\$22,000.00	Direct negotiation	Agreement for Consultant Engagement

**Complies with
Procurement Policy**

**Complies with
Procurement Policy**

Y

Presiding Member's Annual Report

Strategic Alignment - Enabling Priorities

Public

Thursday, 4 August 2022

Audit and Risk Committee

Program Contact:

Jessica Dillon, Acting Manager
Governance

Approving Officer:

Amanda McIlroy - Chief
Operating Officer

EXECUTIVE SUMMARY

The Presiding Member's Report summarises the activities of the Audit and Risk Committee during the 2021-22 financial year.

.....

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the Presiding Member's Annual Report for the 2021-22 financial year as included in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is diverse and complex. Our core role is to deliver services to the community as a leader, service provider, regulator, advocate,, facilitator and owner of assets.
Policy	Pursuant to the Audit and Risk Committee Terms of reference, the Presiding Member shall report annually to the Audit and Risk Committee and Council summarising the activities of the Committee during the previous financial year.
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	Open, transparent and informed decision making
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 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
22/23 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 Audit Committee was first established in September 2005.
2. In October 2021 the Audit Committee's Terms of Reference were updated to reflect new legislative provisions under section 126 of the *Local Government Act 1999 (SA)* (the Act) which were enacted through the *Statutes Amendment (Local Government Review) Act 2021*.
3. One of the key requirements of the updated provisions of the Act was the change in name from 'Audit' to 'Audit and Risk' committee and the requirement for the majority of the members of the committee to be independent ie not Council Members. To support this the updated Terms of Reference requires four Independent Members (previously three could be appointed).
4. This report presents Council with the City of Adelaide Audit and Risk Committee Presiding Member's report for the 2021-22 financial year (**Attachment A**).
5. During the 2021-22 financial year the Audit Committee met for 7 ordinary meetings and 1 special meeting.
6. Substantive issues dealt with by the Audit and Risk Committee during the previous financial year included (but were not limited to):
 - 6.1. Audit Committee Terms of Reference
 - 6.2. Activities of the Strategic Risk and Internal Audit Group
 - 6.3. Financial Statements
 - 6.4. Internal Audit Program Updates
 - 6.5. 2022-23 Budget and Long Term Financial Plan

ATTACHMENTS

Attachment A – Presiding Member's Annual Report for the 2021-22 financial year

- END OF REPORT -

City of Adelaide Audit and Risk Committee

Presiding Member's Report

I am pleased to present the Presiding Member Report for the City of Adelaide Audit and Risk Committee for the year ended 30 June 2022.

The Audit and Risk Committee met 8 times for the 2021/2022 year with meeting attendance as follows:

• David Powell (Presiding Member)	8/8
• Paula Davies (Independent Member)	7/8
• John Oliver (Independent Member appointed 13/10/2021)	4/5
• Simon Rodger (Independent Member appointed 13/10/2021)	5/5
• Lord Mayor Sandy Verschoor	7/8
• Councillor Alex Hyde (resigned 20/1/2022)	3/4
• Councillor Franz Knoll (appointed as Council representative 8/2/2022)	3/3
• Councillor Franz Knoll (proxy until 20/1/2022)	0/0
• Councillor Mary Couros (proxy)	2/2

The substantive issues that were dealt with during the year were:

- A review and update of the Terms of Reference of the Audit Committee including a change of name to the Audit and Risk Committee effective October 2021
- A review of the Council's Strategic Risk and Internal Audit Group
- A review of the 2020-21 Audited Financial Statements
- A review of Audit and Risk Committee meeting schedule and work plan
- A review of the end of year financial reporting process and proposed timetable to ensure compliance with the legislative requirements
- A review of the scope and methodology of the external audit undertaken and review of the implementation of recommendations proposed
- Receipt of City of Adelaide subsidiary updates
- A review of the progress of the internal audit program, detailed internal audit reports and implementation of the recommendations on a regular basis:
 - Management of Leave Entitlements
 - Software Asset Management
 - North Adelaide Golf Course Financial Processes
 - Post Audit Implementation Review
 - Payment Card Industry (PCI) Data Security Standards
 - 2021 Risk Evaluation Report
 - Fleet Management and Fuel Cards
 - Planning, Development and Infrastructure Act 2016 Implementation
- Continuous review of the risk management procedures of Council and the administration

