



Audit and Risk Committee

AGENDA & REPORTS

for the meeting

Friday, 1 September 2023
at 8.30 am

in the Colonel Light Room, Adelaide Town Hall

© 2023 CITY OF ADELAIDE. ALL RIGHTS RESERVED.



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, Dr Jane Lomax-Smith Paula Davies John Oliver Simon Rodger Councillor Jing Li

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 -
Councillor Li

3 Confirmation of Minutes

That the Minutes of the meeting of the Audit and Risk Committee held on 4 August 2023, be taken as read and be confirmed as an accurate record of proceedings.

View public 4 August 2023 Minutes [here](#).

4 Presiding Member Reports

5 Reports

5.1	Audit and Risk Committee Terms of Reference	4 - 14
5.2	Q4 Report	15 - 135
5.3	ACMA Audited Financial Statements & Report on Financial Results	136 - 191
5.4	Adelaide Aquatic Centre Redevelopment - Prudential Review	192 - 226

6 Emerging Key Risks

7 Independent Member Discussion

8 Other Business

- 9 Exclusion of the Public** 227 - 229
- 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 10 of this Agenda.
- 10 Confidential Item**
- 10.1 Strategic Property Matter - Prudential Report [s 90(3) ((b), (d))] 230 - 267
- 11 Closure**

Audit and Risk Committee Terms of Reference

Friday, 1 September 2023

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Alana Martin, Manager
Governance

Public

Approving Officer:

Michael Sedgman - Chief
Operating Officer

EXECUTIVE SUMMARY

Clause 14.4 of the Audit and Risk Committee (the Committee) Terms of Reference states that the Committee will review its Terms of Reference at least once a year.

The Committee undertook a self-assessment review, and at their meeting on 28 October 2022 discussed some changes to be considered in the Committee Terms of Reference.

Revised Terms of Reference were presented to the 3 February 2023 Committee meeting. The Committee discussed areas of additional clauses and requested that Terms of Reference be brought back to the Committee for further consideration and approval.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Endorses the revised Terms of Reference as Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023 for adoption by Council.
 2. Authorises the CEO to make any necessary typographical or syntactical revisions to the Terms of Reference for the Audit and Risk Committee.
-

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	Not as a result of this report
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 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
23/24 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 Terms of Reference assist the Audit and Risk Committee, Council, and its community in understanding the Committee's role and responsibilities.
2. The current terms of reference are available of Council's website [Link One](#)
3. The annual review of the Audit and Risk Committee Terms of Reference was presented to the Committee at its meeting on 3 February 2023. At that meeting, the Committee discussed areas where additional clauses should be included and requested that the Terms of Reference be brought back to the Committee.
4. There was no other specific feedback to changes to the Terms of Reference, however, the Audit and Risk Committee noted their desire for an opportunity to focus more on matters of strategic risk.
5. It is noted that reforms pursuant to the *Statutes Amendment (Local Government Review) Act 2021* related to the functions of the Audit and Risk Committee will come into effect in November 2023. These Terms of Reference have been reviewed for consistency with those changes.
6. The recommended material changes to the Audit and Risk Committee Terms of Reference include:
 - 6.1. Structure of the Terms of Reference to align with other Council Committee Terms of Reference.
 - 6.2. Inclusion of a new Part Two which sets out the functions of the Audit and Risk Committee as prescribed in section 126(4) of the Local Government Act 1999 (SA) (the Act), (and the removal of duplication).
 - 6.3. Part Three - *Role* structured to better align with the order of the functions (as listed in Part Two – *Functions* which reflect the functions outlined in the Act).
 - 6.4. Highlighting member integrity provisions defined by Chapter 5, Part 4 of the Act, including the requirement for Audit and Risk Committee Members to declare conflicts as well as provide a Register of Interests.
 - 6.5. Minor typographical amendments.

Current Terms of Reference	Proposed
1. Establishment and purpose	<p>Replaced with Preamble and Functions of the Committee (Part 1 and 2). This is consistent with the Term of References for other Council Committees</p> <p>Part Two sets out the functions of the Audit and Risk Committee as prescribed in section 126(4) of the Local Government Act 1999 (SA) (the Act), (and removes duplication).</p> <p>An addition at 2.2 provides clarity that the Audit and Risk Committee acts as the Audit Committee for AEDA and ACMA (consistent with those organisations' charters).</p>
2. Membership	<p>Can be found in Part 6</p> <p>Changes to membership have been made to reduce the membership of the Audit and Risk Committee from six to five members to comply with the requirements of the <i>Local Government Financial Management) Regulations 2011</i>.</p> <p>The Lord Mayor is considered an ex-officio member to the Committee, and:</p> <ul style="list-style-type: none"> • Is not included in the membership number • Has no voting rights • Receives all agendas and minutes. • Is able to participate in discussion. • Must comply with 10.1 of the Terms of Reference <p>This section also includes information about sitting fees.</p>
3. Financial Reporting	<p>Can be found at 3.1</p> <p>Addition at 3.1.2 - "Receive regular financial updates for the business, including all Council subsidiaries".</p>

Current Terms of Reference	Proposed
4. Internal Control and Risk Management Systems	Can be found at 3.5 The oversight of the Council's Risk Function has been strengthened. The section has been rewritten to reflect legislative changes to the Local Government Act (effective from November 2023).
5. Management Plans and Business Plans	Can be found at 3.2 The section has been expanded to reflect legislative changes and Audit and Risk Committee feedback.
6. Internal Audit	Can be found 3.4 No changes.
7. External Audit	3.3 No changes.
8. Other functions	Removal of requirement to include an internal control and risks statement in the Annual Report (reflects a recent legislative change)
9. Presiding Member	Part 7 Addition of a section that clarifies the role of the Chair.
10. Sitting Fees	Included under Membership (Part 6)
11. Meetings	Included in Part 8
12. Notice and documents	Deletion of the meeting procedures sections, as these are largely repeating the provisions in the City of Adelaide Standing Order Parts 1, 3 and 4 Local Government (Procedures at Meetings) Regulations 2013. Links are provided instead.
13. Meeting Procedures	Can be found at Part 9 Simplified to recognise that the detail is contained in Council's Code of Practice for Meeting Procedures. Deletion of the meeting procedures sections, as these are largely repeating the provisions in the City of Adelaide Standing Order Parts 1, 3 and 4 Local Government (Procedures at Meetings) Regulations 2013. Links are provided instead.
14. Reporting and Accountability	Part 4 This section has been simplified and also reflects that Audit and Risk Advice is included in individual reports via committee to Council. Section 14.2 of the current Terms of Reference has been included. In Part 4. This section speaks to the CEO role in identifying matters to be reported to the Audit and Risk Committee that have a material impact on the operation of the Council as an elected body.
15. Other Matters	Removal reference to the CEO providing adequate resources to the ARC as this is a legislative requirement of the CEO 15.2 – the ability to have legal or professional advice moved under part 5 - <i>Delegations</i>

DATA AND SUPPORTING INFORMATION

Link One- Audit and Risk Terms of Reference.

ATTACHMENTS

Attachment A – Revised Audit and Risk Committee Terms of Reference

- END OF REPORT -

City of Adelaide
Audit and Risk Committee Terms of Reference
As Adopted By Council Date 2023

1. Preamble

- 1.1. Council is required to have an Audit and Risk Committee under Section 126 of *Local Government Act 1999* (the Act).
- 1.2. The role of the Audit and Risk Committee (“the Committee”) is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.
- 1.3. The establishment of a committee does not derogate from the power of the Council to act in a matter.

2. Functions of the Committee

- 2.1. The functions of the Committee as prescribed under Section 126 (4) of the Act include:
 - 2.1.1. reviewing annual financial statements to ensure that they present fairly the state of affairs of Council; and
 - 2.1.2. proposing, and providing information relevant to, a review of Council’s strategic management plans or annual business plan; and
 - 2.1.3. proposing, and reviewing, the exercise of powers under section 130A; and
 - 2.1.4. liaising with Council’s auditor; and
 - 2.1.5. reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of Council regularly.
- 2.2. Act as the Audit and Risk Committee of the following Council subsidiaries
 - 2.2.1. Adelaide Economic Development Authority (AEDA)
 - 2.2.2. Adelaide Central Market Authority (ACMA)

3. Role of the Committee

3.1. Financial Reporting

- 3.1.1. Monitor the integrity of the financial statements of the Council, reviewing significant financial reporting issues and judgements which they contain.
- 3.1.2. Receive regular financial updates.
- 3.1.3. Review any report obtained by Council under section 48(1) (Prudential Reports) of the Act per Council’s Prudential Management Policy.
- 3.1.4. Review and challenge where necessary:
 - the consistency of, and any changes to, accounting policies on a year on year basis.
 - the methods used to account for significant or unusual transactions where different approaches are possible.
 - whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor.

- the clarity of disclosure in the Council's financial reports and the context in which statements are made.
- all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to audit and risk management).

3.2. Management Plans and Business Plans

- 3.2.1. Review and provide advice on the Council's Strategic Management Plans, Integrated Business Plan, Long Term Financial Plan, Climate Risk Plan and Asset Management Plans.
- 3.2.2. Receive regular updates on Council's implementation of the plans outlined in paragraph 3.2.1.
- 3.2.3. Review, advise and approve (where appropriate) relevant components of Council's Annual Report including:
 - Annual financial statements for Council and subsidiaries.
 - Annual report of the Committee to be included in the Council Annual Report
- 3.2.4. Monitor and review the effective delivery of these plans.

3.3. External Audit

- 3.3.1. Consider and make recommendations to the Council, concerning the appointment, reappointment, scope of engagement and removal of the Council's External Auditor per sections 128 to 130 of the Act.
- 3.3.2. Oversee the relationship with the External Auditor, including, but not limited to:
 - endorsing the audit timetable and audit plan.
 - recommending the approval of the External Auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit.
 - assessing the External Auditor's independence and objectivity, considering relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of non-audit services.
 - satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the External Auditor and the Council (other than in the ordinary course of business).
 - monitoring the External Auditor's compliance with legislative requirements on the rotation of individuals per section 128(6) of the Act.
 - assessing the External Auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the External Auditor on the Committee's own internal quality procedures).
- 3.3.3. Meet as needed with the External Auditor, and at least once a year meet without management being present to discuss issues arising from the External Audit.

- 3.3.4. Review the findings of the External Audit with the External Auditor, including a discussion on any major issues which arose during the audit, any accounting and audit judgements and levels of errors identified during the audit.
- 3.3.5. Review the Report to the Chief Executive Officer (“CEO”) and management’s response to the External Auditor’s findings and recommendations.
- 3.3.6. Review any representation letter(s) requested by the External Auditor before they are signed by management.
- 3.3.7. Review the effectiveness of the External Audit and oversee actions to follow-up on matters raised by the External Auditor.

3.4. Internal Audit

- 3.4.1. Monitor and review the effectiveness of the Council’s Internal Audit Work Plan and function in the context of the Council’s overall risk management system.
- 3.4.2. Receive full reports on all Internal Audit projects and monitor management’s responsiveness to the findings and recommendation of the Internal Auditor.
- 3.4.3. Meet with the Internal Audit Partner at least once a year, without management being present, to discuss any issues arising from the Internal Audits carried out during the year. In addition, the Internal Audit Partner shall have access to the Lord Mayor and the Presiding Member of the Committee.
- 3.4.4. Review the selection process for the Internal Auditor. Appointment of Internal Auditor is the responsibility of management per Council’s procurement framework. If the Internal Auditor resigns, the Committee shall investigate the issues leading to the resignation and decide whether any action is required.

3.5. Internal Control and Risk Management Systems

- 3.5.1. Review the Council’s Risk Profile and monitor the risk exposure of Council and its subsidiaries.
- 3.5.2. Review risk management processes and management information systems.
- 3.5.3. Review the adequacy and effectiveness of the Council’s accounting, internal controls, and financial and risk management systems and practices.
- 3.5.4. Ensure appropriate policies, systems and procedures relating to risk management are implemented and maintained for regularly identifying, assessing, monitoring, managing, and reviewing strategic, financial and operational risks.
- 3.5.5. Receive reports on the activities of the Executive Strategic Risk and Internal Audit Group.
- 3.5.6. Monitor the responsiveness of the organisation to recommendations for improvement based on previous audits and risk assessments.

4. Reporting

- 4.1. The Committee reports to the Council of its meetings through the presentation of its minutes at the next Council meeting.
- 4.2. Decisions made by the Committee will be referred to Council, noting advice that advice may be incorporated into individual reports presented to Council via a different committee meeting.
- 4.3. The Committee will provide an annual report to the Council on the Committee's work during the period to which the report relates.
- 4.4. The Presiding Member shall present the Annual Financial Statements to Council and provide comment on the veracity of Council's financial statements and conduct of the external audit.
- 4.5. At least once a year, the Committee will review its own performance, membership, and Terms of Reference to ensure it is operating at maximum effectiveness.
- 4.6. The CEO will identify matters, further to those matters covered elsewhere in these Terms of Reference, to be reported to the Committee in detail where those matters are considered to be of material effect, have a material impact on the operation of Council as an elected body (eg impact on policies relating to Council Members) or have significant impact on Council's operations.

5. Delegations

- 5.1. The Committee does not enjoy the delegation of any powers or functions of the Council but acts in accordance with these Terms of Reference.
- 5.2. All decisions of the Committee will, therefore, constitute recommendations to the Council.
- 5.3. The Audit and Risk Committee shall have access, at the Council's expense, to legal advice or other professional advice on any matter within its Terms of Reference.

6. Membership

- 6.1. Council will resolve the membership of the Committee. Membership will consist of four Independent Members (who are not members of any Council) and one Council Member
- 6.2. Council must be satisfied that the members of the Committee (when considered as a whole) have skills, knowledge and experience relevant to the functions of the Committee, including in financial management, risk management and governance.
- 6.3. Administration will undertake the recruitment of Independent Members following best practice and relevant policies and procedures. Once completed, a recommendation for appointment will be put to Council for decision.
- 6.4. Criteria used to select Members will have regard to diversity and representation principles.
- 6.5. Independent Members shall be appointed for up to four years. Four years is the preferred term however consideration will be given to shorter terms to enable staggering of potential reappointment dates and to ensure continuity of experience on the Committee.
- 6.6. An Independent Member may be reappointed to the Committee for a further term (or terms) however consecutive service cannot exceed eight years.

- 6.7. The Independent Members of the Committee will be paid an allowance in the form of a sitting fee for each meeting attended as set by Council resolution. No allowance is payable to a Council Member of the Committee.
- 6.8. A Council Member will hold office in the Committee for a period of two years.
- 6.9. Council may choose to appoint a proxy member for a Council Member's two year appointment period.
- 6.10. Members must notify the Chair or CEO of non-attendance of a meeting.
- 6.11. If a Council Member is unavailable, they may request the proxy member to attend a specific meeting on their behalf.
- 6.12. The proxy member may attend meetings of the Committee but has no voting entitlement unless representing an absent Council Member.
- 6.13. Council employees are not eligible to be members of the Committee.
- 6.14. Members of the Committee may be removed by Council resolution at any time.
- 6.15. The Lord Mayor is considered an ex-officio member to the Committee, and:
- 6.15.1. Is not included in the membership number
 - 6.15.2. Has no voting rights
 - 6.15.3. Receives all agendas and minutes.
 - 6.15.4. Is able to participate in discussion.
 - 6.15.5. Must comply with 10.1 of the Terms of Reference

7. Presiding Member of the Committee

- 7.1. Council will appoint an Independent Member as the Presiding Member of the Committee for a period of its choosing. Council may decide to extend the appointment noting a member cannot exceed two terms of appointment.
- 7.2. The Committee may appoint a Deputy Presiding Member for a term as determined by the Committee.
- 7.3. The role of the Presiding Member is to:
- Oversee the orderly conduct of meetings per the Act and the City of Adelaide Standing Orders
 - Ensure that the Guiding Principles at Regulation 4 are observed and that all Committee members can participate in discussions openly and responsibly.
 - Ensure when a matter has been debated significantly and no new information is being discussed to call the meeting to order and move the debate towards finalisation.
- 7.4. The Presiding Member is not excluded from the debate and may add to the debate nearing its end (so as not to 'lead from the Chair').
- 7.5. The Presiding Member has a deliberative vote and does not have a casting vote.
- 7.6. If the Presiding Member is absent from a meeting, the Deputy Presiding Member will preside at that meeting.
- 7.7. If both the Presiding Member and the Deputy Presiding Member of the Committee are absent from a meeting of the Committee, then a member of the Committee chosen by those present will preside until the Presiding Member (or Deputy Presiding Member, if relevant) is present.
- 7.8. The Presiding Member may move the motion of the Committee.

8. Meeting details

- 8.1. In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public.
- 8.2. The Committee will meet at least six times a year on dates and times determined by the Committee.
- 8.3. The venue, time and date may be altered at the discretion of the CEO to suit a large public gallery, a specific issue or other extenuating circumstances.
- 8.4. The CEO is authorised to vary the meeting schedule after liaison with the Committee's Presiding Member
- 8.5. The CEO is authorised to not call a meeting of the Committee within the meeting schedule should the Committee have no matters for consideration.

9. Meeting procedures

- 9.1. Meetings of the Committee will be held per:
 - [Local Government Act 1999](#)
 - Parts 1, 3 and 4 [Local Government \(Procedures at Meetings\) Regulations 2013](#)
 - [City of Adelaide Code of Practice for Meeting Procedures](#)
- 9.2. Where these guiding documents are silent, the Committee will consider and determine its meeting practice, processes, and procedures within the parameters of the Act .
- 9.3. The Committee format should be less structured and formal than a Council meeting. This will then allow more time for a full discussion on the issues being considered by the Committee.

10. Conduct and Interests of Committee Members

- 10.1. All members of the Committee must comply with chapter 5 part 4 of the Act relating to Conduct, Disclosure and Register of Interests.

Revision History – 2022-2026 Term of Office

In Response to:	Revision to Audit and Risk Committee Terms of Reference

Q4 Report

Friday, 1 September 2023

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Manager Strategy & Insights

Public

Approving Officer:

Michael Sedgman, Chief
Operating Officer

EXECUTIVE SUMMARY

This report presents progress of achievements and performance against the adopted 2022/23 Business Plan and Budget (BP&B), and is provided to the Audit and Risk Committee in accordance with its Terms of Reference and its role in monitoring and reviewing Council's financial statements and reporting, as well as its role in reviewing and overseeing Council's integrated Business Planning process.

Quarterly reporting is an important part of monitoring the organisation's performance and effectiveness against Council's planned activities, which is required under Section 122 (1) of the Local Government Act (SA) 1999. It enables Council to make informed and timely decisions to maintain or change its services, assets and budgets to meet community expectations and needs, maintaining or improving Council's financial position and enabling Council to be responsive to risks and opportunities.

The preliminary end of year financial result is estimated as follows:

- Operating Surplus of \$1.54 million.
- Capital Expenditure of \$57.3 million
- Borrowings of \$7.5 million

There are a number of challenges which have impacted the ability to deliver the planned program of works such as material and contractor availability and an unfavourable procurement environment with challenging market conditions. As a result, at the end of the financial year an additional \$6.62 million of carry forwards have been identified for the capital program in Quarter 4. This will be incorporated into the Quarter 1 2023/24 Report to be presented in November 2023, once financial statements are audited and finalised.

The information and updates in this report and attachments are as at 30 June 2023.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the 2022-23 Preliminary Financial Position as presented in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023, which include:
 - 1.1. Total operating income of \$215.454 million (\$213.446 million estimated in Q3)
 - 1.2. Total operating expenditure (including depreciation) of \$213.914 million (\$213.359 million estimated in Q3)
 - 1.3. An operating surplus of \$1.54 million (\$87,000 estimated in Q3)
2. Notes results presented are subject to external audit, and therefore are estimates at this stage.

3. Notes the Capital Works Quarter 4 Review as presented in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023, which include:
 - 3.1. Major Projects expenditure of \$14.19 million (\$17.1 million estimated in Q3)
 - 3.2. New and Upgrades expenditure of \$4.02 million (\$6.5 million estimated in Q3)
 - 3.3. Renewals expenditure of \$30.12 million (\$38.2 million estimated in Q3)
 - 3.4. Capital Program Management expenditure of \$8.95 million (\$9.8 million in Q3)
 - 3.5. Grant funding to support capital expenditure on new/upgraded assets of \$6.7 million (\$11.7 million in Q3).
 4. Notes the Adelaide Central Market Authority Quarter 4 report 2022/23 (Attachment B to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023).
 5. Notes the Adelaide Economic Development Agency Quarter 4 report 2022/23 (Attachment C to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023).
 6. Notes the Kadaltilla / Park Lands Authority Quarter 4 report 2022/23 (Attachment D to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023).
 7. Notes the Brown Hill Keswick Creek Quarter 4 report 2022/23 (Attachment E to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023).
 8. Notes that at the end of this Quarter 93% of Projects were capitalised within 10 Weeks, exceeding the 70% target proposed by the Audit and Risk Committee at its meeting of 5 February 2021.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities Regular reporting to the Audit and Risk Committee on the performance of the organisation demonstrates good governance and supports sound financial management and decision making that enables Council to achieve financial sustainability.
Policy	Not as a result of this report.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	The regular monitoring and reporting of Council's performance is a key step in mitigating risk-related events that could impact the delivery of the Strategic Plan and Business Plan and Budget. This includes monitoring the performance of services, business activities, project delivery and the performance of subsidiaries.
Opportunities	The provision of quarterly reporting assists Council to fulfill its obligations of Section 122(1) of the Local Government Act 1999 (SA) with regard to the development, management and monitoring of the documents within the Strategic Management Framework.
23/24 Budget Allocation	Not as a result of this report.
Proposed 24/25 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.
23/24 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. Quarterly reporting is an important part of monitoring the organisation's performance and effectiveness against Council's planned activities, required under Section 122 (1) of the Local Government Act (SA) 1999. The consideration of performance information quarterly enables Council to make informed and timely decisions to maintain or change its services, assets and budgets to meet community expectations and needs. Quarterly reporting supports a focus on maintaining and improving Council's financial position and promotes robust financial management, along with a commitment to transparency and accuracy, delivering Council's Strategic Plan and enabling Council to be responsive to risks and opportunities.
2. This report presents progress of achievements and performance against the 2022/23 Business Plan and Budget (BP&B) in the past quarter. Council also receives information on the progress of its subsidiaries.
3. Quarterly reports are also provided to the Audit and Risk Committee in accordance with its Terms of Reference and its role in monitoring the integrity of Council's financial statements and reporting, as well as its role in reviewing and overseeing Council's integrated Business Planning process.
4. The information and updates in this report and attachments are as at 30 June 2023.
5. The format of this Quarter 4 report is consistent with previous quarterly reports presented in 2022/2023. Feedback from the Audit and Risk Committee during 2022/2023 has suggested improvements to the report format, including:
 - 5.1. simplified financial reporting
 - 5.2. clarity of LTFFP impacts
 - 5.3. clarity of risk and opportunity identification
 - 5.4. reduced narrative relating to services and projects
 - 5.5. use of images, tables and symbols to visually represent performance at a glance
6. A Quarterly Reporting template for 2023/2024 is currently being prepared with a view to implement the feedback for Quarter 1 2023/2024.

Community Services Quarterly Highlights

7. Quarter 4 updates and highlights for Council's 13 community facing services are available in **Attachment A**, from page 8.
8. The assessment of service delivery and performance is in line with the 2022/23 BP&B. No recommended changes have been identified to the levels of service and activities Council delivers as part of this Quarterly Review.

Capital Program Summary

9. The Capital Program Plan and Budget summary is available in **Attachment A** (from page 12).
10. The Capital Program is delivered across:
 - 10.1. Major Projects: Significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.
 - 10.1.1. At the end of Q4, 57% of major projects are on time and on budget or completed.
 - 10.1.2. At the end of Q4 \$2.01 million was committed to continuing Major Projects for 2023/24.
 - 10.2. New and Upgrade: Works of a capital nature that are either introducing new assets or significantly upgrading existing assets, usually by extending the asset or increasing the level of service the asset provides.
 - 10.2.1. At the end Q4, 82% of the new and upgrade program are on time and on budget or completed. Several new projects have been created during the quarter to respond to Council decisions or reflect Community needs (see page 20 in **Attachment A**).
 - 10.2.2. At the end of Q4 \$1.36 million was committed to continuing New and Upgrade Projects for 2023/24.

- 10.3. Renewals: Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.
- 10.3.1. Progress has been made across all asset classes this quarter. 74% of the 2022/23 renewal program are on time and on budget or completed.
- 10.3.2. At the end of Q4 \$11.70 million was committed to continuing Renewal Projects for 2023/24.
11. Projects across the Major Projects and New and Upgrade categories have extended their delivery into next year, resulting in carry forwards. An additional \$6.62 million of carry forwards have been identified in Q4, with a total of \$37.40 million of carry forwards identified for the capital program for the financial year. The identified Q4 carry forwards consist of:
- 11.1. \$4.19 million of Major Projects:
- 11.1.1. North-South Bikeways - \$1.38 million
- 11.1.2. City Deal – City Safe Network Upgrade - \$1.21 million
- 11.1.3. Market to Riverbank - Pitt St - \$0.09 million
- 11.1.4. Mainstreet Improvements (Hutt St Entry Statement and Melbourne St Improvement) - \$2.40 million
- 11.1.5. Park 27b – Community Sports Building Redevelopment - \$0.15 million
- 11.1.6. Paxton's Walk Revitalisation - \$0.49 million
- 11.1.7. Rymill Lake/Murlawirrapurka (Park 14) Upgrade - \$1.04 million
- 11.2. \$1.73 million of New and Upgrade Projects, including:
- 11.2.1. Torrens Lake Earth Retaining Structure adjacent University Footbridge – \$0.65 million
- 11.2.2. Greener City Streets Program - \$0.27 million
- 11.2.3. Central Market Arcade options - \$0.20 million
- 11.2.4. Botanic Catchment water course - \$0.07 million
- 11.2.5. Wakefield Street Renewals & Streetscape Improvements - \$0.05 million
- 11.3. \$0.7 million capital overhead to continue the delivery of the above projects in to 2023/24.

Strategic Projects Summary

12. Each year, Council allocates budget to strategic projects that address immediate and future needs, complementing existing services.
13. For 2022/23, Council set a budget parameter for Strategic Projects at a maximum (after grants) of \$5.7 million. A commitment was made to deliver on the Strategic Project parameter by seeking grants and partnerships to make up any increase in expenditure to this parameter. In order to achieve this parameter, grant income and/or savings of \$2.6 million were to be achieved against the quarter 3 budget. The preliminary results are a net overspend of \$3.0 million derived from:
- 13.1. Grant income of \$1.9 million in 2022/23, against Quarter 3 adopted budget of \$5.0 million, and
- 13.2. Expenditure of \$10.6 million, against Quarter 3 adopted budget of \$10.7 million
14. The Strategic Projects Plan and Budget summary is available in Attachment A (from page 38).

Quarterly Planning and Budget Review

Preliminary End of Year Financial Summary

15. The preliminary end of year operating position as at 30 June 2023 is an operating surplus of \$1.54 million, which is \$1.45 million better when compared to the Quarter 3 adopted budget of \$87,000 for this period.
16. A favourable operating income position of \$215.5m against a budget of \$213.4 million due to:
- 16.1. Increased fees and charges due the progressive recovery of income \$4.1 million, offset by reduced income from the Central Market Arcade during construction (\$1.6m)
- 16.2. Increase in other income of \$1.4 million due to the recognition of the unwinding of 88 O'Connell Street discounted value \$0.7 million, in addition to the reimbursement of fees from Events and private works \$0.7 million.

- 16.3. Reduced Grants, Subsidies and Contributions of \$2.1 million due to the timing of the recognition of Resilient Flood Mapping project (\$3.1 million to be incorporated into 23/24), offset by additional recognition of City Deal funding \$1.1 million and early payment of Federal Grant \$0.2 million.
17. An unfavourable operating expenditure position of \$0.6 million primarily due to:
 - 17.1. lower than expected employee costs being \$1.5 million favourable primarily due to vacancies offset by \$1.2 million primarily due to employee cost-related expense;
 - 17.2. higher than expected materials, contracts and other expenses being \$5.5 million unfavourable largely due to expenses including \$3.1 million temporary labour (to backfill some vacancies); additional \$1.1 million City Operations expenses (events, waste, building maintenance and air con maintenance); other increases including Electricity \$0.6 million, Legal Services \$0.5 million, and WIP write-off \$0.3 million;
 - 17.3. favourable sponsorships, contributions and donations of \$0.8 million;
 - 17.4. savings in depreciation of \$2.6 million due to the recalculation of useful lives of buildings as well as the impact of a number of capital projects continuing into 2023/24.
18. The annual capital expenditure of \$57.3 million is \$14.4 million lower than the Quarter 3 adopted budget of \$71.6 million. 166 projects reached practical completion in 2022-23.
19. Amounts received for new and upgraded assets of \$6.7 million was \$5.1 million unfavourable due to the timing of the treatment and recognition of grant funding including \$2.7 million City Deal funding (\$1.3 million recognised within operating income) and Paxton's Walk expense of \$0.4 million.
20. As at 30 June 2023, Council had borrowings of \$7.5 million, and \$10.6 million in a short-term deposit related to grant income received in advance.

Assessment of KPIs

21. On 5 February 2021, the then Chief Executive Officer gave an undertaking to provide ongoing capitalisation updates to the Audit and Risk Committee based on key performance indicators (KPIs).
22. At the end of Quarter 4:
 - 22.1. *KPI 1: 70% of Projects capitalised within 10 Weeks* - 147 projects processed from July 2022 to June 2023 with 93% meeting the KPI as at 22 August 2023 as a preliminary result, noting additional detail will be provided once the work in progress (WIP) process has been finalised. Of these, 139 projects achieved practical completion and were processed within 10 weeks with the remaining 9 projects not being finalised within 10 from time of practical completion.
 - 22.2. *KPI 2: < 10% Variance between Preliminary Year End and Annual Financial Statement* - is an annual measure which is determined at the end of the financial year. This KPI can only be determined once the 2022-23 Financial Statements are audited, and will be measured against the estimated operating surplus of \$1.54 million.

DATA AND SUPPORTING INFORMATION

The following data sources were used in developing this report:

Profile ID (data sources utilised to update the City Profile)

Deloitte Access Economics (data sourced utilised by Finance to support updates to the LTFP)

ATTACHMENTS

Attachment A – 2022/23 Business Plan and Budget: Quarter 4 update

Attachment B - Adelaide Central Market Authority Quarter 4 update

Attachment C – Adelaide Economic Development Agency Quarter 4 update

Attachment D – Kadaltilla / Park Lands Authority Quarter 4 update

Attachment E – Brown Hill Keswick Creek Quarter 4 update

- END OF REPORT -

2022/23 Business Plan and Budget Quarter 4 update



Glossary of Terms

Strategic Annual Priorities	Projects or services committed to by Council for delivery in the annual Business Plan and Budget.	Practical Completion	The practical completion phase of a project, where works are completed to a point where an area/asset is open and created in our asset system. Depreciation commences at this point.
Service	Essential local government services that meet community need, expectation and legislated requirements. Thirteen community services enable delivery of the Strategic Plan.	On Hold	Project status indicating a decision of Executive or Council is required and cannot proceed until a decision is reached.
Commercial activity	Activities provided to the community that generate income, including parking, North Adelaide Golf Course and the Adelaide Town Hall.	Capital project	A long term project to establish, develop, improve or renew a capital asset.
Major project	Significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.	Strategic project	Project that supports the delivery of the Strategic Plan. They are generally 'once off' activities that have been prioritised to be delivered in a specific timeframe. Strategic Project budgets are operational in nature (not capital) and are aligned to a relevant service.
New and upgrade	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.	Retimed	Deliberate change of timing of a project into a future year based on an agreed decision.
Renewal	Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	Reclassification	A change of a project categorisation to reflect the scope, nature, size or funding source of a projects (e.g. Renewal to Major Project).
Design Only	Projects for which only the design phase will be undertaken in the current year, with construction occurring in another financial year.	Reallocation	Reallocation of funds from one source to another.
Plan/Design	The planning and design phase of a project, which includes activities such as project planning and technical design.	Financial Indicators	Measures used to assess Council's financial performance, to guide decision making on major projects, and ensure continued financial sustainability.
Build/Construct	The build and construction phase of a project, which includes activities such as tendering, and constructing/creating an asset.	Subsidiaries	Established by Council under Section 42 of the Local Government Act 1999 that operate under independent boards or organisations that City of Adelaide either operates or supports.

Kurna Acknowledgement

City of Adelaide tampendi, ngadlu Kurna yertangga banbabanbalyarnendi (inbarendi). Kurna meyunna yaitya mattanya Womma Tarndanyako. Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinhi.

City of Adelaide acknowledges the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations.

Contents

3 – 5

Introduction

Kurna Acknowledgement, City & Community Profiles

6 – 10

Delivery against our Commitments

Strategic Annual Priorities, Community Services Quarter Highlights, Commercial Services Quarter Highlights

11 – 37

Capital Program Status Reports

Major Projects, New & Upgrade, Renewals

38 – 47

Strategic Projects Status Update

48 – 51

Financial Statements

Financial Summary, Financial Indicators, Treasury Report

52 – 53

Subsidiary Reports

City Profile

Kaurna Heritage

Adelaide is located on the traditional Country of the Kaurna people. The main square in the heart of the city is known as Victoria Square/Tarntanyangga, which means Red kangaroo dreaming. Similarly, the river is named River Torrens/Karrawirra Parri, reflecting the Kaurna name meaning Redgum forest. All 29 parks and significant heritage sites across the city and Park Lands have been assigned a Kaurna name.

City in a Park

Adelaide's design is the creation of Colonel William Light, who set out to shape a city of the future that celebrated its natural surrounds. Covering over 760 hectares, the Adelaide Park Lands are Australia's biggest backyard. Residents and visitors alike can enjoy healthy and balanced living through sport and exercise, recreation and relaxation. Our parks and six city squares all boast a variety of different features and facilities.

Sources: 2019 - 2021 City of Adelaide Data
2021 Tourism Research Australia
City of Adelaide Community Profile – profile.id
City of Adelaide Economic Profile – economy.id
City of Adelaide Business by Industry – economy.id
List of Tallest Buildings in Adelaide – Wikipedia
How some of SAs Oldest Buildings have been uncovered – environment.sa.gov.au



15.57sqkm
LAND AREA



15 MINS
FROM CITY TO AIRPORT



HOLY TRINITY CHURCH
OLDEST BUILDING



14,660
PRIVATE DWELLINGS



321,500
DAILY VISITORS



1.2 million
DOMESTIC AND INTERNATIONAL VISITORS



148,639
LOCAL JOBS



25,551
CITY RESIDENTS



11,519
BUSINESSES



CROWNE PLAZA HOTEL
TALLEST BUILDING



643
PUBLIC ART INSTALLATIONS



95
LIVE MUSIC VENUES



878
PLACES TO EAT AND DRINK



\$20.9b
GROSS REGIONAL PRODUCT

Community Profile

A Place for Everyone

Each day, the city centre bustles with an increasing number of users attracted to the city's increasing connectivity, students attending some of the world's most acclaimed tertiary institutions and domestic and international visitors drawn by the abundant visitor experiences.

Live, Work & Study

Adelaide is a city for people of all ages and abilities to explore, with a wide range of sports and recreation, schools, universities, libraries and community centres that bring people together to learn and converse. There is so much to experience beyond the office or classroom, from local fresh food markets, international sporting events and world-renowned arts festivals.



36%
SPEAK A LANGUAGE
OTHER THAN ENGLISH



11,372
RESIDENTS BORN
OVERSEAS



20 – 24
LARGEST AGE GROUP



19%
RESIDENTS VOLUNTEER



45%
BACHELOR OR HIGHER
DEGREE QUALIFICATION



12,640
EMPLOYEED FULL OR
PART TIME



50%
HOUSEHOLDS ARE
RENTERS



53%
HIGH DENSITY
HOUSING



23%
ATTEND UNIVERSITY



6,922
WORK & LIVE IN THE
CITY



26%
ONE OR MORE HEALTH
CONDITIONS



8%
HOUSEHOLDS ARE
COUPLES WITH
CHILDREN



**Delivery against
our commitments**

2022/23 Strategic Annual Priorities

In the Business Plan and Budget Council has committed to deliver the following Annual Priorities:

Outcome 1

Thriving Communities

Council will create a city that is welcoming, inclusive and accessible to all.

- Deliver the next generation Adelaide Free Wi-Fi network to support and improve digital access and connectedness to our community
- Develop a policy position on micromobility to enhance our advocacy on emerging modes of transport

Outcome 2

Strong Economies

Council will champion a robust and diversified economy where innovation and low costs support growth and investment.

- Deliver a new innovative Experience Adelaide visitor centre and city-wide digital visitor experience
- Review and streamline the Community Land Management Plans to support the unique values, use and management of our Park Lands
- Activate key precincts by working with businesses to reinvigorate main streets, encouraging people back into the city

Outcome 3

Dynamic City Culture

Council will continue to create a beautiful, diverse city that celebrates its natural, cultural and built heritage.

- Grow and expand future event opportunities by developing event infrastructure
- Undertake a trial to provide information on the history of Council and the Adelaide Town Hall

Outcome 4

Environmental Leadership

Council will be a leader in responding to climate change and support our community and businesses to be resilient in the face of environmental challenges.

- Increase street tree canopy across the city, by trialling new green infrastructure and delivering the Greening Sturt Street West project
- Prepare a Heritage Management Plan for the National Heritage listing of the Park Lands

Outcome 5

Enabling Priorities

Council will continue to work innovatively and collaboratively with partners and the community.

- Implement an Insights Strategy that focuses on a holistic approach to how we collect, analyse and report on what we have heard and what we know
- Establish two new commercial opportunities which expand Council's revenue streams
- Implement Service Performance Measures to monitor efficiency and identify opportunities for improvement

Community Services Quarter Highlights

Sharing the status, delivery and outcomes of Community Services.

Service	Quarter 4 Update
Arts, Culture and Events	<ul style="list-style-type: none"> Events and activations of note this quarter that were supported included the Adelaide Equestrian Festival (over 37,000 patrons), Festival of Footy (over 80,000 patrons) and SA History Festival (which included marketing alongside 38 Council registered events)
Community Planning and Development	<ul style="list-style-type: none"> Reconciliation Committee discussed the Stretch Reconciliation Action Plan, NAIDOC Week, Voice to Parliament, Kids on Country and Kaurna Voices/Cultural Mapping Formal support for the Yes voice to State Parliament on the Voice to Parliament. Support for homeless and vulnerable people continued through the ongoing collaboration with SA Housing Authority, establishment of a local government sector group and support for State Government code blue announcements. Initial works to develop new policy so strategic intent for both housing and homelessness is clear Access and Inclusion Panel considered a review and interim extension to the Disability Access and Inclusion Plan in alignment with State Government changes
Community Safety	<ul style="list-style-type: none"> Safer City Action Plan ongoing delivery, with a focus on preventing discrimination and positive bystander intervention and hosting of gendered assessment safety focus groups and anti-ableism training
Economic Planning and Growth	<ul style="list-style-type: none"> Economic Profile developed to inform the Strategic Plan Review Project 2024-2028 Residential housing and growth initiatives were delivered including advocacy to the SA Parliament's Housing Availability Inquiry and Expert Panel on the Planning System Implementation Review. Research into Land Supply and Population Capacity in the city and North Adelaide was completed Partnerships with Accor and Expedia to attract intra and interstate visitors delivered
Environmental Sustainability	<ul style="list-style-type: none"> Climate Action Plan 2022-2025 endorsed and commenced implementation Sponsored the first green building day to be held in South Australia at U City, Adelaide, run by Green Building Council Australia Electrification campaign undertaken which generated over 6,000 unique website views Sustainable homes webinar series launched New partners to Carbon Neutral Adelaide Program included Women's and Children's Health Network, DMAW lawyers, Music SA and TERRESA
Library Services	<ul style="list-style-type: none"> "Progressive Adelaide" exhibition and State Records & National Archives talk hosted (History Festival event) AJZ Productions "I am" performances hosted (Dream Big Festival) "Being Digital" workshops continued with a series for businesses including "Digital marketing skills for business"
Park Lands and Open Space	<ul style="list-style-type: none"> Draft Master Plan for Victoria Park endorsed for consultation Community Land Management Plans for Park Lands updated
Parking	<ul style="list-style-type: none"> Adelaide Oval Event Parking internal review undertaken to ensure the current scheme still meets stakeholder and community needs
Planning Building and Heritage	<ul style="list-style-type: none"> Noise management program including incentive scheme reviewed City Skate Park awarded the City of Adelaide Prize at the 2023 South Australian Architect Awards

Community Services Quarter Highlights

Sharing the status, delivery and outcomes of Community Services.