Presentations to the Audit and Risk Committee during the year have included:

- Adelaide Central Market Authority Update
- Climate Change Risk Adaptation Action Plan 2021-2026
- Future Fund & Investment Policy
- Service Planning and Performance
- 2022-2023 Business Plan and Budget
- Cyber Security Presentation on Frontier Data Breach

The Audit and Risk Committee has worked closely with the Administration in the area of Financial Management including the following:

- Review of the 2020-21 preliminary financial position
- Review of quarterly Budget Reviews
- Input to the 2022-2023 budget process
- Major project accounting treatment
- Review of Long Term Financial Plan
- Review of consultants expenditure

The Audit and Risk Committee considered 7 matters in confidence and applied 7 confidential orders. I am satisfied that these were an appropriate use of the provisions of Section 90 and 91 of the *Local Government Act 1999 (SA)*.

I would like to express my appreciation to the members of the Audit and Risk Committee for their participation, and to management and staff of the Council for their assistance and clarifications where required.



David Powell

Presiding Member

Date: 28 July 2022

Risk Statement

Thursday, 4 August 2022

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Jessica Dillon, Acting Manager
Governance

Public

Approving Officer:

Amanda McIlroy - Chief
Operating Officer

EXECUTIVE SUMMARY

Pursuant to section 7.2 of its Terms of Reference, the Audit and Risk Committee shall review and, where appropriate, recommend the approval of statements to be included in the Annual Report concerning internal controls and risk management.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the statement to be included in the Annual Report, as outlined in Attachment A to Item 6.4 on the Agenda for the meeting of the City of Adelaide Audit and Risk Committee held on 4 August 2022.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is diverse and complex. Our core role is to deliver services to the community as a leader, service provider, regulator, advocate, facilitator and owner of assets.
Policy	Alignment with the Audit and Risk Committee Terms of Reference
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
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 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
22/23 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. At its meeting on 19 November 2019 Council noted the continuing operation of the City of Adelaide Audit and Risk Committee for the 2019-2023 term.
 2. At its meeting on Tuesday 12 October 2022 Council endorsed the Audit and Risk Committee's Terms of Reference.
 3. Pursuant to section 7.2 of the Audit and Risk Committee's Terms of Reference, the Audit and Risk Committee shall:
 - 3.1. Keep under review the effectiveness of the Council's internal controls and risk management systems.
 - 3.2. Review and recommend the approval, where appropriate, of statements to be included in the Annual Report concerning internal controls and risk management.
 4. The statement to be included in the Annual Report (**Attachment A**) outlines the Council's Risk Management Operating Guideline including internal and external audits, risk identification and assessment, and internal controls.
 5. The statement is only a brief overview for the purpose of the Annual Report.
-

ATTACHMENTS

Attachment A – Risk Management Statement for the Annual Report

- END OF REPORT -

Risk Management Operating Guideline

The Audit and Risk Committee was established pursuant to Section 126 of the *Local Government Act 1999 (SA)*, to assist the Council discharge its responsibilities. Reporting to City of Adelaide, the Audit and Risk Committee provides advice and recommendations on matters relevant to its Terms of Reference in order to facilitate decision making by Council in regard to financial reporting, internal controls, risk management, management plans and business plans, service planning and performance, internal audit and external audit.

City of Adelaide maintains an Internal Audit function which reports to Management and the Audit and Risk Committee. The role of the Internal Auditor is to identify more efficient and effective processes and to assist Council and the Chief Executive Officer meet their assurance obligations. The Internal Audit function is contracted to KPMG for a period of 2 years, plus 2 options for 1 year extensions, expiring in 2024. The Internal Audit plan is reviewed and endorsed by the Audit and Risk Committee who also review internal audit report findings on a quarterly basis.

Pursuant to Section 128 of the *Local Government Act 1999 (SA)*, the External Auditors appointed by Council are BDO Audit Partnership (SA). To maintain the highest standards of corporate governance in relation to auditor independence, the External Auditors are excluded from providing non-audit services to Council. Non-audit services are defined as any service provided by the External Auditors under engagement with the Council outside the scope of the external audit. The Audit and Risk Committee reviews the scope and progress of the annual audit in accordance with its Terms of Reference.