Service	Quarter 4 Update
Property Management and Development	<ul style="list-style-type: none">• Market Square construction initiated with demolition works alongside modifications made to Central Market UPark and further site establishment works undertaken at Grote Street and Gouger Street.• EOI process for redevelopment of the Bus Station completed with Renewal SA announced as the preferred proponent
Resource Recovery and Waste Management	<ul style="list-style-type: none">• Installation of custom-made recycling rails to four public city bins (Paul Kelly Lane, Exchange Place and Grenfell Street)• Kerbside collection service audit completed
Sports and Recreation	<ul style="list-style-type: none">• Six Winter seasonal hire agreements commenced at Victoria Park / Pakapakanthi with 98 separate activations occurring through these agreements• Southeast Park Lands Walking Tour conducted highlighting free sport, fitness and recreation facilities and culminating in a free Disc Golf come and try activity for 22 newly arrived university students• Park Lands sport and recreation permits (eight total) – four casual hire permits, two PT permits, two annual permits• Community Impact Grants awarded to Tennis Seniors Association SA (\$4,500) and Adelaide Archery Club (\$12,500)• Winter Rewards retention strategy rolled out at Adelaide Aquatic Centre to retain Swim School members during the winter months which so far has helped keep membership numbers at 3000+• Adelaide Aquatic Centre membership numbers also holding firm after summer marketing campaign. We have been able to hold this number at 1,400 over the last 6 months
Streets and Transportation	<ul style="list-style-type: none">• Inspector roles embedded into City Operations

Commercial Activities Quarter Highlights

Sharing the status of the delivery and performance of our commercial activities.

Service

Quarter 4 Update

Parking

- License Plate Recognition has now been activated on UPark Plus which enables customers to enter and exit without interacting with the car park hardware delivering a “windows up” parking experience
- Intercom replacement underway to enhance reliability, efficiency, and customer experience
- Migration of online booking to QR technology commenced and initial testing complete
- Tender for replacement of all On-Street parking machines progressed to final stages

Risk and Opportunities

- Market Square redevelopment has resulted in a loss of 260 parking bays in precinct UParks, which requires monitoring and management to balance availability and commercial return (Grote, Market, Andrew). Analysis of on-street parking utilisation in the Market Precinct is also underway to decide if any action required to ensure availability for short term market shoppers
- Full machine renewal/replacement for on-street parking machines must occur by 30 June 2024 due to decommissioning of the 3g network bringing existing machines to end of life. Significant change will be experienced with solution likely to be ticketless and cashless making change management vital
- Park Adelaide App and associated sensors also impacted by decommissioning of the 3g network
- Replacement options being actively investigated however service availability may be impacted in the second half of FY23/24
- Actively engage the market to seek opportunities to enter new lease and/or management agreements to grow business revenue/profits.

North Adelaide Golf Course

- Mini Golf business case completed and presented to Council
- New business strategy under development to align with the Australian Golf Strategy and provide guidance over the next four years

Risk and Opportunities

- Continue to invest in course improvements to drive participation and financial sustainability.
- Continue planning for Mini Golf and commence detailed design for Clubhouse Renewal.

Adelaide Town Hall (ATH)

- A new price focussed campaign for Wedding Ceremonies in the Meeting Hall commenced
- A free ATH Organ Concert was held featuring local organist Josh Van Konkelenberg which attracted over 750 patrons and TV media coverage
- Concerts held by Adelaide Symphony Orchestra (ASO), Musica Viva and Candlelight Concerts were all well attended.
- New marketing campaign launch with Wedded Wonderland, an Australian wide digital media publication

Risk and Opportunities

- Upcoming façade works impact on bookings and use of balcony and delays to internal upgrades for bathrooms and dressing room upgrades.
- New marketing plan designed to increase bookings



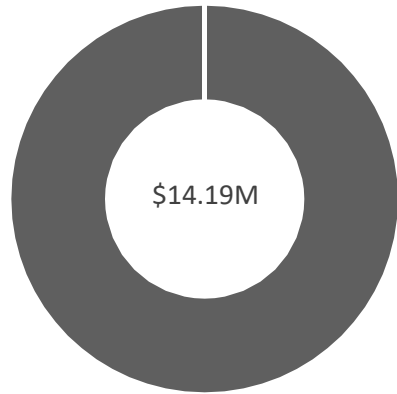


Capital Program

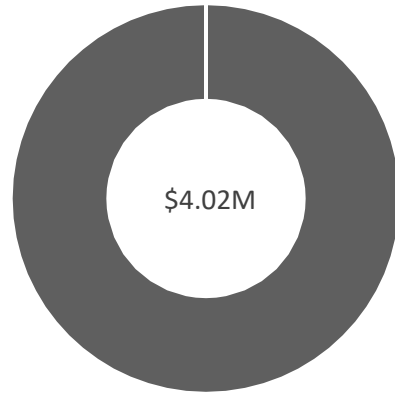
Capital Program Summary

The following graphics show the overall status of our capital program delivered for the previous quarter.

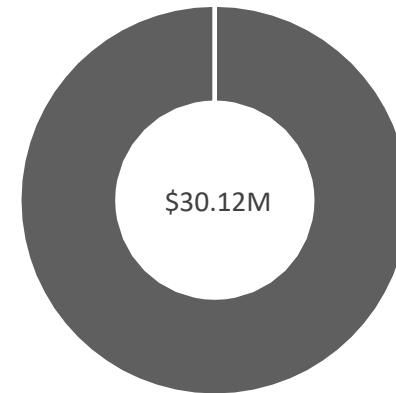
Major Projects



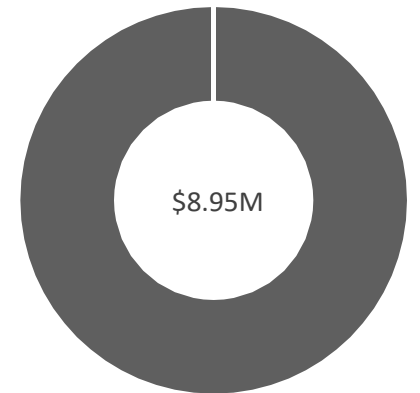
New and Upgrade



Renewals

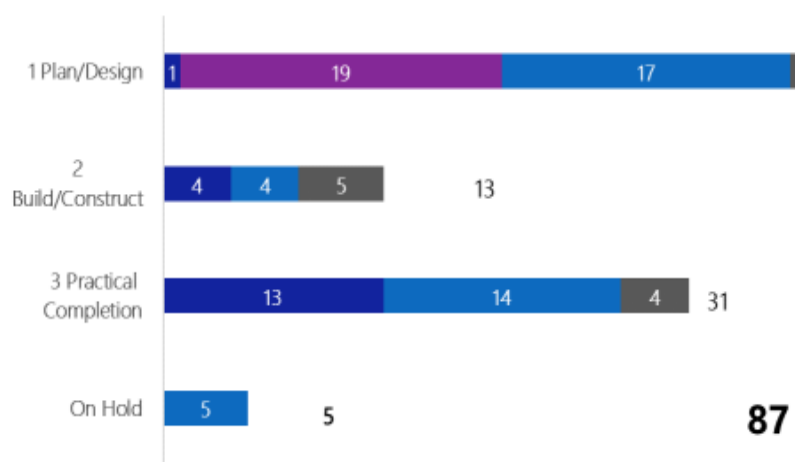


Corporate Overhead



Page 32

Project stage



Project Type ● Construct ● Design ● Design and Construct ● Other
 Project deliverable for current Financial Year

Major Projects

Major Projects are significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.

Quarter Summary

57% of our projects are on time and on budget. Several projects have expanded their delivery into next year, resulting in additional carry forwards. The fourth quarter has seen further progress in the delivery of Major Projects.

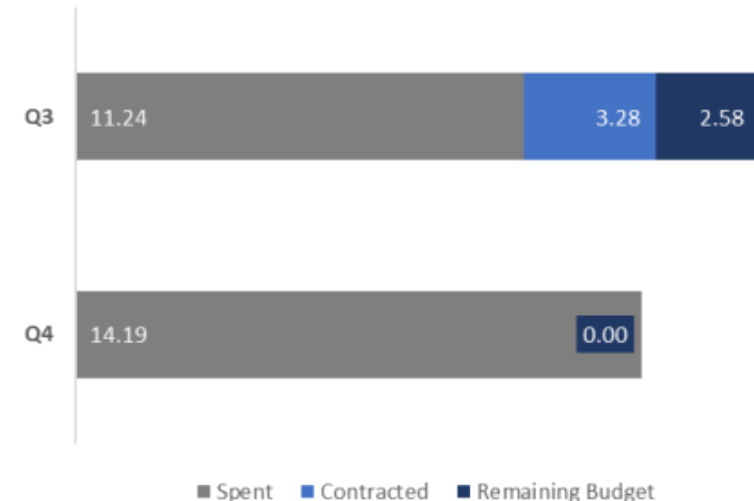
- Central Market Arcade Redevelopment: Main demolition and construction works commenced late May 2023
- Cycling Infrastructure: Bonython Park shared path, Fitzroy/Robe Terrace shared path, Rundle Park and South Terrace projects completed
- Refurbishment of southern Moonta Street gateway has been completed and the Zebra crossing installation at Gouger Street, linking Moonta Street and Field Street is now substantially complete
- City Safe CCTV Network Upgrade (City Deal): Installation and commissioning of the Video Management System have been completed, including the transition of camera control units
- Market to Riverbank – Pitt Street - Tenders closed, evaluations to commence from mid-July

More detailed status updates are available in the status update section on the following pages.

Expenditure Summary Graph:

The annual forecast expenditure has decreased by \$2.93M from the 22/23 Q3 budget of \$17.12M to a revised budget of \$14.19M. This is due to re-timing of works between financial years of \$4.19M, offset by additional grant interest of \$0.07M (Market to Riverbank - Bentham and Pitt Street, Events Infrastructure Rymill Park, Rymill Lake/Murlawirrapurka (Park 14) Upgrade project, Paxton's Walk Revitalisation and Park 27B Community Sports Building Redevelopment), a re-allocation of savings from completed New/Upgrade projects to Major Projects of \$0.6M and an increase to the Major Project's renewal component from savings in Renewal projects of \$0.6M (carried forward).

2022/23 Expenditure Summary (\$ Millions)



Major Projects Summary of Financial Changes

The following table shows a summary of projects, budgets, financial changes and whole of life budgets for Major Projects

Change Drivers

- 🕒 Retimed
- ⬇️\$ Saving
- % Interest

Page 34

Project	2022/23							Full Project Budget as of this quarter			
	Adopted Budget \$'M	Q1 Review \$'M	Q2 Review \$'M	Q3 Review \$'M	Preliminary Actuals \$'M	Quarterly Change \$'M	Change Driver	2021-22 Actuals \$'M	Q4 Review \$'M	Future expenditure \$'M	Whole of Life \$'M
Central Market Arcade Redevelopment	11.44	11.44	11.44	1.00	1.00	-		-	1.00	30.92	31.92
North-South Bikeways*	1.79	2.17	2.17	0.54	0.10	-0.44	🕒	3.84	0.10	3.00	6.94
City Deal – City Safe Network Upgrade*	2.39	2.82	2.82	2.30	1.99	-0.31	🕒	1.12	1.99	2.68	5.79
Cycling Infrastructure*	1.46	3.04	3.34	3.34	3.19	-0.15	⬇️\$	2.99	3.19	-	6.18
Market to Riverbank - Pitt St*	4.61	5.06	3.72	3.19	2.97	-0.22	🕒 %	2.71	2.97	2.13	7.81
Moonta Street Reinvigoration*	0.47	0.47	0.47	0.43	0.43	-		3.55	0.43	0.04	4.02
Mainstreet Improvements (Hutt St Entry Statement and Melbourne St Improvement)*	4.00	4.00	0.06	0.22	0.21	-0.00	🕒	-	0.21	3.79	4.00
Park 27b – Community Sports Building Redevelopment *	-	-	0.11	0.14	0.01	-0.12	🕒%	-	0.01	2.05	2.06
Paxton's Walk Revitalisation*	2.13	2.10	2.11	2.13	1.65	-0.49	🕒%	0.10	1.65	0.49	2.24
Rymill Lake/Murlawirrapurka (Park 14)* Upgrade	4.57	4.84	1.28	1.31	0.29	-1.02	🕒%	0.17	0.29	4.62	5.08
Greening Sturt St West*	0.47	0.47	0.47	0	0.01	0.01	🕒	0.03	0.01	0.46	0.50
Previously Completed Projects											
City Skate Park*	-	0.20	0.21	0.21	0.21	0		3.40	0.21	-	3.61
Events Infrastructure Rymill Park*	2.87	2.31	2.31	2.31	2.12	-0.19	⬇️\$	0.80	2.12	-	2.92
Total	36.20 M	38.92	30.51	17.12	14.19	-2.93		18.71	14.19	50.18	83.08

* Grant funding associated with project

Major Projects

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Est. Completion	Status Update
Central Market Arcade Redevelopment	<p>Market Square is a joint venture between ICD Property and the City of Adelaide. It incorporates new residences, commercial office, retail, premium hotel, childcare and public spaces together with an expansion of the Adelaide Central Market.</p> <p>ICD Property has appointed Multiplex as the builder for this project, with a commitment to maintaining business as usual for the Adelaide Central Market and the surrounding precinct throughout construction.</p> <p>The redevelopment has commenced mid 2022 with construction anticipated over a period of three and a half years.</p> <p>The completed project will infuse new energy into the entire market district and ensure the district remains as the centre of food and beverages in Australia.</p>	1.00 M	●	Build/ Construct	February 2026	<ul style="list-style-type: none"> • Main demolition and construction works commenced late May 2023. To enable the works, changes within the site and surrounding area have been undertaken. • Modifications to the circulation of UPark Central Market have been made to separate it from the Arcade site being demolished. The car park continues to operate and support Market trade along with surrounding Andrew Street and Grote Street UParks. • Multiplex have fully established the site for the demolition phase with the installation of hoardings on both Grote and Gouger Streets. Further hoardings have been fully installed along the full length of the ground floor of the Eastern Roadway of the Markets as well as within the car park. • Progress is on schedule and the following milestones on track to be met. <ul style="list-style-type: none"> - June to September 2023: Main works demolition. - October 2023 to February 2024: Piling and basement excavation. - March 2024 to February 2026: Main construction works. • The project will be completed in February 2026. The City of Adelaide and ICD Property, with its building partner, Multiplex will continue to work closely with key stakeholders during the redevelopment to mitigate precinct impacts. • As part of the Council Decision in March this year, ICD Property and the City of Adelaide continue to collaborate to manage cost pressures and design improvements, work with stakeholders and contractors to enable major works to commence. Necessary planning approvals will be required for the design changes in line with the above timeframes.

Major Projects

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Est. Completion	Status Update
City of Adelaide Bikeways (North-South) (five sub-projects)	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.	0.10 M	◆	Build/Construct	May 2024	<ul style="list-style-type: none"> • NS Bikeways update: Project is in the final stages of design with the three remaining sections in review stages with the Department for Infrastructure Transport (DIT). Project Team design due for completion late July 2023 to commence procurement. • Flagging a Red Status due to the current risks affecting the project <ol style="list-style-type: none"> 1. Extension of the Current Deed with DIT and 2. Our forecasted costs currently over our budget. • Meeting with DIT week of the 17th of July to discuss Deed, design and transport queries this will help progress procurement and formalise our costs for delivery. <ol style="list-style-type: none"> 1) Rundle St to North Terrace 2) North Terrace to Victoria Drive 3) Victoria Drive to Albert Bridge.
City Safe CCTV Network Upgrade (City Deal) (2 sub-projects)	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 \$2.8M for Street Lighting LED Renewals as part of the deal.	1.99 M	▲	Build/Construct	September 2023	<ul style="list-style-type: none"> • Installation and commissioning of the Video Management System have been completed, including the transition of camera control units at all SA Police and PSSB locations. The replacement of cameras is now underway.
Cycling Infrastructure (10 sub-projects)	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.	3.19 M	●	Build/Construct	June 2023	<ul style="list-style-type: none"> • Fitzroy/Robe Terrace shared Path - Complete Pending As Constructed Drawings • Bonython Shared Access Path - Project Complete • Rundle Park - Project Complete • South Terrace - Project Complete - Minor defects rectification
Moonta Street	Street upgrade including supply and install of new granite paving, stormwater improvements, and greening. Additional scope agreed to by Minister: Project savings to be provided as funding contribution towards the remediation of the southern Moonta Street Gateway, to cover the costs for the design of a zebra crossing at Gouger St (to link Moonta and Field Streets) and funding contribution towards the construction thereof.	0.43 M	●	Delivery	August 2023	<ul style="list-style-type: none"> • The main Moonta Street streetscape upgrade works were completed in October 2021. Additional scope approved in June 2022 for completion by 30 June 2023 and to be funded from project savings; <ul style="list-style-type: none"> - Refurbishment of southern Moonta Street gateway - COMPLETE - Zebra crossing installation at Gouger Street, linking Moonta Street and Field Street. Substantially COMPLETE (lighting works to be completed around end August 2023)

Major Projects

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Est. Completion	Status Update
Mainstreet Improvements	<p>Hutt Street Entry Statement Project</p> <p>A \$4M grant agreement has been initiated between DIT and The Corporation of the City of Adelaide, and \$3M funding has been provided for Hutt Street.</p> <p>This project will deliver outcomes to enhance Hutt Street and its surrounds in accordance with the funding agreement requirements.</p>	0.06 M	◆	Plan/ Design	December 2024	<ul style="list-style-type: none"> • Project delayed and at risk of completion by end of FY23/24, as a number of Council-funded projects were brought forward to be delivered in conjunction with this project. This will allow design to be considered in an integrated manner, and to provide construction efficiency. • Expect to finalise design in November 2023 for construction to commence in 2024.
	<p>Melbourne Street Improvement</p> <p>A \$4M grant agreement has been initiated between DIT and The Corporation of the City of Adelaide and \$1M funding has been provided for Melbourne Street.</p> <p>Project objectives are to:</p> <ul style="list-style-type: none"> - provide opportunities for outdoor dining areas through the design and construction of temporary parklets. - design and construct a safer crossing zone for pedestrians at each end of Melbourne Street precinct. - improve street amenity by reviewing and rationalising non-fixed and fixed furniture items along the street for renewal and increase greening/shading opportunities. 	0.16 M	●	Plan/ Design	May 2024	<ul style="list-style-type: none"> • Temporary Parklets have been installed along Melbourne Street. • Public consultation is being developed to provide a safer pedestrian crossing near Ronald McDonald House • Bus stop 4, has proposed options for the new reinstatement location. • Aesthetic Improvements are currently being reviewed with our Assets and Maintenance teams.

Major Projects

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Est. Completion	Status Update
Market to Riverbank Laneways Upgrade (4 sub-projects)	<p>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, Bentham and Pitt Street.</p> <p>Current 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.</p>	2.97 M	▲	Build/ Construct	June 2024	<p>PITT STREET</p> <p>Tenders closed, evaluations to commence from Mid-July</p> <p>Continuing with Stakeholder Engagement within the street and surrounding properties.</p>
Park 27b - Community Sports Building Redevelopment	<p>Deliver a new fit for-purpose community sports building that considers current and future sports activation on the adjacent playing fields. Modernising the facility will also allow for the inclusion of unisex changerooms for equal participation and strengthen role of providing a community base for teams, their families and visitors. The City of Adelaide has been granted \$2M to deliver the project.</p>	0.01 M	●	Design Only	February 2024	<ul style="list-style-type: none"> • Sports lighting tender is out for a Design Consultant, for project delivery by 1st March 2024. • Sport Building Project is on hold as per direction from the Executive team. Feasibility assessment of proposed building footprint has been completed.

Major Projects

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$M	Status	Stage	Est. Completion	Status Update
Paxton's Walk Revitalisation	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 14 site currently under rejuvenation by Renewal SA.	1.65 M	●	Practical Completion	May 2023	<ul style="list-style-type: none"> • Project completed and opened to public. • Identifying additional opportunities for Paxtons Walk.
Rymill Park/Murlawirrapurka Lake Renewal	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.	0.29 M	◆	Build/Construct	May 2024	<ul style="list-style-type: none"> • Contract yet to be awarded, with design changes being negotiated to close out procurement process. • Contract award process and site occupation to follow the procurement process. • Red Status is flagged due to a very tight program, with significant risks with weather and events within the Rymill Park Area.
Sturt West Greening	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.	0.01 M	◆	Cancelled	December 2023	<ul style="list-style-type: none"> • Red Status - This project has been cancelled due to costs exceed available budget and grant application. • Through value management investigations we would not meet the required grant requirements. Council funds to be released in 23/24, Project advocate working with grant owners to consider funds being reallocated to other projects that meet the requirements of the deed.

New and Upgrade

New and Upgrade projects are 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.

Quarter Summary

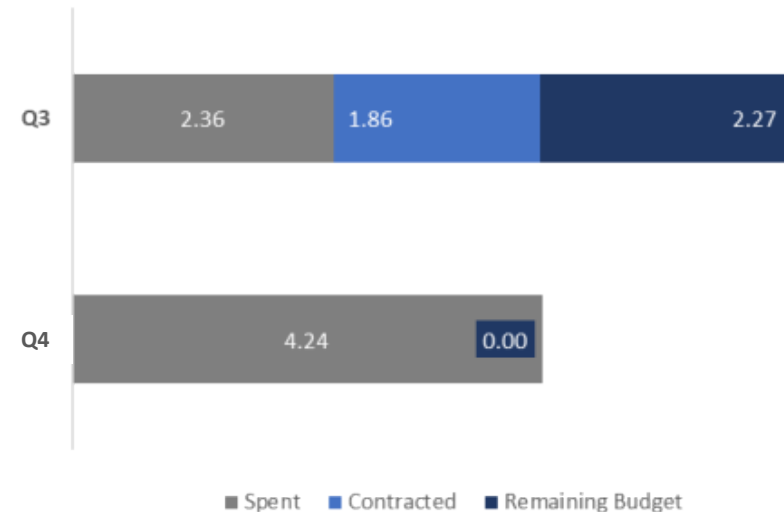
Several projects have expanded their delivery into next year, resulting in additional carry forwards. The fourth quarter has seen further progress in the delivery of New and Upgrade Projects.

- 16 further projects have reached practical completion in this quarter, namely: Flinders Street Indented Accessible Car Park (Hendercare), North Adelaide Golf Course Coaching Area Safety Upgrade, Greening Bentham, Dawkins Place street light upgrade, South Course Irrigation Flow & Salinity Meter , City of Music Laneways - Paul Kelly, Contemporary Acquisitions for Civic Collection, Adelaide Cricket Club Clubroom - New Security Screens, Pro Shop Speedy Oven, High End Laptops for Spatial Support Team, Place of Reflection, Smart Streetscape Irrigation project, Smart Irrigation (Park Lands) Project, Traffic Signal safety upgrades (Lot 14 Gate 9, Pulteney St/South Terrace, Vic Sq/Wakefield St), Artificial Shading Canopy in Park 20 and Park 21W Playground and Planter Boxes for Greener City Streets
- Several new projects have been created during the quarter to respond to Council decisions or reflect Community needs: High end laptops for Spatial Support Team, Brougham Place Footpath Improvements & Greening, North Terrace / Station Road Footpath Upgrade , Pro Shop Speedy Oven, South Course Irrigation Flow and Salinity Meter, and Kerbing - Hutt St/South Terrace Stormwater

Expenditure Summary :

The annual forecast expenditure has decreased by \$2.25M from the 22/23 Quarter 3 budget of 6.49M to a revised budget of \$4.24M. This is due to \$1.73M re-timing of the various projects into next year and \$0.60M savings releases from projects and re-allocated to Major projects offset by an increase in the renewal component of mixed funded projects of \$0.08M.

2022/23 Expenditure Summary (\$ Millions)



New and Upgrade

The following tables provides a financial summary of the program by Service category.

Change Drivers

- ⌚ Retimed
- \$ Additional Budget
- \$ Savings
- N New Project

Service	2022/23						Impacted Projects
	Adopted Budget \$'M	Q1 Review \$'M	Q2 Review \$'M	Q3 Review \$'M	Preliminary Actuals \$'M	Quarterly Change \$'M	
Arts, Culture and Events	1.30	1.39	1.34	0.86	0.33	-0.53	⌚: Christmas Festival 23, City Activation Festoon Lighting, Public Art Programs, Reignite Adelaide \$: Christmas Festival 22 \$: City Activation Festoon Lighting
Community Planning and Development	1.70	1.78	1.78	0.19	0.18	-0.01	\$: Place of Reflection
Economic Planning and Growth	-	0.81	0.69	0.55	0.39	-0.16	⌚: Adelaide Free Wi-Fi Electrical Works \$: ACMA New and Upgrade projects
Environmental Sustainability	1.20	1.31	1.30	0.73	0.43	-0.30	⌚: Climate Change Action Imitative Fund, Greener City Streets Program \$: Karrawira Pari Revegetation project
Information Management	-	-	-	0.04	0.07	0.03	N: High End laptops for Spatial Support team
Park Lands and Open Space	2.30	2.41	2.11	2.02	1.17	-0.85	⌚: Botanic Creek Catchment Water Courses Improvement, Skate Park CCTV and Greening, City Dirt Masterplan, Dogs on Leash, Hutt Road / Park Lands Trail Signalised Crossing, River Torrens Earth Retaining Structures, Installation of compliant handrailing \$: Design and Delivery of artificial shading canopy, Smart Irrigation of Park Lands project, Wattle grove Tree Planting
Parking	1.30	1.27	1.27	0.13	0.13	-	
Planning, Building and Heritage	-	0.01	0.01	0.01	-	-0.01	⌚: Town Hall Complex improvements
Property Management and Development	2.40	0.72	0.69	0.73	0.30	-0.43	N: Pro Shop Speedy oven ⌚: Central Market Arcade options \$: Adelaide Cricket Club-New Security screens
Resource Recovery & Waste Management	0.3	0.35	0.35	0.21	0.10	-0.11	⌚\$: Resource Recovery Strategy & Action Plan
Sports and Recreation	2.05	2.05	0.25	0.25	0.20	-0.05	N: South Course Irrigation flow and salinity meter ⌚: Mini Golf within North Adelaide Golf Course, Strangways Terrace Golf Carpark upgrade \$: New Golf carts at North Adelaide Golf course, North Adelaide Golf course coaching area safety upgrade
Streets and Transportation	1.10	1.46	1.52	0.77	0.72	-0.05	\$: Smart Irrigation of Streetscape projects, N: North Terrace/Station Road footpath upgrade, Kerbing – Hutt Street/South Terrace stormwater \$: Flinders Street Indented Accessible Car Park, Traffic Signals safety upgrades, Sparkke bollards ⌚: Wakefield Street Improvements, Hutt Street & South Terrace Stormwater Improvements, Field Street Streetscape Upgrade, Support for CBD greening, Stafford Street Public Lighting Upgrade, North Adelaide Stormwater improvements, Kingston Terrace East stormwater improvements, Kerbing – Hutt Street/South Terrace stormwater, Flinders Street streetscape improvements
Total	13.70	13.56	11.31	6.49	4.02	-2.25	

New and Upgrade

The following tables provide further details on each project and a current status update*.

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Page 42

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Arts, Culture and Events					
Christmas Festival Preparations	Implement this year's actions of the Christmas Festival Action Plan.	0.00 M	●	Build/ Construct	<ul style="list-style-type: none"> 2023 Christmas project. Order was placed with supplier end of June. Delivery due end of October
City Activation - Festoon Lighting	Create interesting spaces across our city through lighting.	0.02 M	▲	Plan/ Design	<ul style="list-style-type: none"> Project Team is finalising concept options to enable a decision to move forward with detailed design in the next quarter.
Illuminate Adelaide Public Artwork (2 sub-projects)	Commission a permanent light-based public artwork.	0.09 M	▲	Plan/ Design	<ul style="list-style-type: none"> Following, Council decision the proposed artworks for Light Square and Melbourne Street have been deferred. Council noted that potential future light-based public artwork commissions will be presented to the Public Art Round Table for consideration.
Public Art 21-22 (5 sub-projects)	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.	0.02 M	●	Build/ Construct	<ul style="list-style-type: none"> Capital funding carried forward from 21-22 for the completion of Public Art projects in progress, including The Angels: Adelaide City of Music Laneway, portraits for Auntie Shirley Peisley and Ipparityi for the Women in the Chamber Project, and artwork in Bentham St as part of Market to Riverbank.
Public Art Action Plan - Capital Projects (5 sub-projects)	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.	0.04 M	●	Plan/ Design	<ul style="list-style-type: none"> Funding has been allocated for artwork for Paul Kelly: City of Music Laneway, decommission of Sculpture for Hire program, the portraits of Mary Lee and Catherine Helen Spence for the Women in the Chamber project, and the contemporary art acquisitions for the Civic Collection.
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.	0.16 M	▲	Build/ Construct	<ul style="list-style-type: none"> Project works now completed.

12 projects completed and have been removed from the list: Mistletoe Park /Tainmuntilla (Park 11) Park Lands biodiverse and water sensitive gateway and urban address project (CCAIF), New Golf Cart at North Adelaide Golf Course, Wattle Grove Tree Planting and War Memorial, Halifax Street Project, Kodo Apartment Tree Replacement and Sparkke Bollard, Christmas Festival 22, New Teams Room Equipment, Brown Hill Keswick Creek Stormwater Management Plan, CLC - Security Door installations on all levels, New Golf Cart at North Adelaide Golf Course and Hindley Street.

* Grant funding associated with project

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Community Planning and Development					
Place of Courage / Spirit of Woman (Park 27)	The Place of Courage commemorative artwork set into an integrated landscaping intended to raise awareness about the impact of domestic and family violence.	0.01 M	▲	Plan/ Design	<ul style="list-style-type: none"> • Spirit of Woman intend to create and donate this memorial through mixed funding from Council, State Government and private fundraising. City of Adelaide has been providing project support throughout the process to Spirit of Woman and has provided \$25,000 funding for the Concept Design phase which has concluded. • Spirit of Woman has selected a preferred Concept Design and Artist team for the Place of Courage in Bonython Park and are now planning towards the next stages of the project including detailed design, fundraising and submission to Council.
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.	0.18 M	●	Practical Completion	<ul style="list-style-type: none"> • Practical completion was issued on Friday, 30 June 2023, The Arts and Reconciliation Teams are working hard towards the launch of the memorial.
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.	0.00 M	●	Plan/ Design	<ul style="list-style-type: none"> • A property that meets the criteria and is within budget is not currently available in the market. The administration continues to monitor the market for opportunities.

* Grant funding associated with project

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Economic Planning and Growth					
Adelaide Free Wi-Fi Electrical Works	Electrical works to complete the rollout of the Adelaide Free Wi-Fi project	0.11 M	●	Build/ Construct	<ul style="list-style-type: none"> Electrical upgrades to poles for the provisioning of Wi-Fi access points delivered as part of the Adelaide Free Wi-Fi project.
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 Street & Gouger Street mezzanines	0.28 M	●	Build/ Construct	<ul style="list-style-type: none"> Cool room – Investigation has been completed, no suitable location can be agreed to, project to be closed out. <p>All other works complete</p>
Environmental Sustainability					
Brougham Place Footpath Improvements & Greening*	Footpath Improvement and Greening of Brougham Place	0.00 M	●	Plan/ Design	<ul style="list-style-type: none"> Project is funded by LRCI Design is 70% complete. Sprutt to complete drawing. Contractor procurement to commence Late July 2023. Construction works expected to commence in October - November 2023.
Climate Change Action Initiative Fund (4 sub-projects)	Support the delivery of Council's Carbon Neutral Strategy and Action Plan.	0.12 M	●	Plan/ Design	<ul style="list-style-type: none"> At the end of 22/23FY, 14 Smart Water Meters were installed and a further 25 scheduled for deployment in the Adelaide Park Lands to monitor water use at public amenities and major event spaces. The CoA Nursery was investigated for options to increase the use of recycled water with concepts plans completed and detailed design commencing to install a standpipe to fill water carts and convert irrigation systems.

* Grant funding associated with project

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Environmental Sustainability					
Green City Streets Program (10 sub-projects)	The Green City Streets Program will be dedicated to greening of specific CBD streets based on heat and tree canopy mapping put together through joint state and local government investigations. This program is part of proposed initiatives in partnership with State Government through Green Adelaide.	0.24 M	●	Plan/ Design	<ul style="list-style-type: none"> • The following streets will be progressing with greening to procurement: Ada Street Charlotte Street Gray Street Hamilton Place Tapley Street Walter Street Wyatt Street South Brougham Place Cairns Street
Karrawira Pari / River Torrens Restoration and Nature Space project	<p>The purpose of the project is to implement a Karrawirra Parri Restoration / River Torrens Restoration and Nature Space that:</p> <ul style="list-style-type: none"> • Contributes to improving water quality and ecological health in Karrawirra Parri (Torrens River) and Torrens Lake. • Enhances biodiversity in Karrawirra Parri and Torrens Lake. • Increases social, cultural, tourism and recreational activities, particularly with respect to connection to nature and local biodiversity. • Improves amenity of the Torrens Lake. <p>Stage 1 of the project is focused on the design and feasibility requirements of reintroducing aquatic vegetation into Karrawirra Pari in line with the Project Design Objectives and in a way that compliments and supports existing river uses and characteristics where necessary.</p>	0.04 M	●	Design Only	<ul style="list-style-type: none"> • Concept design completed, pending cultural Kurna engagement and confirmation of detail design and construction fund to proceed.

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Information Management					
High end laptops for Spatial Support Team	Replacement of current devices within the SST with high end devices to ensure efficient and effective delivery of spatial services to the organisation.	0.03 M	●	Practical Completion	<ul style="list-style-type: none"> • Project complete
Parking					
Replacement of UPark Car Park Management System	Replace and upgrade outdated hardware and software	0.13 M	●	Build/ Construct	<ul style="list-style-type: none"> • Replacement of ageing Car Park Management System (CPMS) hardware within the car parks is complete including new Automatic Number Plate Recognition technology. • Implementation of complementary new / upgrade elements of the parking solution is progressing. • The technical solution to provide online validated parking capability is in the final stage of testing. Further solution upgrades are in progress, including new test facilities to play a key role in software and other system enhancements in FY23/24 and beyond.
Park Lands and Open Space					
Botanic Creek Catchment Water Courses Improvements	Improve stormwater quality and provide a water source to Rymill Lake	0.15 M	●	Plan/ Design	<ul style="list-style-type: none"> • Design Consultants are 90% through investigation stage. Once complete Tonkin will be able to investigate feasibility of diverting low flow from Burnside to East Tce where it will be treated and released into the Botanic Creek. • Project Team will engage with consultant to undertake design services for the renewal of bridges in Park 13 & 15.
City Dirt Master Plan (Detailed Design)	Following the endorsed Master Plan and concept design works undertaken in 20/21 and 21/22, deliver detailed design and updated cost estimates for key safety, accessibility and amenity improvements to the BMX facility in Park 20.	0.00 M	▲	Design Only	<ul style="list-style-type: none"> • City Dirt Masterplan design drawings are underway to consider the entire site.

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Park Lands and Open Space					
Design and Delivery of Artificial Shading Canopy in Park 20 and Park 21W Playground	Council has made the decision on 9th August to implement artificial shading canopy and additional tree planting in both Princess Elizabeth Playground and the Glover Playground. In response to this decision, requesting a new capital project to conduct detailed design and then to implement artificial shading structure as well as additional tree planting in both playground	0.09 M	●	Practical Completion	<ul style="list-style-type: none"> • Project completed. E-news posted to intranet.
Dogs On Leash Signage	<p>Council Decision That Council: In order to protect much-welcomed native waterfowl:</p> <ol style="list-style-type: none"> 1. The area inside Victoria Park/Pakapakanthi (Park 16) that is known as the South-East Wetlands, be designated as 'Dogs on leash at all times.' 2. Asks administration to install appropriate signage at every entrance to the wetlands 3. Write to Kadaltilla asking them for advice in relation to the implementation of this strategy. 	0.00 M	●	Build/ Construct	<ul style="list-style-type: none"> • Dogs on Leash signage is currently in manufacture, with signage installation due in September. 2023.
Hutt Road / Park Lands Trail Signalised Crossing	Installation of a new signalised pedestrian and cyclist activated crossing adjacent the Park Lands Trail on Hutt Road, to be delivered in conjunction with the Hutt Road Entry Statement Project	0.02 M	▲	Design Only	<ul style="list-style-type: none"> • Proposal to install raised safety platform with cyclists/pedestrian actuated crossing with traffic signals. Currently developing the design in consultation with DIT Will be constructed in conjunction with Z110 Hutt Street Entry Statement from FY23/24.
Installation of compliant handrailing to Weir 3 Footbridge	Improve access and safety across the Torrens River	0.10 M	●	Build/ Construct	<ul style="list-style-type: none"> • Works complete.

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Park Lands and Open Space					
River Torrens / Karrowirra Pari Lake Earth Retaining Structure	Construction of retaining structures to stabilise the area near the University Footbridge	0.28 M	●	Build/ Construct	<ul style="list-style-type: none"> Contractor engaged. Works commenced on site.
Skate Park CCTV and Greening (LRCI)	Improve safety and user amenity of the City Skate Park by installing CCTV and greening aspects.	0.28 M	●	Build/ Construct	<ul style="list-style-type: none"> Network update is proceeding, when completed upgrade cameras to selected units.
Smart Irrigation of Park Lands Project	Implement smart irrigation systems to more accurately dispense water in our Park lands at a reduced cost	0.04 M	●	Practical Completion	<ul style="list-style-type: none"> Project completed, works included 40 parks meter and water features.
Planning, Building and Heritage					
Town Hall Complex Improvements	Investigate opportunities to improve community access to the Town Hall.	0.00 M	●	Design Only	<ul style="list-style-type: none"> Scope of works being determined with Adelaide Town Hall.
Property Management and Development					
Adelaide Cricket Club - New Security Screens	Installation of new security screens at Adelaide Cricket Club Clubroom - Park 23 (Leased Property).	0.02 M	●	Practical Completion	<ul style="list-style-type: none"> Project Completed
Central Market Arcade Options	Progress the Central Market Arcade Redevelopment with project development partner, ICD Property.	0.29 M	●	Build/ Construct	<ul style="list-style-type: none"> Main demolition and construction works commenced late May 2023. To enable the works, changes within the site and surrounding area have been undertaken.
Pro Shop Speedy Oven	Purchase and installation of a new speedy oven in the Golf pro shop.	0.01 M	●	Practical Completion	<ul style="list-style-type: none"> Project complete

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Resource Recovery and Waste Management					
Resource Recovery Strategy & Action Plan 2020-2028	Implement the Strategy and Action Plan to improve the management of organics, recycling and waste.	0.10 M	▲	Plan/ Design	<ul style="list-style-type: none"> Infrastructure to support resource recovery in Rundle Mall has been delivered. CoA internal resource recovery bins delivered as strategic project.
Sports and Recreation					
Mini Golf within North Adelaide Golf Course	Subject to engagement and business case development, construct a fairway style mini golf course	0.04 M	▲	Plan/ Design	<ul style="list-style-type: none"> Business case, design principles and design tender documents complete ready to go to market. Council decision to endorse business case and broader project will occur in August 2023. Overall status Amber due to uncertainty on Council support which may impact scope and timing of delivery.
North Adelaide Golf Course Coaching Area Safety Upgrade	Following concerns raised regarding balls going onto and across Strangways Terrace alternate options for the coaching area have been reviewed. Change the existing area for coaching from long game play to short game was considered the most beneficial. This will result in the development of a new practice green and chipping green/facility.	0.13 M	●	Practical Completion	<ul style="list-style-type: none"> Project complete - coaching area now open to public.
South Course Irrigation Flow and Salinity Meter	Installation of a flow meter and salinity monitor for the South Course Irrigation system.	0.01 M	●	Practical Completion	<ul style="list-style-type: none"> Project complete
Strangways Terrace Golf Carpark Upgrade	Develop designs to improve carpark access	0.02 M	▲	Design Only	<ul style="list-style-type: none"> External consultant have started concept designs. Feasibility & Concept Designs to be undertaken for the North Adelaide Golf Course Carpark to consider the existing carpark and optimizing the carpark's current layout. Consultation to be undertaken following concept design.