Enterprise Risk Management

City of Adelaide manages strategic, emerging, project, operational, and financial risks through its Enterprise Risk Management Framework which has been developed in accordance with International Standard ISO 31000:2018.

The framework ensures risks are identified, assessed and properly managed and reported on. Such a process ensures that Council is able to achieve its strategic goals and that the Lord Mayor and Councillors fulfil their legislative roles.

The success of the Enterprise Risk Management model is a result of a strong Executive involvement through monthly reporting of risk and internal audit matters to the Executive Strategic Risk and Internal Audit Group, and quarterly reporting to the Audit and Risk Committee.

Internal Control Framework

Pursuant to Section 125 of the *Local Government Act 1999 (SA)*, Council must ensure that appropriate policies and procedures of internal controls are implemented and reviewed to assist Council to carry out its activities in an efficient manner to achieve its strategic objectives. Council's Internal Controls are processes for assuring Council's achievement of objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. Internal Controls include a range of activities such as approvals, delegations, security of assets and segregation of duties.

Strategic Internal Audit Plan

Thursday, 4 August 2022

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Jessica Dillon, Acting Manager
Governance

Public

Approving Officer:

Amanda McIlroy - Chief
Operating Officer

EXECUTIVE SUMMARY

This report contains the proposed one-year Internal Audit Plan (the Plan) for the City of Adelaide (CoA). The Plan has been drafted in consultation with the Executive Team, members of the Executive Strategic Risk and Internal Audit Group (SRIA) and CoA's internal audit provider in consideration of CoA's strategic risks and key priorities.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

That Council

1. Approves the City of Adelaide one-year Internal Audit Plan, contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit Committee held on 4 August 2022.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is to uphold the values of integrity and accountability. To ensure that the Council delivers services to the community as a leader, advocate and facilitator by maintaining a transparent decision-making process.
Policy	Alignment with the City of Adelaide Risk Management Operating Guideline
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Sound risk and opportunity management enables well informed decision making and supports the delivery of the Strategic Plan
Opportunities	Sound risk and opportunity management enables well informed decision making and supports the delivery of the Strategic Plan
21/22 Budget Allocation	Not as a result of this report
Proposed 22/23 Budget Allocation	\$70,000
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 one-year (2022/23) Internal Audit Plan (the Plan) for the City of Adelaide (CoA) has been drafted in consultation with the Executive Team, the members of the Strategic Risk and Internal Audit Group (SRIA) and CoA's internal audit provider in consideration of the CoA's strategic risks and key priorities within the Strategic Plan.
2. The Plan for 2022/23 includes a number of internal audits that can be facilitated using existing CoA resources. External providers will be used for strategic and compliance audits, where specialised skills and expertise are required. The intent of this approach is to ensure that appropriate assurance is provided to the Council in a way that achieves the best value for money, leveraging our in-house capability.
3. Each internal audit has been identified as a risk mitigation to one of the City of Adelaide's Strategic Risks and corresponding risk rating.
4. The following items are recommended in the Plan for 2022/23:
 - 4.1. Legislative Compliance Framework
 - 4.2. Asset Inspection Review
 - 4.3. Essential Eight Maturity Model
 - 4.4. Volunteer Management
 - 4.5. PCI Compliance
 - 4.6. Review of Adelaide Central Market Authority financial processes
 - 4.7. Cab Charges / Ride Shares and Pool Cars Internal Review
 - 4.8. Asset Inspection Review
 - 4.9. Workforce Planning and Staff Retention
 - 4.10. Record Keeping Audits
5. A brief draft scope for each review is included in **Attachment A**. A more comprehensive scope will be developed and presented to SRIA for approval prior to the internal audit being undertaken.

ATTACHMENTS

Attachment A – Internal Audit Plan 2022-23

- END OF REPORT -

INTERNAL AUDIT PLAN

2022-2023

June 2022

ACKNOWLEDGEMENT OF COUNTRY

The City of Adelaide acknowledges that we are located on the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past, present and emerging.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We also extend that respect to visitors of other Aboriginal Language Groups and other First Nations.