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q3 Review \$'M	Status	Stage	Status Update
Streets and Transportation					
Field Street Streetscape Upgrade (Construction)	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.	0.05 M	●	Build/ Construct	<ul style="list-style-type: none"> • Detailed Design for Field Street Completed • Project ready for Procurement.
Flinders Street Indented Accessible Car Park	Provide compliant accessible car parking outside Hendercare	0.09 M	●	Practical Completion	<ul style="list-style-type: none"> • Project completed.
Flinders Street Pedestrian Crossing Improvements (Adjacent Pilgrim Lane)	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)	0.00 M	◆	Design Only	<ul style="list-style-type: none"> • Project was dependant on decisions regarding the East West Bikeway. Guidance from Council will be sought.
Flinders Street Streetscape Improvements and Greening	Investigate and develop a concept design from Pulteney Street to Hutt Street	0.06 M	●	Design Only	<ul style="list-style-type: none"> • Flinders St will commence Community consultation in July/ August to seek feedback on Concept Options for Flinders Street. • Following consultation, project team will commence detailed design in 23/24
Frome Street Footpath Upgrades	Continue the whole of street approach to the flagstone pavers along Frome Street between North Terrace and Rundle Street, in conjunction with the North - South Bikeway	0.00 M	●	Plan/ Design	<ul style="list-style-type: none"> • Design Documentation finalised - works to be delivered as part of the Frome Bikeways Project. • Procurement expected to take place in late July 2023 depending on completion of hold points.
Hutt Street & South Terrace Stormwater Improvements	Investigate and develop a concept for the design of stormwater improvements	0.06 M	●	Design Only	<ul style="list-style-type: none"> • Consultant has been engaged to complete an updated stormwater model. Currently undertaking options analysis to confirm the most optimal stormwater management solutions.

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget.
- ▲ indicates that the project has risks that are being managed and may exceed budget or time.
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Streets and Transportation					
Kerbing - Hutt St/South Tce Stormwater	Cost estimate of raising the kerb levels to improve the level of flood protection to St Andrews Medical Centre. This is so that if a decision is made to progress with the localised solution, the works will be delivered in conjunction with Entry Statement (construction in FY23/24).	0.00 M	▲	Design Only	<ul style="list-style-type: none"> Feasibility study on raising footpath levels to reduce above floor flooding to continue in Q1.
Kingston Terrace East Stormwater Improvements	Investigate and design Stormwater Improvements	0.02 M	●	Design Only	<ul style="list-style-type: none"> Kingston Terrace concept options Yoursay engagement is now complete. Detailed design to commence in 23/24
Lighting and Electrical New/Upgrade works	Continuation of Lighting and Electrical New/Upgrade Project	0.04 M	●	Build/ Construct	<ul style="list-style-type: none"> Project completed
Main Street Revitalisation Projects - Improvement plans and Activation plan	Main Street revitalisation projects - key priority areas Hutt, Hindley, Melbourne and O'Connell Streets, Gouger St, Grote St. This project focuses on the master plans for each street - including the updating of AMP's, Adelaide Design Manual, activation plans etc.	0.02 M	●	Plan/ Design	<ul style="list-style-type: none"> Business Plan & Budget (BPB) 23/24 has been endorsed by Council to progress with Main Streets, these projects will now be progressed into a design and construction model to deliver on the outcomes for each of the Main Streets identified.
North Adelaide Stormwater Improvement	Concept design works to reduce flood risks in North Adelaide	0.00 M	●	Plan/ Design	<ul style="list-style-type: none"> Modelling of the stormwater at catchment 13 is completed, Technical Services is working on the report to elaborate the stormwater upgrade for this project. The design will commence during 23/24.
North Terrace / Station Road Footpath Upgrade (Construction)	Footpath Upgrade at the North Terrace / Station Road Intersection, to complement upgrade works previously complete on North Terrace outside the Casino and Train Station Footpath as well as internal works within Festival Plaza and Station Road.	0.01 M	●	Design Only	<ul style="list-style-type: none"> Delivery of Station Road entrance from North Terrace in sequence with Festival Plaza works.

New and Upgrade

Legend

- ◆ indicates that the project is no longer on track or budget.
- ▲ indicates that the project has risks that are being managed and may exceed budget or time.
- indicates that the project timeline, delivery and budget are on track

Project	Description	Q4 Review \$'M	Status	Stage	Status Update
Streets and Transportation					
Smart Irrigation of Streetscapes Project	Implement smart irrigation systems to more accurately dispense water in our Streets at a reduced cost	0.10 M	●	Practical Completion	<ul style="list-style-type: none"> Project completed, works include 105 street meters
Stafford Street Public Lighting Upgrade	Installation of new public lighting on Stafford Street, to ensure public lighting levels are maintained following decommissioning of private lighting. These works are considered business critical to ensure pedestrian and vehicle safety.	0.00 M	●	Design Only	<ul style="list-style-type: none"> Project currently in design phase. Design tenders received for evaluation
Stephens Street and Sanders Place Upgrade	Investigate and commence design works to improve pedestrian access, street amenity and traffic calming	0.00 M	●	Design Only	<ul style="list-style-type: none"> Stephens Street will commence with Stakeholder Engagement in July/ August to seek feedback from the Community on the proposed concept options for these streets. Detailed Design will commence following engagement to prepare designs for the street.
Support for CBD Greening*	CoA proposes to install 15-25 kerb inlets (WSUD) connected to porous wells into kerb and soil near existing street trees within our hottest CBD streets.	0.00 M	▲	Plan/ Design	<ul style="list-style-type: none"> Design is complete. Procurement to commence in late July 2023. following the community engagement minor tweaks are required to the design documentation. Appointment of Contractor expected in September. works to commence following engagement.
Traffic Signal safety upgrades (Lot 14 Gate 9, Pulteney St/South Tce, Vic Sq/Wakefield St)	Deliver pedestrian safety improvements to traffic lights at various locations.	0.03 M	●	Practical Completion	<ul style="list-style-type: none"> Frome Street/Lot 14 signals- Works completed. Wakefield Street/Vic square. - Works Completed Pulteney Street/South Terrace - Works Completed
Wakefield Street Improvements	Undertake concept and detailed design works for potential streetscape enhancements, including greening, improved pedestrian crossings and undergrounding of powerlines	0.12 M	●	Design Only	<ul style="list-style-type: none"> Wakefield St Concept Design is currently progressing through community engagement. Community engagement will close on 21st July 2023 to allow the project team to consider feedback for the next phase of design for Wakefield St.
West Pallant Project Steet Lighting	Install new CoA public lighting (in conjunction with West Pallant Renewal Project)	0.03 M	●	Plan/ Design	<ul style="list-style-type: none"> Proceeding with detailed design of streetscape enhancements and electrical (stobie poles) undergrounding following concept design approval.

* Grant funding associated with project

Renewals

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

Quarter Summary

Progress has been made across all asset classes in the fourth quarter

- 51 projects have achieved practical completion this quarter, this brings the 22/23 completion of projects to 112.
- 29 construction projects have commenced but will complete in 23/24
- 31 construction projects have been re-timed to 23/24 delivery
- 2 multi-year projects will deliver more than anticipated in 23/24

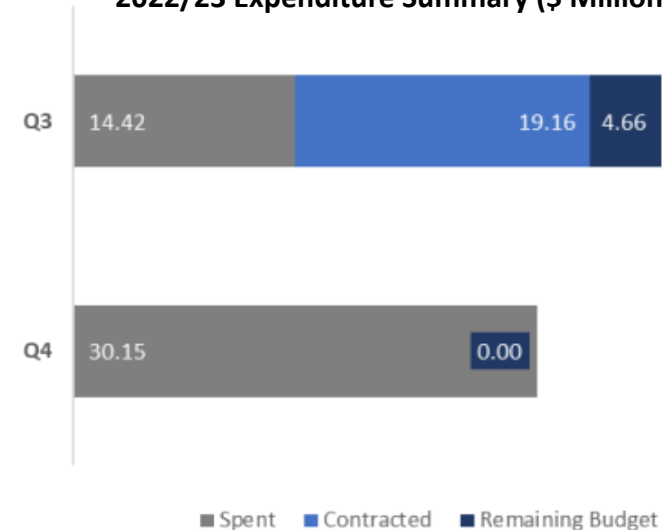
Movement of projects into and out of the Renewals program has resulted in a decrease in the overall number of projects by 56. This movement is reflected below:

- 48 projects deferred to future years,
- 16 projects cancelled or charges reversed as not capital spend,
- 8 new projects brought into the program

Expenditure Summary :

The annual forecast expenditure has decreased by \$8.12M from the approved 22/23 Q3 budget of \$38.24M to a revised budget of \$30.12M. This is due to \$7.41M of savings being released where funds were not expended this year as well as a reallocation of funds to the renewal component of a Major project of \$0.60M and the renewal component of mixed funded projects of \$0.08m.

2022/23 Expenditure Summary (\$ Millions)



Renewal Summary of Financial Changes

The following table shows a summary of asset class, budgets and financial changes for Renewal

Asset Class	2022/23					
	Adopted Budget	Q1 Review	Q2 Review	Q3 Review	Preliminary Actuals	Quarterly Change
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
Bridges	-	0.19	0.20	0.31	0.07	0.24
Buildings	10.14	8.85	8.53	6.94	5.40	1.54
ICT Renewals	2.14	2.27	2.33	1.87	1.13	0.74
Lighting and Electrical	2.14	5.16	5.11	5.16	1.62	3.54
Park Lands Assets	1.84	2.72	2.72	2.80	1.83	0.97
Plant and Fleet	4.16	4.56	4.56	4.79	4.40	0.39
Traffic Signal	1.54	1.59	1.59	2.20	1.99	0.21
Transport	13.28	13.88	14.26	11.09	11.57	-0.48
Urban Elements	2.09	1.55	1.55	1.64	1.07	0.57
Water Infrastructure	1.57	1.66	1.79	1.44	1.04	0.40
Total	38.88	42.43	42.64	38.24	30.12	8.12

Renewals

The following tables provide further details on each asset renewal including recently completed works.

Asset Class	Description	Total Projects	Design Only	Plan/ Design	Build/ Construct	On Hold	Practical Completion	Recently Completed Works
Bridges	Investment in the Council's bridge infrastructure to ensure accessible and safe movement throughout the City for residents, visitors and the public	3	1		1		1	<ul style="list-style-type: none"> ✓ Footbridge Rehabilitation Park 13 - BRD30
Buildings	General building renewals of ACC Corporation facilities	52	8	4	11		29	<ul style="list-style-type: none"> ✓ London Road Depot - Wash Down Bay Trade Waste Renewal ✓ Adelaide Aquatic Centre Sauna and Colonel Light Centre Turbo ✓ LRD workshops LED renewal ✓ Ramp modification NAGC Deck ✓ Town Hall Boiler Renewal ✓ Aquatic Centre - Boiler and Steam Room ✓ Gawler UPark Façade ✓ Installation of Reflux Valves at Southwest Sewer Connection ✓ Installation of Reflux Valves at Southeast Sewer Connection ✓ Installation of Reflux Valves at Northeast Sewer Connection ✓ Shop 3 Wyatt St - Base Build Renewal
ICT Renewals	Renewal of computer systems, communication systems, software and hardware owned, used or licensed by the Council for the purposes of information management	6					6	<ul style="list-style-type: none"> ✓ Network Connectivity ✓ Server Replacement and Cloud Infrastructure 22-23 ✓ Network Connectivity & Security 22-23 ✓ PC and Laptop Replacement 22-23 ✓ Central Market cable renewals
Lighting and Electrical	Lighting and Electrical renewals to support a safe, secure and continuous service	17	2	1	7		7	<ul style="list-style-type: none"> ✓ Halifax Street - east of Hutt Street Lighting ✓ Angas Street Lighting ✓ Electrical underground conduit and switchboards - minor works
Park Lands Assets	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	12			8		4	<ul style="list-style-type: none"> ✓ Irrigation Renewal ✓ Park 6 Playground Softfall, Footpath and Landscape Renewal ✓ Streetscape Renewal

Renewals

Asset Class	Description	Total Projects	Design Only	Plan/ Design	Build/ Construct	On Hold	Practical Completion	Recently Completed Works
Plant and Fleet	Replacement of major plants and fleet assets to ensure safe and sustainable services by optimising the use of our plant and fleet assets	4			2		2	✓ Renewal Commercial Assets ATH - Trestle Tables
Traffic Signal	Investment in Traffic Signal infrastructure to ensure accessible and safe movement throughout the City	2	1		1			
Transport	Essential roadworks to ensure we continue to provide a safe, efficient and accessible road and pathway network	108	44	5	25		34	<ul style="list-style-type: none"> ✓ Footpath Renewal - Sir Edwin Smith/Kermode Intersection ✓ Road Resurfacing - Wakefield/Hutt Intersection ✓ Road Resurfacing - Nelson Place - Carrington Street to Dead End ✓ Road Resurfacing - Nelson Street - Carrington Street to Dead End ✓ Grenfell Street bus stop tactile refurbishment ✓ Heavy Patching - Jeffcott Street - Barton Terrace West to Wellington Square ✓ Heavy Patching - Montefiore Road - War Memorial Drive to Jeffcott Street ✓ Footpath Resealing - Park 12 South Bank Apollo Place Project ✓ Road Heavy Patching Program ✓ Palmer Gardens (Brougham Pl to Penn. Tce, footpath) ✓ Footpath Renewal - Park 12 / Torrens Parade Grounds ✓ Franklin Street Project (Bowen Street to #133 Franklin) ✓ Leigh Street Footpath Rehabilitation ✓ Elder Park Project ✓ Road Resurfacing - McHenry Street - Gawler Place to Dead End
Urban Elements	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	42	3	1	15		23	<ul style="list-style-type: none"> ✓ BBQ Renewal - Various locations ✓ North Adelaide Soldiers Memorial - Park 10 - restoration ✓ The Apron - Ebenezer Place - restoration ✓ Bike Rack Renewal - Various locations ✓ Bin Renewal - Various locations ✓ Bird bath - Hurtle Square restoration ✓ Fence & Gate Renewal - Various locations ✓ Flagpole Renewal ✓ Parking Machine Renewal - Various locations ✓ Planter Box Renewal - Various Locations ✓ Public Art Refurbishments 21/22
Water Infrastructure	Program of works dedicated to renewal of various water infrastructure asset components	14	4		4		6	✓ Vaughan Place Stormwater

Renewals

Top 5 projects (listed in order of budget spend) are provided in the table below.

Legend

- ◆ indicates that the project is no longer on track or budget
- ▲ indicates that the project has risks that are being managed and may exceed budget or time
- indicates that the project timeline, delivery and budget are on track

Project	Q4 Review \$'M	Status	Stage	Status Update
Currie-Grenfell Strategic Rehabilitation Project	3.10 M	●	Build/ Construct	<ul style="list-style-type: none"> Road pavement works expected to be undertaken in April through to August 2023.
Plant and Fleet Replacement Program	3.02 M	●	Practical Completion	<ul style="list-style-type: none"> Replacement program largely completed with some adjustments where items were unable to be supplied due to market interruptions. Some items were brought forward from 2023/24 program. 2023/24 program will be balanced by receipt of items ordered in the 2022/23 Financial Year.
Morphett Street Project (Gouger to Whitmore & Waymouth To Franklin)	2.98 M	●	Practical Completion	<ul style="list-style-type: none"> Project completed.
Traffic Signals 22-23	1.99 M	●	Build/ Construct	<ul style="list-style-type: none"> This Project is for the rolling renewal of City of Adelaide aging Traffic Signals infrastructure. Works has progressed with the majority of the program has been completed and the remainder is on track for completion by Q1 2023/24. Remaining intersection to be upgraded - Grenfell Street/Gawler Place has commenced in July. This was delayed due obtaining access works permits to trench near SAPN High Voltage cables.
Gawler UPark Renewals	1.76 M	▲	Build/ Construct	<ul style="list-style-type: none"> SEALING: All works completed. Practical Completion to be issued once warranties provided. FACADE: All works completed. Practical completion issued June 2023. Outstanding defects: Remaining Core Holes and replacement of 4 removed panels.



Strategic Projects

Strategic Projects

The following tables provides a financial summary of Strategic Projects

Project	2022-23 Budget					
	Adopted Budget \$'M	Q1 Review \$'M	Q2 Review \$'M	Q3 Review \$'M	Preliminary Actuals \$'M	Q4 Review Changes \$'M
88 O'Connell Project	0.05	0.05	0.05	0.05	0.05	-
ADLocal (Small Business Promotion Campaign)	-	-	0.14	0.14	0.05	0.09
Adelaide Zero Project	0.03	0.03	0.03	0.16	0.14	-0.02
Carbon Neutral UPark Investment	0.03	0.03	0.03	0.03	0.01	-0.02
City Activation (Splash)	0.71	0.71	0.71	0.71	0.68	-0.03
Climate Risk Infrastructure Exposure Actions	0.61	0.61	0.61	0.61	0.53	-0.08
Community Civic Education Program – Trial	0.08	0.08	0.08	0.08	-	-0.08
CreaTech*	-	-	0.30	0.30	0.30	-
Cultural Infrastructure Feasibility Study	-	-	-	-	0.05	0.05
Cultural Mapping of the Adelaide Park Lands	0.05	0.05	0.05	0.05	0.05	-
Cycling Strategy	0.06	0.06	0.06	0.06	0.02	-0.04
Deliver next generation Adelaide Free Wi-Fi network as part of the Adelaide City Deal*	1.97	1.97	1.97	1.97	2.32	0.35
Destination Adelaide promotion	0.30	0.30	0.30	0.30	0.30	-
Develop Conservation Management Plans for Council's Heritage Assets	0.2	0.20	0.20	0.20	0.08	-0.12
Develop the City Plan*	0.10	0.10	0.10	0.10	0.23	0.13
Digital Marketplace	-	-	0.22	0.22	0.29	0.07
Events Infrastructure Incentive Scheme	-	-	-	-	0.05	0.05
Historic and civic archive management	0.02	0.02	0.02	0.02	0.02	-
Interstate and Intrastate Visitor attraction campaigns	0.25	0.25	0.25	0.25	0.25	-
Mainstreets and Laneway Revitalisation Grants*	0.20	0.20	0.32	0.32	0.31	-0.01

Strategic Projects

The following tables provides a financial summary of Strategic Projects

Project	2022-23 Budget					
	Adopted Budget \$'M	Q1 Review \$'M	Q2 Review \$'M	Q3 Review \$'M	Preliminary Actuals \$'M	Q4 Review Changes \$'M
Mainstreets Revitalisation	0.05	0.05	0.05	0.05	-	-0.05
Marketing for new and existing programs	-	-	0.18	0.18	0.15	-0.03
Marketing – Reignite	-	-	-	-	0.18	0.18
New Council Member Training	0.04	0.04	0.04	0.04	0.03	-0.01
Progress the Strategic Property Review	0.15	0.15	0.15	0.15	0.20	0.05
Resilient Flood Planning*	3.10	3.10	3.10	3.10	1.10	-2.00
Resource Recovery Strategy & Action Plan 2020-2028	0.69	0.69	0.69	0.69	0.93	0.24
Review Adelaide Oval Event Parking	0.03	0.03	0.03	0.03	0.05	0.02
Shopfront Improvement Grants	-	-	0.88	0.88	0.66	-0.22
Sponsorship - event expansion	0.50	0.50	0.50	0.50	0.23	-0.27
Sponsorship - major events	0.50	0.50	0.50	0.50	0.18	-0.32
Sponsorship - new events	0.24	0.24	0.16	0.16	0.32	0.16
State Government Safety and Wellbeing Taskforce	0.04	0.04	0.04	0.04	-	-0.04
Underground of powerlines	0.30	0.30	0.30	0.30	-	-0.30
Vacant Tenancy Revitalisation	-	-	0.17	0.17	0.07	-0.10
Welcome Adelaide	0.15	0.15	0.15	0.15	0.15	-
World Heritage listing bid for the City and Park Lands	0.05	0.05	0.05	0.05	0.01	-0.04
Previously Completed Projects						
Coordinate and deliver the 2022 Local Government General Election	0.46	0.46	0.46	0.46	0.35	-0.11
Sponsorship - city stimulus event funding	0.33	0.33	0.31	0.31	0.29	-0.02
Total	11.29	11.29	13.2	13.33	10.63	-2.52

Strategic Projects

The following table provides highlights for each strategic project.

Project	Description	Prelim Actuals \$'M	Status Update
Arts, Culture and Events			
City Activation (Splash)	Provide opportunities for the community and city users to connect through curated programs that attract people to the city	0.68	<ul style="list-style-type: none"> Activations held across Gouger, Grote, Leigh, Hindley, Hutt, Melbourne and O'Connell Streets and Light Square through Playbook Street Theatre performances (over 1,600 patrons), 'Unseen Event' (over 4,000 patrons), Winter Weekends and live music performances and street parties Opportunity to learn from and expand new partnerships with creative companies and community organisations to deliver engaging, meaningful, and attractive activations across the City in 2023/2024
Community Civic Education Program - Trial	Undertake a trial to provide information on the history of Council and the Adelaide Town Hall	-	<ul style="list-style-type: none"> Austin-Adelaide Sister City 40th anniversary display launched Display of a reproduction of the Uluru Statement of the Heart presented alongside Voice to Parliament events and activities Youth Education investigations are continuing including an opportunity to liaise with the LGA to update their education materials for schools for sector consistency
Cultural Infrastructure Feasibility Study	This Cultural Infrastructure Feasibility Study (the Study) aims to consolidate current knowledge and discourse on cultural infrastructure, to assist Council in its decision-making and prioritisation of funding and resources for both new and upgrade works.	0.05	<ul style="list-style-type: none"> Consultant Brief was developed, a call out to market resulted in Intermethod as the successful supplier. Internal workshop and series of stakeholder consultation sessions undertaken. Draft Cultural Infrastructure Feasibility Report commenced and in development
Events Infrastructure Incentive Scheme	This scheme forms part of a City Business Stimulus Program aimed at providing support for businesses impacted by COVID-19, including the significantly impacted event industry.	0.05	<ul style="list-style-type: none"> Supported eight (8) events occurring in the City and North Adelaide from 30 July 2022 to 30 June 2023.
Historic and civic archive management	Ensure conservation and restoration of historical and cultural significant archival and civic collection items	0.02	<ul style="list-style-type: none"> Digitised lantern slides are continuing to be uploaded to Archives image gallery
Mainstreets Revitalisation	Develop comprehensive plans for place revitalisation of priority Mainstreets - Hindley Street, Hutt Street, Melbourne Street and O'Connell Street	-	<ul style="list-style-type: none"> Hutt Street garden bed renewals and development of sweet treats festival Activations to leverage the Art Gallery of South Australia's Frida and Diego exhibition Streetscape works included planter bed renewals and artwork on electrical boxes Sweet Treat Festival (Hutt) held, Fashion Est retail activations (O'Connell) and planning work for Taste of O'Connell West End Heritage building lighting installations Ongoing community engagement including on local capital works projects (lane upgrades, bus-stops, wombat crossing) Hutt Street – Endorsed the extra leaf litter and graffiti cleaning Garden bed renewals for the northern end Development of Sweet Treats Festival

Strategic Projects

Project	Description	Prelim Actuals \$'M	Status Update
Arts, Culture and Events			
Mainstreets and Laneway Revitalisation Grants	Grant program, in partnership with the State Government, for property and business owners to improvements to their frontages and/or street front outdoor dining areas, on key Mainstreets.	0.31	<ul style="list-style-type: none"> Grant program was completed and included final grants for outdoor furniture at new Hindley Street Bar "Nearly", painting and new signage at Butter and Toast on Melbourne Street, and new bifold windows for Naughty Nanna's Cookies on Hutt Street
CreaTech	CreaTech is a grant scheme for creative activations in partnership with the State Government, to attract and support Creative and Digital Industries in developing activations in the City	0.30	<ul style="list-style-type: none"> Grant scheme was completed with works "The Cookie" (Central Market) and "ArtOfficial Truth Machine ATM-001" (Rundle Place) remained in situ up to June 30. Negotiated for both artworks to be presented at AVCon Events at the Adelaide Convention Centre in July 2023
Community Planning and Development			
Cultural Mapping of the Adelaide Park Lands	Build knowledge and identify future education and reconciliation opportunities for our Park Lands in partnership with our Kurna community and external cultural heritage experts	0.05	<ul style="list-style-type: none"> Web page content is being finalised alongside the planning for launch in Q2 2023/24
Adelaide Zero Project	Work with Government, homelessness, health and housing organisations to achieve Functional Zero Rough Sleeping in the city	0.14	<ul style="list-style-type: none"> Adelaide Zero Project continues to operate with this project funding, which will be continued to be funded in 2023/24
Community Safety			
State Government Safety and Wellbeing Taskforce	Support the implementation of the taskforce recommendations, including investigating opportunities for safe public spaces for people to connect with culture and socialise	-	<ul style="list-style-type: none"> Supported an extension of the Summer Response to support people from regional and remote communities who are vulnerable and sleeping in public spaces within the City of Adelaide Wirrarininthi / Park 23 in April 2023 Ongoing discussions with Department for Human Services Outreach team, Toward Home Alliance, South Australia Police and Drug and Alcohol Services South Australia on support for regional and remote visitors and temporary use of a Park Lands location <i>Opportunity to continue to support in 2023/24 the State Government Safety and Wellbeing Taskforce</i>

Strategic Projects

Project	Description	Prelim Actuals \$'M	Status Update
Economic Planning and Growth			
Deliver next generation Adelaide Free Wi-Fi network as part of the Adelaide City Deal	Ensure coverage of key areas and replace all underperforming meshed based access points with high-speed fibre optics	2.32	<ul style="list-style-type: none"> 250 out of 251 Access Points have now been installed, and 238 have reached practical completion of the project, the 13 remaining access points and full network commissioning is to be completed in Q1 2023/24
Destination Adelaide promotion	Promote Adelaide as a destination to work, invest, study and live	0.30	<ul style="list-style-type: none"> Developed and launched an investment prospectus "Invest Adelaide", alongside a digital-led campaign to target business leaders looking to expand their business, with a focus on the city's growth industry sectors <i>Opportunities exist to convert inquiries into discussions about establishing or growing in the Adelaide CBD. Risk is the tightening economic environment delaying decisions by firms on growth opportunities</i>
Interstate and Intrastate Visitor attraction campaigns	Work collaboratively with businesses to increase hotel stays in the city	0.25	<ul style="list-style-type: none"> ADL IS ON delivered, including Tourism Partnerships campaigns with Expedia's Wotif brand and Accor Australia. These campaigns promoted overnight stays in the city and support visitation to attractions, experiences and hospitality, resulting in over 28,000 room nights and over \$8 million in revenue Frida & Diego Citywide trail and Trip Advisor campaign <i>Opportunity to further distribute the ADL IS ON video asset for other organisations to use in their promotions</i> <i>Opportunity with Frida and Diego citywide trail to assess the resources used to execute the campaign balanced against the outcomes to consider using the same model to leverage future events or festivals and involve city businesses</i>
Sponsorship - new events	Attract and support new events/festivals	0.32	<ul style="list-style-type: none"> Two applications were awarded funding by the AEDA Board in Quarter 4 All events have concluded and approved funds were distributed prior to 30 June 2023
Sponsorship - major events	Support the growth of city based major events / festivals.	0.18	<ul style="list-style-type: none"> Contract negotiation and execution for 2022/23 continued throughout Quarter 4 18 events concluded with one event, Illuminate Adelaide, commencing on 30 June The 2023/24 Events and Festivals sponsorship program provided \$175,000 to support 5 events
Sponsorship - event expansion	Support the growth and expansion of existing city based events / festivals	0.23	<ul style="list-style-type: none"> All events have concluded and approved funds totalling \$228,000 were distributed prior to 30 June 2023 Three applicants acquitted in Quarter 4
Welcome Adelaide	Support growth of businesses and attract new workers to the city	0.15	<ul style="list-style-type: none"> The financial year target of 1,000 Welcome to Adelaide bags was exceeded by 231 new employees to the city from firms Canva and Mercer

Strategic Projects

Project	Description	Prelim Actuals \$'M	Status Update
Economic Planning and Growth			
ADLocal (Small Business Promotion Campaign)	ADLocal small business promotion campaign	0.05	<ul style="list-style-type: none"> The ADLocal content campaign commenced in January 2022 to showcase small businesses across the city. Three content styles featured more than 300 businesses until April 2023. Across the campaign, 569,000 organic views and 3,050,000 paid impressions were achieved
Shopfront Improvement Grants	A Shopfront Improvement Grant scheme grant of up to \$10,000 in value with a co-contribution of 20% from the applicant (\$700k).	0.66	<ul style="list-style-type: none"> Over 110 businesses completed projects with a combined value of more than \$1.1 million of which \$730,000 was an investment of Council funds. In Quarter 4, 36 projects were completed, with a combined total project cost of \$371,440 and an investment of \$238,000 of Council funds
Digital Marketplace	Fast track the Digital Marketplace delivered by AEDA (\$250,000) subject to a briefing to elected members.	0.29	<ul style="list-style-type: none"> 88 businesses have now been onboarded to the byADL marketplace The website has had more than 214,000 views since launch <i>There is an opportunity now to support the digital marketplace support small businesses in other ways on the byADL platform as Arcadier take on full responsibility of managing the platform</i>
Marketing for new and existing programs	Additional promotion for the Council's subsidiaries to promote new and existing programs	0.15	<ul style="list-style-type: none"> Program of works for 2022/23 completed AEDA sponsored the hosted media program at _SOUTHSTART Odyssey (an organisation/festival focused on design and innovation). 11 interstate media from high profile national and industry-specific outlets including The Australian, Innovation Aus and the Business News Australia experienced the event and published content related to _SOUTHSTART and Adelaide. The coverage from the hosted media generated 71 stories, an average audience per story of 33,865 and \$108,105 in national media coverage <i>Opportunities to improve website user experience, search engine optimisation to improve Google Search rankings, search engine marketing keyword opportunities and Email list consolidation, automation and personalisation</i>
Marketing – Reignite	Marketing campaign that demonstrated Councils proactive contribution to combatting the economic impacts of COVID, through sharing authentic stories of city recovery	0.18	<ul style="list-style-type: none"> Production of a long-term storytelling campaign (City Yarns), demonstrating how City of Adelaide's Reignite Adelaide initiatives have positively impacted the community. Ten videos produced and published, along with a magazine, interviewing members of the city community who were positively impacted through City of Adelaide support. 230,000+ video views on social media.
Vacant Tenancy Revitalisation	A program which gives opportunity for property owners and artists to creatively transform vacant shopfronts	0.07	<ul style="list-style-type: none"> Program completed for 2022/23. Works undertaken in 2022/23 include an Augmented Reality vinyl wrap on King William Street and are installation on Hindley Street

Strategic Projects

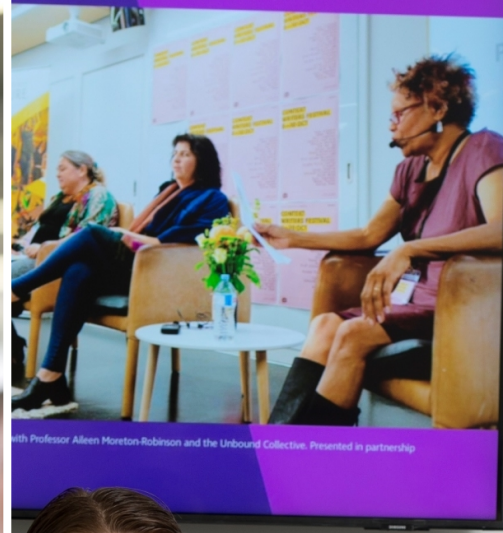
Project	Description	Prelim Actuals \$'M	Status Update
Environmental Sustainability			
Resilient Flood Planning	Implementing flood mapping component of Climate Change Action Plan	1.10	<ul style="list-style-type: none"> Contractors for Stage One (data capture, visual inspection and cleaning) have commenced and is progressing well. North Adelaide anticipated completion end of August. Adelaide estimated completion November Stage Two Stormwater Management Plan (SMP) brief under development and due to be out for tender in August Risk to delayed delivery due to delays with data capture. This risk will be managed by managing multiple engagements (Stages 1 and 2) simultaneously
Climate Risk Infrastructure Exposure Actions	Implement action plans to support Climate Change Adaptation	0.53	<ul style="list-style-type: none"> Climate Risk Infrastructure Exposure Actions continue to progress, the street tree audit is complete, and the park lands tree audit, urban greening strategy, building climate resilience assessments, and integrating climate risk assessments are underway
Corporate Services			
New Council Member Training	Support mandatory and necessary training for all Council Members following the November 2022 Local Government Elections	0.03	<ul style="list-style-type: none"> Members have completed all mandatory training currently required. It is noted that there will be a mandatory Council Member Leadership Session midterm.
Parking			
Carbon Neutral UPark Investment	Offer a unique carbon offset parking option for our community and offset greenhouse gas emissions	0.01	<ul style="list-style-type: none"> Works programmed for 2022/23 Completed. The Climate Action Plan 2022 – 2025 was unanimously endorsed by Council, including the action to certify the UParks as a carbon neutral service. The Low Carbon team finalised a panel arrangement for purchasing the City of Adelaide's carbon offsets, and purchased the organisation's carbon offsets for 2022/23. The submission for the UPark carbon neutral service will be prepared in Quarter 1 2023/24 for the October deadline. Market the socially responsible service offering to customers in the second half of 2023/24.
Review Adelaide Oval Event Parking	Review the effectiveness and outcomes of the Adelaide Oval Event Parking system	0.05	<ul style="list-style-type: none"> Review completed in June 2023. High level actions to be progressed include continuing the current approach, streamlining internal processes and ways to communicate parking changes with drivers, and more regular compliance monitoring of Event Parking controls

Strategic Projects

Project	Description	Prelim Actuals \$'M	Status Update
Planning Building and Heritage			
Develop the City Plan	Develop a plan for the growth and spatial development of our city over the next 10-15 years	0.23	<ul style="list-style-type: none"> Phase One of the City Plan project undertaken. Targeted stakeholder engagement is planned for the Quarter 1 of 2023/24 External conversations about City Plan and City of Adelaide's Strategic Plan are timed to ensure broad strategic planning informs the City Plan project
Develop Conservation Management Plans for Council's Heritage Assets	Progress the Heritage Strategy 2021-2036 to support heritage places and public assets	0.08	<ul style="list-style-type: none"> Stage One complete Stage Two funding was secured in 2023/24 Business Plan and Budget and will go out to market in Quarter 1 2023/24 for remaining heritage buildings
World Heritage listing bid for the City and Park Lands	Provide support towards the World Heritage listing bid which is a multi-year project being delivered through a partnership with Traditional Owners, the State Government, councils in the Mount Lofty Ranges and the City of Adelaide	0.01	<ul style="list-style-type: none"> The Tentative Submission for the World Heritage bid received formal support from Minister for Climate, Environment and Water as an important milestone for the project A new governance approach to the World Heritage tentative bid was established for implementation in 2023/24 <i>Meaningful engagement with First Nations people is an opportunity for truth telling around colonisation</i>
Property Management and Development			
88 O'Connell Project	Deliver 88 O'Connell project in North Adelaide including 164 apartments, retail, commercial and open space	0.05	<ul style="list-style-type: none"> Cranes have now been installed on-site and the basement works at 88 O'Connell are close to completion Apartment sales and pre-leasing of commercial tenancies are progressing The redevelopment of 88 O'Connell will act as a catalyst to revitalise the O'Connell Street precinct
Progress the Strategic Property Review	Implement site redevelopment, disposal and acquisition investigations including 211 Pirie Street site, former Bus Station site and Dunn Street car park	0.20	<ul style="list-style-type: none"> Renewal SA has been announced as the preferred proponent for the sale and redevelopment of the former Bus Station site. Contractual discussions between the City of Adelaide and Renewal SA are continuing. The redevelopment will mixed-use development including a civic centre building and 392 apartments (including 35% affordable housing) NEXTDC is progressing data centre construction at 211 Pirie Street Council endorsed extending the rental of 20 apartments at the Ergo Complex to current tenants at 75% of market rent A review of the Strategic Property Action Plan is underway requiring engagement with Council during the second half of 2023 <i>More broadly the Strategic Property Action Plan provides the opportunity to leverage strategic holdings for city wide benefit</i>

Strategic Projects

Project	Description	Prelim Actuals \$'M	Status Update
Resource Recovery and Waste Management			
Resource Recovery Strategy & Action Plan 2020-2028	Implement the Strategy and Action Plan to improve the management of organics, recycling and waste.	0.93	<ul style="list-style-type: none"> • Education program delivered in Rundle Mall to support the public place recycling stations. • Consultation with people living in five residential laneways was completed to understand challenges and opportunities for waste and recycling collection. • Work to underpin policy direction in relation to waste and resource recovery was undertaken • Noting program of works is a multi-year plan, several projects have been completed. Policy work and the laneways trial will continue into 23/24
Streets and Transportation			
Cycling Strategy	Implement the cycling strategy to improve and increase cycling opportunities in the city.	0.02	<ul style="list-style-type: none"> • The Cycling Strategy will now form part a new transport strategy to be developed in 2023/24
Underground of powerlines	Investigate and pilot a scheme for the undergrounding of power lines in small residential streets.	-	<ul style="list-style-type: none"> • Detailed design and consultation with South Australian Power Networks for the West Pallant Street Powerline Undergrounding Project is progressing