DOCUMENT PROPERTIES

Contact for enquiries and proposed changes

If you have any questions regarding this document or if you have a suggestion for improvements, please contact:

Contact Officer:	Jess Dillon
Title:	Team Leader Corporate Governance
Program:	Governance
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Email:	J.Dillon@cityofadelaide.com.au

PURPOSE

The purpose of this document is to provide the City of Adelaide's (CoA) Executive and Strategic Risks and Internal Audit (SRIA) members and subsequently the CoA's Audit and Risk Committee (ARC) a proposed one-year Internal Audit (IA) Plan (plan). The plan has been presented to SRIA for endorsement prior to being submitted to the ARC for final review prior to implementation. The Internal Audit Plan relates to all areas of CoA including the subsidiaries.

A detailed project scope document will be developed prior to the commencement of individual projects. This is not a static document and the IA plan will be reassessed periodically to recognise CoA's changing risks, controls and internal audit requirements. Regular risk monitoring and communication with Executive and SRIA will be undertaken to keep key stakeholders informed of any potential changes to organisational risks profiles and facilitate the on-going alignment of Internal Audit activities with organisational objectives. IA is reported monthly to SRIA which includes new scopes, outcomes and a report on current or outstanding actions.

WHY HAVE AUDITS BEEN SELECTED?

The intention of the audits detailed in the IA plan are aligned to deliver value within CoA's context of its values, culture, customer service objective and Strategic Plan. The internal audits have been selected not to enable disciplinary action but rather as genuine opportunities in these areas to deliver value and internal audit will be a mechanism to help improve the likelihood of success.

It is envisaged that these internal audit projects, which are oriented towards opportunities to enhance Council services and the internal organisations services, will assist to contribute to achievement of strategic objectives, improving the risk culture at CoA and overall, assist CoA to deliver a better experience for the people living and working in the City of Adelaide.

The IA Plan for 22/23 includes a number of audits that can be facilitated utilising existing in-house CoA resources. External providers will be utilised for strategic and compliance audits where specialised skills and expertise are required.

Internal audits have been categorised as:

- Operational
- Strategic
- Compliance

Audits are identified to assist in mitigating CoA strategic risks which are outlined in the table below.

TYPE OF AUDIT

Three types of Audits	
Operational	To review the robustness of systems, policies and processes
Strategic	To provide an independent examination of the strategic objective a program, function, operation or the management systems and procedures of council to assess whether the administration is achieving value for money, efficiency and effectiveness
Compliance	To provide comfort that contractual or legislative / regulatory obligations are being met.

CoA STRATEGIC RISK REGISTER

Strategic risk	Risk description	Opportunity description
Personnel	Failure to attract and retain talented people	Attract and retain great staff that improve the organisational effectiveness of CoA and positively impact the community.
Relationships	Poor relationships with the community, government and private sector	To enhance stakeholder relationships which will assist in better partnerships and outcomes. Continue to build on and enhance relationships with other government bodies to empower partnerships and growth for the state.
Reputation	Negative reputation and public perception of CoA	Becoming an Industry Leader in Local Government. Developing stronger relationships with the community and building trust through proactive messaging and delivery of our customers
Organisational Culture	Poor organisational culture	Continuing to work towards a high performing culture via building strong and inspirational leadership that enables engaged and capable people.
Economic Outlook	Downturn in economic outlook resulting in reduced Council revenue	Increased business attraction to the city. Meeting a number of objectives in Council's Strategic Plan regarding the vibrancy of the city.
Project Delivery	Projects not delivered to quality, time or budget	Effective and efficient projects being undertaken with great community outcomes.
Service Delivery	Poor service delivery to our community	Delivery of Council's services is highly regarded by all customers, internal and external.
Compliance	Non-compliance of Council policies and legislative requirements	Best practice services and processes across all council operations.
Work Health and Safety	Failure to maintain a safe and healthy workplace	A safe and healthy work environment for all workers including staff, volunteers and contractors.
City Emergency	Insufficient emergency management preparation	Council as a community leader in times of crisis and assisting authorities where possible. CoA to continue to be a sector leader and assist with other councils and the LGA in both response and recovery.

INTERNAL AUDIT PLAN

Financial Sustainability	Failure to plan for and manage Councils finances.	Long term financial stability which provides an allowance to undertake a number of innovative projects for the community. Meeting the three main measures (1) Operating Surplus, (2) Asset Sustainability Ratio and (3) Net Financial Liabilities. Identifying ways to diversity revenue streams.
Technological	Lack of modern, integrated and secure digital environment.	Enhance City of Adelaide's ability to deliver modern digital services to the organisation and community stakeholders through modern IT technologies that are efficient and safe.
Cyber Security	Exposure or loss resulting from a cyber-attack or data breach.	Enhance City of Adelaide's ability to provide a secure and safe technological environment.
Climate Change	The climate is changing and will continue to change, in ways that will increasingly impact operations, infrastructure, services and the community at large.	That council understands climate risks and integrate climate adaptation and mitigation opportunities across council operations and our partners to create a climate resilient city.

INTERNAL AUDITS PREVIOUSLY UNDERTAKEN

2021 / 2022	2020 / 2021	2019 / 2020	2018 / 2019
North Adelaide Golf Course Financial Processes	Record Keeping Audits	Budget Management	Rates Revenue Review
Planning Development & Infrastructure Act 2016 Implementation	Management of Leave Entitlements	Section 7 Statements	Records Management
Fleet Management & Fuel Cards	Software Licence Review	Employee Travel Expenditure	Credit Card Compliance
Payroll & Remuneration	Training and Development Internal Processes	Fraud Prevention	Environmental Health
PCI Compliance	PCI Compliance	Events Sponsorship	Customer Focus
Record Keeping	Employee Gifts and Benefits	Social Media	Stores Management
Post Audit Implementation	Project Management Review	Park Lands Review	Confidentiality Orders Review
	Legislative Compliance Framework	Legislative Compliance	Employee Reimbursements
	Post Audit Implementation Review		Post-Audit Implementation

PROPOSED INTERNAL AUDITS FOR 2022/23

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Legislative Compliance Framework	Service Delivery Moderate	All	Compliance	In-house	August 2022
On-going assessment of CoA's legislative compliance work plan, auditing one Act at a time with actions monitored and managed in Promapp. This audit will perform a review of legislation and identify any gaps that CoA is not adhering to, to ensure that compliance is maintained at all times.					
<i>This audit will assist in mitigating the Service Delivery risks as outcomes will ensure compliance with Council's policies and legislative requirements while delivering CoA services to the community. Service Delivery is currently rated as moderate inherent risk and moderate residual risk on Council's Strategic Risk & Opportunity Register.</i>					
Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Asset Inspection Review	Financial Sustainability High	All	Compliance	Provider	August 2022
This internal audit will include review of the CoA's asset inspection policies, procedures and processes, including planning and scheduling of asset inspections, completeness of annual inspections and documentation and records retained as evidence of activities performed. SRIA will identify what asset types will be included in this audit during the development of the scope. For a sample of assets, testing will be performed to ensure that inspections have been completed in line with Council's requirements.					
<i>This audit will assist in mitigating the Financial Sustainability risk and will determine whether asset inspections are implemented in accordance with the Asset Management Plans and maintenance agreements. Non-compliance with current Asset Management Plans increases council financial sustainability risks as assets require further costs to maintain. Financial Sustainability is currently rated as a high residual risk on Council's Strategic Risk & Opportunity Register.</i>					

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Essential Eight Maturity Model	Cyber Security High	Information Management	Compliance	Provider	August 2022

The scope of this project will assess CoA current practices against the mitigation strategies of Essential Eight, to determine what level of maturity the CoA is. It will identify opportunities for CoA to protect against various cyber threats to determine the required maturity level that is suitable to the CoA environment.

This audit will assist in mitigating the Cyber Security risk and compare the CoA maturity level against the strategies of Essential Eight. Cyber Security is currently rated as high inherent risk and high residual risk on Council's Strategic Risk & Opportunity Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Volunteer Management	Relationships High	City Culture & AEDA	Strategic	In-house	September 2022

The objective of this internal audit project will be to assess arrangements in place to manage and oversee volunteers working with the Council. It will include consideration of volunteer attraction, induction arrangements, ongoing management, as well as consider any opportunities to increase the value achieved through the volunteer workforce.

This audit will assist in mitigating the Relationships risks as outcomes will ensure that community services are delivered as per the Strategic Plan and ongoing management of volunteers are consistent with WHS guidelines and staff wellbeing. Relationships is currently rated as a high residual risk on Council's Strategic Risk & Opportunity Register.