Financial Statements

Financial Summary

\$'000s	2022-23 Prelim*	2022-23 Quarter 3	Variance	Full Year 202-23 Budget (Adopted)	2022-23 Quarter 1	2022-23 Quarter 2	2022-23 Quarter 3
Income							
Rates Revenues	124,918	124,619	299	123,661	124,619	124,619	124,619
Fees and Charges	79,094	76,715	2,379	75,375	75,375	76,215	76,715
Grants, Subsidies and Contributions	7,696	9,787	(2,091)	10,907	10,907	9,787	9,787
Other Income	3,746	2,324	1,422	3,503	2,545	2,825	2,325
Total Income	215,454	213,446	2,008	213,446	213,446	213,446	213,446
Expenses							
Employee Costs	72,478	74,240	1,762	74,745	74,745	73,795	74,240
Materials, Contracts and Other Expenses	77,252	73,016	(4,236)	68,527	68,527	71,061	73,016
Sponsorships, Contributions and Donations	10,945	10,317	(628)	10,317	10,317	10,317	10,317
Depreciation, Amortisation and Impairment	52,287	54,864	2,577	57,264	57,264	57,264	54,864
Finance Costs	952	922	(30)	2,506	2,506	922	922
Total Expenses	213,914	213,359	(555)	213,359	213,359	213,359	213,359
Operating Surplus / (Deficit)	1,540	87	1,453	87	87	87	87
Capital Program							
Capital Expenditure on Renewal & Replacement of Existing Assets	36,157	45,201	9,044	46,889	53,447	50,114	45,201
Capital Expenditure on New and Upgraded Assets	21,123	26,441	5,318	53,136	52,739	44,155	26,441
Total Capital Expenditure	57,280	71,642	14,362	100,025	106,185	94,269	71,642
Amounts received for New and Upgraded Assets	6,695	11,749	(5,054)	14,932	22,622	11,535	11,749

2022-23 Preliminary Results

- The preliminary end of year operating position as at 30 June 2023 is an operating surplus of \$1.54 million, which is \$1.45 million better when compared to the Quarter 3 adopted budget of \$87,000 operating surplus for this period.
- Favourable operating income position of \$215.5m against a budget of \$213.5 million due to:
 - \$4.1 million increased fees and charges from the progressive recovery of income, offset by reduced income from the Central Market Arcade during construction (\$1.6m).
 - \$1.4 million increase in other income due to the unwinding of 88 O'Connell Street discount \$0.7 million, in addition to the reimbursement of fees from Events and private works \$0.7 million.
 - Reduced Grants, Subsidies and Contributions of (\$2.1) million due to the timing of the recognition of Resilient Flood Mapping project (\$3.1 million now 23/24), offset by additional \$1.1 million recognition of City Deal funding and early payment of Federal Grant \$0.2 million.
- Unfavourable operating expenditure of (\$0.6) million primarily due to:
 - Additional spend in resource costs of (\$0.4) million from temporary labour force backfilling in addition to an increase in employee provisions (\$1.2) million.
 - Additional spend in utilities (\$0.6) million, conversion of library books from assets to inventory (\$0.6) million, Event Reinstatements (\$0.6) million, Legal Services (\$0.5) million, maintenance (\$0.4) million, and WIP provision (\$0.3) million.
 - \$2.6 million of savings in depreciation of due to the recalculation of useful lives of Buildings as well as the impact of a number of capital projects continuing into 2023-24.
- The annual capital expenditure of \$57.3 million is \$14.4 million lower than the Quarter 3 adopted budget of \$71.6 million. 166 projects reached practical completion in 2022-23.
- Amounts received for new and upgraded assets of \$6.7 million was (\$5.1) million unfavourable due to the timing of the treatment and recognition of grant funding including (\$2.7) million City Deal funding (\$1.3 million recognised within operating income), and Paxton's Walk (\$0.4) million.
- As at 30 June 2023, Council had borrowings of \$7.5 million, and \$10.6 million in a short-term deposit in relation to grant income received in advance.

*Preliminary End of Year Results

Financial Indicators

A range of financial indicators have been included to support Council’s strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long Term Financial Plan (LTFP).

The table below provides information on the key financial indicators, and how Council is performing against those indicators.

Financial Indicator	Explanation	Target	2022-23 Adopted	2022-23 Q1	2022-23 Q2	2022-23 Q3	2022-23 Prelim*
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0%	0%	0%	0%	0.7%
Net Financial Liabilities	Financial liabilities as a percentage of operating income	Less than 80%	10%	5%	5%	-4%	33%
Asset Sustainability Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	90%	90%	97%	88%	74%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	12%	8%	12%	3%	2.5%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	1.3%	1.4%	0.4%	0.4%	0.02%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.3	0.2	0.3	0.1	0.06
Cash Flow from Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	107%	103%	102%	105%	102%
Borrowings	Total borrowings	Within Prudential Limits (\$149M in 2022-23)	37.8	28.1	37.9	9.9	7.5
			24%	17%	23%	6%	2.5%
Operating Position	Operating Income less Expenditure	\$2M - \$10M	0.1	0.1	0.1	0.1	1.5

*Preliminary End of Year Results

Treasury Reporting

The tables below present the debt and cash investment information as required by Council's Treasury Policy.

- Table 1 shows the borrowing facilities taken out by Council. Borrowings as at 30 June 2023 are \$7.519 million.
- Table 2 shows cash invested by Council. Investments at 30 June 2023 are \$10.633 million
- Table 3 provides the Prudential Limit Ratios as outlined in Council's Treasury Policy.

Borrowings Facility	Available	Interest Type	Interest Rate	Borrowings Amount as at 30 June 2023	Change since previous report	Maturity Date
LGFA CAD 554	\$30m	Variable	5.35%	7,519,000	7,519,000	16/12/2023
LGFA CAD 555	\$70m	Variable	5.35%	-	-	15/06/2033

* 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.

Cash Investments	Available	Interest Type	Interest Rate	Investment Amount as at 30 June 2023	Change since previous report	Maturity Date
LGFA FT 61355	\$10.6m	Fixed	4.45%	10,632,901	10,632,901	15/09/2023

Prudential Limit Ratio	Comments	Limits	YTD Actual to June 2023
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	0.02%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy)	Max 1.5 years	0.06
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 50%	2%

Visitor Information



Subsidiary Reports

Subsidiaries

Subsidiary Quarterly Reports are provided as attachments to this report.

Adelaide Central Market Authority (ACMA)

With over 70 traders under one roof, the Adelaide Central Market is one of the largest undercover fresh produce markets in the Southern Hemisphere, buzzing with life and colour all year round. The Adelaide Central Market remains Adelaide's premier food destination for multicultural cuisine and fresh produce.

Adelaide Economic Development Agency (AEDA)

Working closely with businesses, industry groups, state government agencies and other relevant organisations, AEDA delivers a range of programs designed to stimulate the city's economic growth with a focus on business growth, investment attraction, growing our visitor economy, residential growth, marketing the city as a whole and promoting Rundle Mall as Adelaide's premier shopping destination.

Kadaltilla / Adelaide Park Lands Authority

The City of Adelaide has long recognised the value of the Adelaide Park Lands to the city, state and its inhabitants. Since 2005 the Park Lands have received protection when the State Government passed the Adelaide Park Lands Act 2005 (SA). The Kadaltilla / Adelaide Park Lands Authority is principally an advisory body on Park Lands matters which also prepares the Adelaide Park Lands Management Strategy.

Brownhill and Keswick Creeks Stormwater Board

The Brown Hill Creek Stormwater Project has been a collaborative undertaking by the catchment councils to develop a Stormwater Management Plan (SMP). The scope and complexity of the plan are such that it could only be delivered effectively and efficiently by the five councils working collaboratively through a single entity. The Councils have therefore established the Brown Hill and Keswick Creeks Stormwater Board as a regional subsidiary to co-ordinate delivery of the SMP. Implementation of the plan will mitigate serious flood risks and help safeguard properties across the catchment.



Adelaide Central Market Authority

Page 74

QUARTERLY UPDATE
July 2023



Attachment B

Financial Reporting – June 2023

\$'000s	2021-22 Actuals	2022-23 Preliminary Results	2022-23 Q3 Review	Variance
Income				
User Charges	4,146	4,647	4,311	336
Other Revenue	136	128	66	62
Total Income	4,282	4,775	4,377	398
Expenditure				
Employee Costs	967	1,107	1,192	85
Materials, Contracts & Other Expenses	3,458	3,544	3,600	56
Depreciation, Amortisation & Impairment	3	39	-	(39)
Finance Costs	-	2	2	-
Total Expenditure	4,428	4,692	4,794	102
Operating Surplus / (Deficit)	(146)	83	(417)	500

Financial Reporting Commentary:

- Leasing occupancy rate at 98% YTD 22/23 has contributed to favourable income user charges

Emerging Risks

- Increase cost of trader electricity by 31% on 1 July 2023
- Car parking bays reduced by 250 from 22 May 2023 for Market Square construction which will be reinstated upon completion in 2026. Additional parking provided at Andrew Street. Review parking capacity after July school holiday period.



Adelaide Central
Market Authority

Debtors Summary

Financial Year	Total Arrears	Current	%	30 Days	%	60 Days	%	90+ Days	%
2022/23	-\$ 249	\$ 990	-397%	\$ 0	0%	-\$ 1,239	497%	\$ -	0%

Leasing Update

APRIL TO JUNE LEASING

Total number of Market stalls is 73

Occupancy as at 30 June 2023 is 98%

Renewals	4
New	0
Assignments	0
Holdovers (2 renewed by 7/7)	6
Vacancies (Stall 12 - lease offer accepted)	1

Strategic Actions

Jun-23			
Strategic Actions	COMPLETED	C'FWD 2023/24	C'FWD MARKET EXPANSION
OUR CUSTOMERS	11	0	0
OUR TRADERS	7	0	1
OUR BUSINESS	8	0	1
OUR COMMUNITY	6	0	0
OUR INFRASTRUCTURE	4	1	2
	36	1	4
	88%	2%	10%

Commentary for Carry Forward Strategic Actions:

- Market Expansion has 4 carry forward actions relating to finalisation of One Market retail mix, updated LTF, upgrade of lease administration software and feasibility for additional car park bays.
- Infrastructure action relations to trader cool room and storage project.

ACMA Highlights Quarter 4

April 2023	Strategic Pillar (ACMA/CoA)
Delivered Easter marketing program and campaign with increased visitation of 10%.	Customers / Thriving Community
Delivered school holidays program with 750 kids participating in the Market Trail and 139 in Little Market Chefs and a free drop-in Lego workshop.	Customers / Thriving Community
Touch-free filtered water station installed in southwest corner, including refillable water bowl for assistance dogs	Community / Dynamic City Culture
New stall, Smiley's Tuckshop opened on 26 April. See more here .	Traders / Strong Economies
The Eastern roadway was activated with Adelaide's Famous Poffertjes Parlour pop up for all of April.	Business / Strong Economies

May 2023	Strategic Pillar (ACMA/CoA)
Tasting Australia associated event including a ticketed self-guided tour.	Customers / Thriving Community
National Reconciliation Week was acknowledged through in Market banners, Something Wild profile across digital media and free colouring in for kids.	Community / Dynamic City Culture
History Festival was celebrated with 3 guided tours in Market.	Community / Dynamic City Culture
Trader Advisory Group meetings held 9 May 2023.	Traders / Strong Economies
The UPark configuration saw an extensive communications plan including in Market signage, digital, advertising and trader comms.	Business / Strong Economies

● Customers
 ● Community
 ● Traders
 ● Business



Adelaide Central
Market Authority



ACMA Highlights Quarter 4

June 2023	Strategic Pillar (ACMA/CoA)
Tunes in Junes and Winter Weekends event every Friday night in June. Free live music and pop-up wine bar, fire pits and performers. See more here and here .	Customers / Thriving Community
Live outside broadcast with SAFM on 16 June 2023.	Customers / Thriving Community
Installation of new artwork at the southwest entrance from Gouger Street. The installation features Market words translated to Kaurna language.	Community / Dynamic City Culture
Trader Information Session - Market Expansion and Market Square Development held on 1 June. Trader Representative Committee meetings held 8 June.	Traders / Strong Economies
End of year debtors less than \$1k and stall occupancy at 98%	Business / Strong Economies

● Customers
 ● Community
 ● Traders
 ● Business



Adelaide Central
Market Authority



ACMA Highlights Q4

May – UPark Communications

April – Smiley's Opening



Page 78

June – Kaurna Steps



June – Tunes in June & Winter Weekends



Adelaide Central Market Authority

Upcoming Quarter

- Deliver July Bastille Day event and Sustainable September program
- Deliver school holiday program including Market Trail and Little Market Chefs
- Market Expansion – installation of external hoarding project & establishing retail leasing resources
- Launch tourism podcast & deliver tram wrap
- Establish new trader group format

Objectives and Purpose ACMA Charter 2022

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.



Adelaide Economic Development Agency – Quarterly Update

Greg Ratsch, Acting Managing Director AEDA

September 2023



Financial Reporting – June 2023

\$'000s	2022-23 Preliminary Results	2022-23 Q3 Review	Variance
Income			
Rundle Mall Separate Rate	3,889	3,900	(11)
User Charges	560	18	542
Reimbursements	7	-	7
Other Revenue	11	-	11
Grants, Subsidies and Contributions (including Appropriation of funds from CoA)	9,970	10,893	(923)
Total Income	14,437	14,812	548
Expenditure			
Employee Costs	4,165	4,379	214
Materials, Contracts & Other Expenses	5,636	5,026	(610)
Sponsorships, Contributions and Donations	4,434	5,382	948
Depreciation, Amortisation & Impairment	33	25	(8)
Finance Costs	0	1	0
Total Expenditure	14,268	14,812	544
Operating Surplus / (Deficit)	169	-	169

As shown in the financials table, a favourable variance was recognised in Rundle Mall of \$169k. A lesser contribution of \$9,953k was required from the City of Adelaide due to the underspend in Strategic and Reignite Projects as outlined below:

Income

Overall, the favourable variance of \$548k was due to:

- Rundle Mall rates results in a variation of (\$11k) due to objections above budget
- The main contributing factor to the user charges variance was Rundle Mall's concession income (favourable user charges, which is over and above the income from the levy) for the financial year which totalled \$390k. No concession income was budgeted in the 22/23 financial year, hence the variance. This has been budgeted for in the 2023/24 budget
- Other income variances included income made up of \$69k from the Visitor Information Conference, \$52k from AEDA Summit ticket sales, \$40k income from ADL Fashion Week, \$20k from WellFest ticket sales and \$15k from other minor reimbursements and sale.

Expenditure

Overall, AEDA had a favourable variance of \$544k which was predominantly from variances in Strategic and Reignite Projects:

- Reignite projects had an underspend of \$373k due to factors such as successful applicants of the Shopfront Improvement Grants no longer proceeding with their projects. \$97k of this variance comes from the Vacant Tenancy Revitalisation program which is administered by City of Adelaide's City Culture program
- Strategic Projects had a combined underspend of \$478k, the majority of this underspend came from the sponsorship to expand city events and new major city events, which is the result of fewer applications received than anticipated and the funding recommendations of the Board.

Risks & Opportunities

Risks

- Continued rising interest rates and cost of living pressures decreasing disposable income that can be spent in city businesses
- Tight labour market and workforce skills mismatch with emerging city opportunities
- Lack of residential accommodation for key workers, new arrivals and students
- The impact of the Commonwealth Government's announcement of flexible working arrangements on workers in the city and the flow on effect of that
- Increasing construction costs and potential associated impact on capital projects
- Staff attraction and retention
- Board continuity.

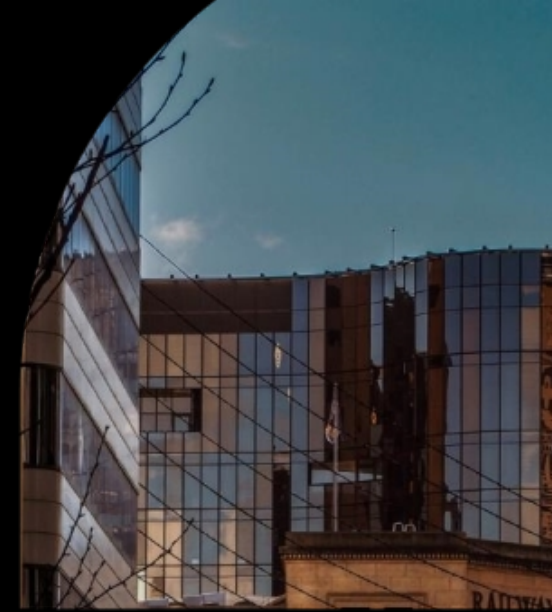
Opportunities

- Leveraging off and continuing to grow the increase of market share Rundle Mall has experienced over the last two quarters
- The development of AEDA's Strategic Plan to inform the strategic direction and the key initiatives required to support the growth of the city economy over the next 4 years
- Opportunities to review and implement the findings of the KPMG & Deloitte reviews to increase AEDA's impact and efficiency
- Opportunities to increase events and activations across the city.



AEDA Business Plan & Budget Measurements

Q4 2022/23



Summary

The 2022/23 AEDA Business Plan & Budget included **34 measures across four Key Result Areas:**

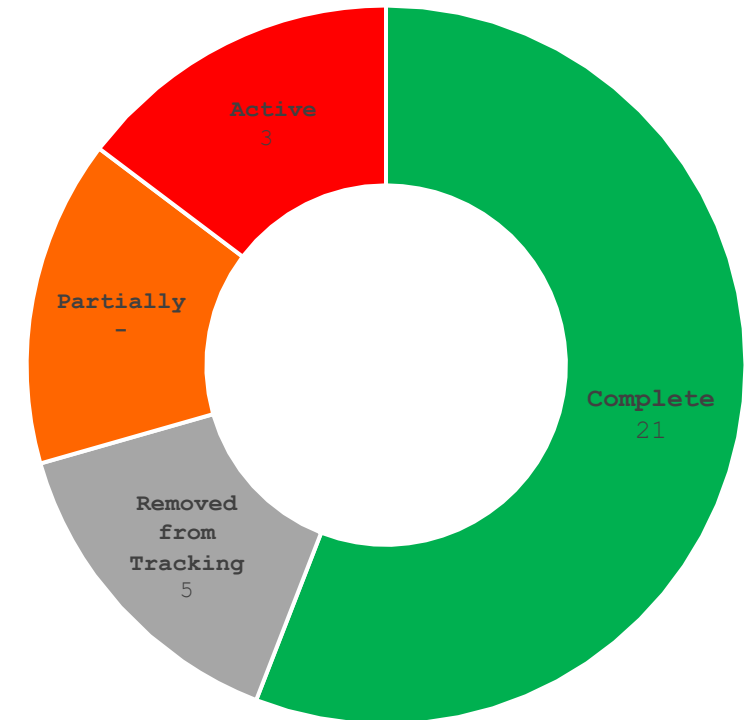
Business, Investment & Residential Growth; Visitor Economy; Rundle Mall, and; Brand & Marketing.

Between Q1 (1 July 2022) to Q4 (30 June 2023), the below have been achieved:

- 21 measures have been 'Complete';
- 5 measures are 'Partially complete', as some progress has been made towards the target but we are not tracking ahead of the pro-rata benchmark;
- 3 measures are 'Active' which means work is being done towards the target but no numerical figure towards the target has been recorded, and;
- 5 measures have been removed from tracking

Key Terminology:

- ✓ **Complete:** the measure has been achieved or surpassed
- 📊 **On track:** pro-rata the measure is tracking ahead or in-line with the target
- 🔒 **Partially complete:** some progress has been made towards the target
- 🚧 **Active:** actions are being undertaken to work towards the goal



Visitor Economy

Key Performance Indicator	Status	Measure	Actual	Difference	Comment
Launch of the Adelaide Tourism Alliance with 20 partners					Due to the current SATC State Regional Tourism Review this KPI is no longer relevant for this FY. However, AEDA has provided support for 10 operators to develop 14 new tourism products.
Collaborate with trade partners to deliver 4 intrastate / interstate campaigns	Complete	4	5	+1	Trip Advisor partnership, in conjunction with SATC. Campaign results will be available end of July for reporting.
Delivery of new Experience Adelaide Visitor Centre on time and within budget	Active	\$4m	-	-	Due diligence undertaken on capex and operating models. Discussions with State Library continuing.
SATC 2025 Adelaide metro region tourism expenditure target \$5.9b					As of year ending March 2023, visitor spending was \$4.9 for Adelaide metro region.
SATC 2025 State tourism expenditure target \$10b					As of year ending March 2023, visitor spending was \$9.4 for Adelaide region.