INTERNAL AUDIT PLAN

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
PCI Compliance	Compliance Moderate	Corporate Services	Compliance	Provider	November 2022
CoA requires a review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on compliance by presenting its acquiring bank with a completed Self-Assessment Questionnaire (SAQ). The internal audit will provide CoA with an understanding of the level of PCI DSS compliance associated with the payment processing facilities, and to provide guidance in areas of required remediation following the assessment. The audit is required once a year.					
<i>This audit will assist in mitigating the Compliance risk as the outcomes of the annual audit will ensure that CoA is adhering to the Visa/Mastercard requirements in relation to customer credit card information. Compliance is currently rated as a moderate residual risk on Council's Strategic Risk & Opportunity Register.</i>					
Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Review of Adelaide Central Market Authority (ACMA) financial processes	Financial Sustainability High	City Services	Compliance	In-house	November 2022
This review will assess the processes in place with the Adelaide Central Market Authority financial daily operations including payment of fee's by Members and the general public (including vouchers), end of day security of cash and other day to day transactions.					
<i>This audit will assist in mitigating the Financial Sustainability risks as the outcomes of the review will confirm that internal controls are in place that may impact financial sustainability of the authority, including compliance with the appropriate policies and operating guidelines. Financial Sustainability is currently rated as a high residual risk on Council's Strategic Risk & Opportunity Register.</i>					

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Cab Charges/ Ride Shares & Pool Cars Internal Review	Financial Sustainability High	All	Compliance	In-house	February 2023
<p>This review will assess the expenditure on cab charges (including ride shares such as Go Get etc) and utilisation of the pool cars. The audit will review what contracts are in place with certain providers and if CoA is managing these contracts in the most cost-effective way.</p> <p><i>This audit will assist in mitigating the Financial Sustainability risk and identify whether financial controls are in place that may impact financial sustainability, including compliance with Council's policies/operating guidelines. Financial Sustainability is currently rated as a high residual risk on Council's Strategic Risk & Opportunity Register.</i></p>					
Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Workforce Planning and Staff Retention	Personnel High	All	Strategic	Provider	April 2023
<p>The scope of this project will focus on each Council's workforce planning strategies and initiatives in the context of Councils strategy and matching of workforce capabilities and resourcing to future needs/aligned to each Council's strategic plan. It will focus on how council proactively manage staff retention strategies. This audit was previously included within last year's internal audit plan, however due to operational projects within this area it was decided to postpone ensuring the audit captures the new workforce planning strategy.</p> <p><i>This audit will assist in mitigating the Personnel risks as outcomes will achieve proactive management of staff retention in line with matching workforce capabilities with service provided as aligned in the Strategic Plan. Personnel is currently rated as high inherent risk and high residual risk on Council's Strategic Risk & Opportunity Register.</i></p>					

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Record Keeping Audits	Compliance Moderate	Corporate Services	Compliance	In-house	May 2023
This internal audit is a recommendation by the ICAC Commissioner on an annual basis and a random check on recordkeeping by sampling a selection of staff from each portfolio will be performed. This audit will be developed and facilitated in conjunction with Information Management as per requirements in the Record Keeping Operating Guideline.					
<i>This audit will assist in mitigating the Compliance risk as outcomes will ensure that CoA employees are adhering to the Records Management Operating Guideline and the State Records Act 1997. Compliance is currently rated as moderate inherent risk and moderate residual risk on Council's Strategic Risk & Opportunity Register.</i>					

Thursday, 4 August 2022

Audit and Risk Committee

Internal Audit Progress Report

Strategic Alignment - Enabling Priorities

Public

Program Contact:

Jessica Dillon, Acting Manager
Governance

Approving Officer:

Amanda McIlroy - Chief
Operating Officer

EXECUTIVE SUMMARY

To provide the Audit and Risk Committee with a progress update on the Internal Audit program, findings and recommendations.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is to uphold the values of integrity and accountability. To ensure that the Council delivers services to the community as a leader, advocate, and facilitator by maintaining a transparent decision-making process.
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	Not as a result of this report
Opportunities	The Internal Audit program provides to the Audit and Risk Committee on assurance related activities to meet best practice standards
21/22 Budget Allocation	\$70,000
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 role of Internal Audit is to assist Council, the Audit and Risk Committee and the Chief Executive Officer in meeting their assurance obligations relating to corporate governance, the system of internal controls and identifying areas for more efficient and effective processes.
2. Pursuant to the Audit and Risk Committee's Terms of Reference, approved by Council on 12 October 2021, the Audit and Risk Committee shall receive reports on all Internal Audit projects and review and monitor management's responsiveness to the findings and recommendations of the Internal Auditors (currently KPMG) and inhouse advice. Full copies of all completed audit reports are included in [link 1](#).
3. At its meeting on 18 June 2021, the City of Adelaide Audit and Risk Committee resolved that it can, at any time, recommend to Council to approve the 2021/2022 Internal Audit Plan (the Plan). The Plan was approved by Council at its meeting on 13 July 2021. The Audit and Risk Committee can at any time consider an amendment to the Plan in the context of operational needs, risks and priorities.
4. The completed internal audits and strategic reviews for the period of May 2022 to June 2022 are as follows:
 - 4.1. Records Management
 - 4.2. Management of Procurement Practices
 - 4.3. Payroll Operations
5. Recommendations arising from the Internal Audit and Strategic Reviews are reported to the Strategic Risk and Internal Audit Group (SRIA). Associate Directors and Managers are involved in the review and assist in drafting the management response, agree on actions and have responsibility for the target completion dates.
6. Recommendations, agreed actions, responsibilities and timeframes for implementation are recorded centrally in Council's process mapping software, Promapp. The implementation status of recommendations is tracked and reported to the Audit and Risk Committee.
7. As agreed by SRIA, any request for an extension of an action due date required the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability, and commitment to completing the action before an extension is granted.
8. Since the last Internal Audit Progress Update reported to the Audit and Risk Committee at its meeting on 12 May 2022, 17 internal audit recommendations have been completed and 51 recommendations are in progress – view [link 2](#) for the full document which is summarised in the table below:

Risk	Definition	Overdue	In Progress	Total
High	Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives. Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months.	0	17	17
Moderate	Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives. Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months.	0	13	13
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives. Timeframe for action is subject to competing priorities and cost/benefit analysis, e.g. 9-12 months	0	13	13
	Total	0	43	43

Risk	Definition	Overdue	In Progress	Total
N/A	Improvement Opportunity	0	8	8

9. At its meeting on 14 December 2021, Council adopted the Climate Change Risk Adaptation Action Plan. This report was presented to the Audit and Risk Committee at its meeting on 29 October 2021 and it was agreed the progress of this action plan (view [link 3](#)) would be reported to the Audit and Risk Committee on a quarterly basis. These are provided as a summary in the table below:

Risk	Definition	Overdue	In Progress	Total
N/A	Improvement Opportunity	0	9	9

10. Rundle Mall Program Performance Review

10.1. At its meeting on 4 February 2022, the Audit and Risk Committee (the Committee) noted the Rundle Mall Program Performance Review (the review). At that meeting, Manager Director the Adelaide Economic Development Agency committed to provide an update on the progress of the implementation of the review in 6 months.

10.2. The review:

10.2.1. Identified 28 actions relating to improving the efficiency and effectiveness of the Rundle Mall program.

10.2.2. Provided insights as to what's working well and challenges experienced by the Program's key stakeholders based on consultation and survey results from traders and Arcade and Centre Managers.

10.2.3. Provided results on the benchmarking review contrasting Rundle Mall against comparable precincts and malls.

11. An Implementation Plan to address the outcomes of the review was prepared, and of the 28 actions as listed – view [link 4](#) for the full document, 22 have been implemented and the remaining 6 are underway or will commence shortly. It is anticipated all actions will have been implemented by June 2023.
12. An update on progress of implementing the actions from the review was provided to Rundle Mall Precinct stakeholders on 24 June 2022.

DATA AND SUPPORTING INFORMATION

Link 1 – Completed Audit Reports

Link 2 – Progress Summary of Recommendations Report

Link 3 – Progress Summary of Climate Change Risk Adaptation Action Plans

Link 4 - Rundle Mall Performance Review – Recommendations and Actions Update

ATTACHMENTS

Nil

- END OF REPORT -

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