Business, Investment & Residential Growth

Key Performance Indicator	Status	Measure	Actual	Difference	Comment
500+ businesses participate in business support & growth initiatives	Complete	500	918	418	Measured through <i>Business SA Partnership</i> as well as the <i>Business Investment Advisor</i> and <i>Business & Industry Engagement Advisor</i> support and mentorship and attendance at AEDA hosted events
20+ vacant shopfronts/premises activated	Complete	20	20		<i>Cherry Specialist Coffee, Perfect Cup, Orchard Bookshop</i> and <i>Little Tokyo</i> (assisted with grants) as well as <i>Renew Adelaide</i> placing 15 ventures into vacant shopfronts between Q1-Q4.
At least 15 inward investment proposals supported (collectively employing 1,000+ staff)	Complete	15	78	58	Strong opportunities for Purpose Built Student Accommodation. Attendance at <i>Retail Property Marketplace</i> in Melbourne created multiple leads. In FY ending 2022, the city experienced the highest workforce growth it has seen in the past two decades (20 years), with approximately an extra 12,000 employees bring the total workforce to over 150,000. Throughout 2022/23 the Welcome to Adelaide program, AEDA assisted 25 firms and approximately 1,200 (1185) staff in their transition to working in the City of Adelaide.
One AAA Visual Effects (VFX) company committed to Adelaide	Complete	1	2	1	<i>KeyWords Studio</i> officially launched their new presence at 99 Gawler Place on 30 March 2023 <i>Big Ant</i> officially launched their new presence at 25 Franklin Street on 6 April 2023. Their upcoming AFL 23 and Cricket 24 games will create 60 new jobs
Deliver a strengthened / reshaped precinct model	Active	-	-	-	Delayed pending outcomes of AEDA Reviews.
CoA residential population target forecast at 2030 of 40,994	Active	40,994	36,941	-	<i>Forecast.id's</i> population forecast for CoA in 2030 was revised from 37,846 to 36,941 people (as of March 2023). The forecasts were updated using the 2021 Census data from the <i>ABS</i> .

Rundle Mall

Key Performance Indicator	Status	Measure	Actual	Difference	Comment
Passer-by traffic at least 90% of 2019	Complete	90%	90%	-	
Market share Moving Annual Total (MAT) maintained above 5.5% for main trade area	Complete	5.5%	5.5%	-	Annualised Market Share reached 5.5% by 30 June 2023
Deliver 1 x brand reputation (consumer) research and share with stakeholders	Complete	1	1	-	Completed with Rundle Mall place Vision and Precinct Roadmap project
Deliver 1 x brand context (competitor) research and share with stakeholders	Complete	1	1	-	
Increase average monthly website users to 35K (2.4% increase on 2021)	Complete	35,000	44,409	+9409	Monthly website users average increased by 30% from previous FY.
Increase average monthly pageviews to 71K (4% increase on 2021)	Complete	71,000	96,115	+25,115	
Increase Instagram followers +12% to 32.5K	Partially-complete	32,500	32,206	-294	Instagram follower acquisition slowed in Q4 due to a vacancy in the Marketing and Content Coordinator role for Rundle Mall.
Increase Facebook followers +10% to 65K	Partially-complete	65,000	63,694	-1,306	Instagram engagement rate remained high over the whole FY.
Instagram engagement rate of 4%	Complete	4.0%	4.85%	+0.85%	Facebook engagement rate is above industry averages for pages with this amount of followers.
Facebook engagement of 1%	Partially-complete	1.0%	0.8%	-0.2%	
Welcome Packs provided to 750+ new city workers which include Rundle Mall vouchers	Complete	750	1185	+425	
3 significant retail brands committed to Adelaide	Complete	3	7	+4	<i>Sheike, JD Sports, Uniqlo, Windsor Smith, Tag Heuer, Kookai and Nude Lucy.</i>

Brand & Marketing

Key Performance Indicator	Status	Measure	Actual	Difference	Comment
Define and implement success measures for all marketing campaigns	Complete	1	-	-	Post campaign reports including measures have been compiled for all marketing campaigns
Media coverage of at least four thought leadership pieces	Complete	4	10	+6	Across multiple channels such as the Advertiser, InDaily, television and news radio
Facebook 25% growth	Complete	35,101	37,909	+2,808	Facebook followers grew by 44% over the FY.
Instagram 30% growth	Complete	12,026	14,500	+2,474	Instagram followers grew by 72% over the FY.
Twitter 40% growth					Following a review of the content strategy, Twitter was removed as a primary social media platform.
LinkedIn 40% growth	Complete	2,986	4,317	+1,331	LinkedIn followers grew by 241% over the FY.
What's On EDM 10% growth	Partially-complete	171,623	162,018	-9,605	What's On subscribers grew by 4.9%. Last FY there were significant subscriber gains from the City Eats 25,000 \$30 vouchers campaign.
City Business EDM 20% growth	Complete	8,738	8,752	+14	City Business subscribers grew by 25%.
Increase Experience Adelaide website page views by 10%	Complete	1,923,131	1,992,288	+69,157	Combined Experience Adelaide site and AEDA site traffic objective was achieved. The two sites were split half way through this FY. Traffic will be benchmarked separately from 23/24 FY onwards
Increase Experience Adelaide time on site by 10% (from 42.3 average seconds)					No longer utilising time on site as an indication of success, instead reviewing other metrics
Digital Marketplace / byADL onboard 300 businesses to the platform	Partially-complete	300	88	-212	Negotiations in regards an early transition of byADL from AEDA to Arcadier underway.

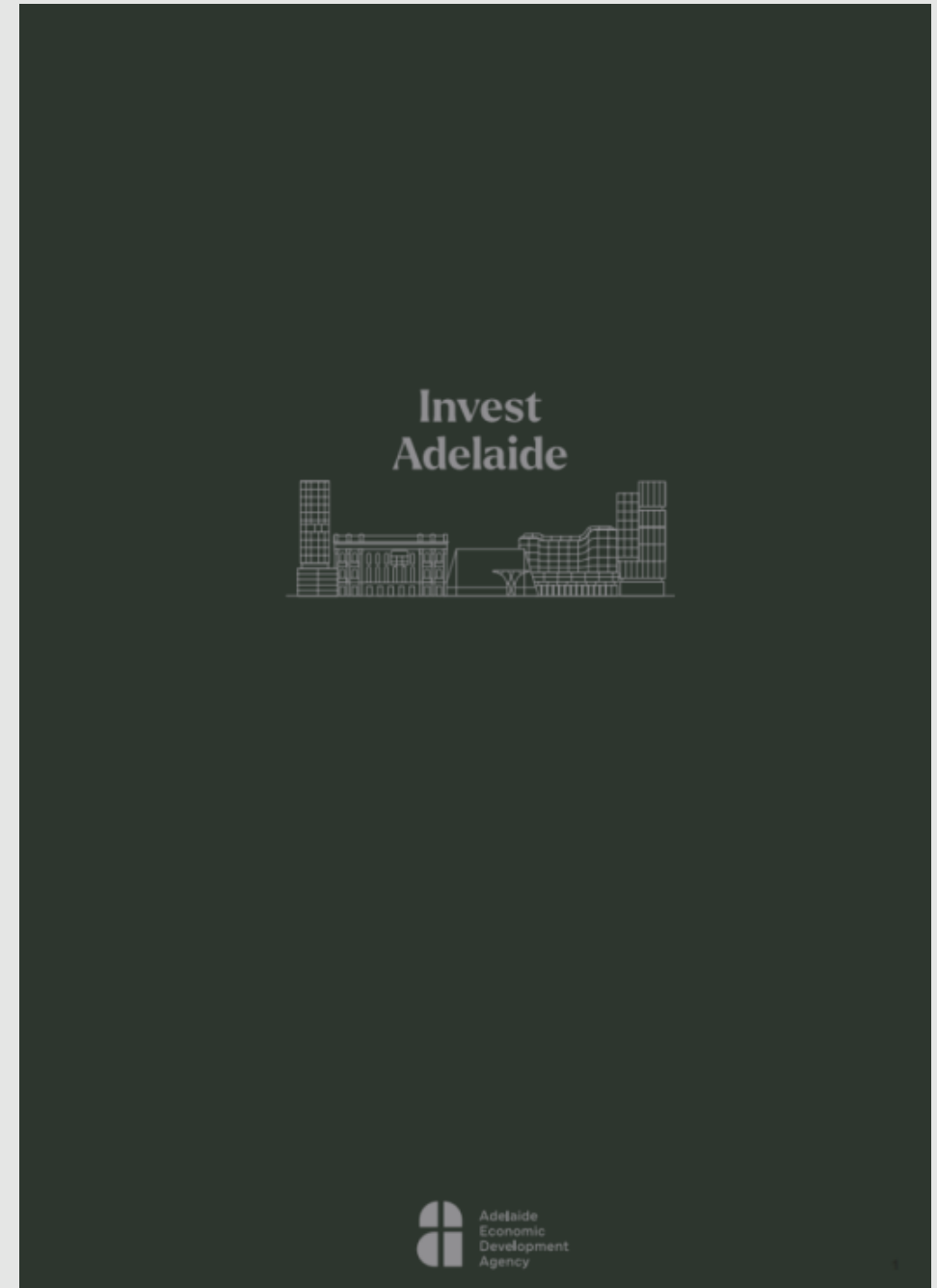
Key Highlights – April – June 2023

- Investment Prospectus & Campaign
- Destination Adelaide Campaign (Stage 2)
- Frida & Diego Citywide Trail
- South Australian Visitor Information Conference
- Tourism Partnership Campaigns
- Events and Festival Funding
- Economic Development Award Finalist
- AEDA Summit
- Data & Insights
- Strategic Partnership Achievements
- Welcome to Adelaide
- Shopfront Improvement Grants
- Games Plus Support Program
- Investment Leads Managed
- Rundle Mall Place Vision, Foot Traffic and Retail Expenditure
- Rundle Mall Activations
- Urban Kitchen



Investment Prospectus & Campaign

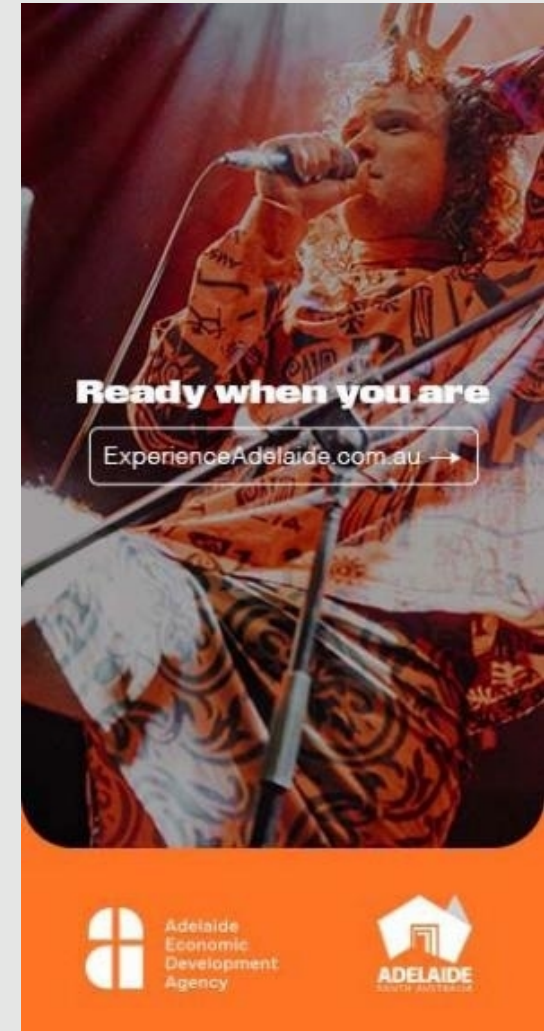
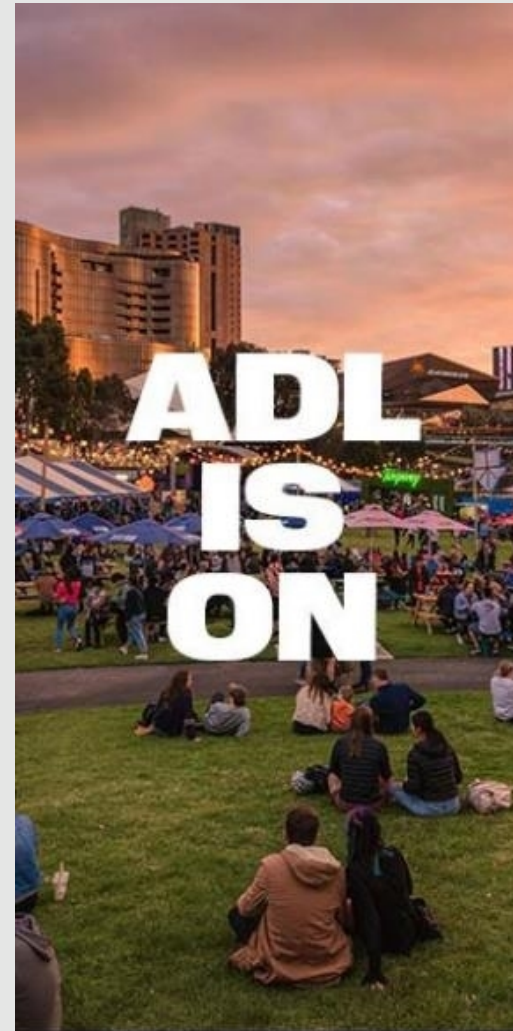
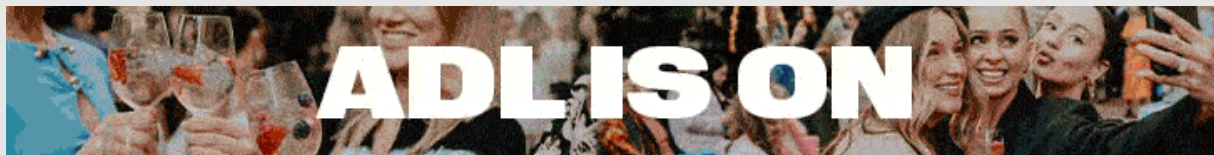
- Released at the AEDA Summit in May, the Investment Prospectus includes a printed 'Invest Adelaide' document, [website landing page](#) and presentation deck. The prospectus is a tool for AEDA and the wider business community to use to showcase the benefits of doing business in the city from financial to lifestyle. It was produced in consultation with government and private industry.
- A digitally-led campaign launched in the same week, targeting business leaders looking to start or expand their business, with a focus on the city's growth industry sectors. A [hero campaign video](#) complements the other assets. The campaign is in market now, with a series of measures including tracking investment leads via clicks to the website and prospectus downloads.



Destination Adelaide Campaign – Phase 2

- The ADL IS ON campaign's second stage ran until the end of June. It focuses on festivals and events beyond the summer period and complements the South Australian Tourism Commission's (SATC) digital 'loves a party' marketing campaign
- The lead creative includes a [video](#) with conversions directing audiences to the [landing page](#) to generate leads for city businesses
- Full campaign results to be reported next quarter.

Page 91



Adelaide
Economic
Development
Agency



Frida & Diego Citywide Trail

- Working with the Art Gallery of South Australia (AGSA) to leverage their 'Frida & Diego: Love and Revolution' exhibition which is exclusive to Adelaide, AEDA engaged with city businesses to create a citywide trail. The trail consisted of 27 activities or events inspired by the exhibition to harness the Frida excitement and encourage visitors to explore the city further. A trail highlight is 'Frida's Blue House' in Rundle Mall, modelled after the attraction in Mexico City
- Promotion is via an inter and intrastate Trip Advisor campaign, paid social media campaign, trail maps handed out at the exhibition, city dressing, and signage, with a dedicated landing page on [Experience Adelaide](#). The campaign is in market from June to September. Results will be shared at campaign conclusion.

FRIDA & DIEGO

Experience the trail here

FRIDA & DIEGO CITY TRAIL

24 June - 17 September

Rundle Mall Adelaide City Council AGSA

Visitor Information Centre

SAVINC Conference

- AEDA, the City of Adelaide and the South Australian Tourism Commission welcomed more than 50 delegates from 43 visitor information centres across the state for the 2023 South Australian Visitor Information Centre Conference



Volunteer Training

- Engaged an external provider to run a training session for volunteers on storytelling and customer service. The training was offered in collaboration with other Visitor Information Centres including Port Adelaide and Gawler. It better equips volunteers to provide visitors with the best possible advice and experience.

Visitor Information Centre Visitation Numbers

April – 2,439

May – 2,796

June – 1,890

Full year is 31,086
(compared to 17,479 in
2021/22)

South Australian
Visitor Information Centre Conference

Delegate Guide

29 – 31 May 2023
Adelaide



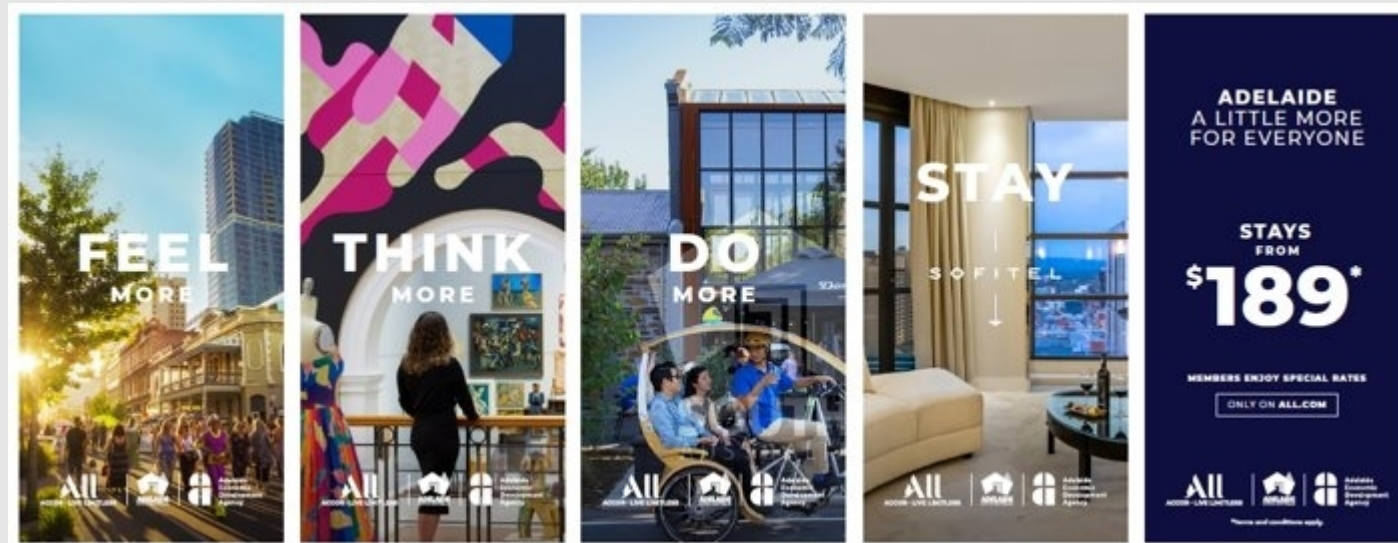
Tourism Partnership Campaigns

- Expedia's Wotif brand was used to promote overnight stays in the city and support visitation to attractions, experiences and hospitality. 3.7k room nights which generated US\$716k in gross booking revenue. All sales directly attributed to the campaign ads



Page 94

- Accor Australia was used to leverage SATC's relationship to achieve 100% city-based messaging through the campaign that ran from 5 December to 1 February. It promoted overnight stays and supported visitation to attractions, experience and hospitality. 24,739 room nights and \$7m+ revenue generated with 87% of room nights for Adelaide CBD property. Paid media ROI \$53 with a cost per acquisition of \$13.



Event & Festival Funding

Strategic Events Fund

The Strategic Events Fund closed for submissions on 31 March 2023. Since 1 July 2022:

- 9 applications were received in the **New Events** category of which:
 - 7 applications were awarded funding totalling \$315,000 (2 requests were approved during this quarter)
 - 2 applications deemed ineligible
- 16 applications were received in the **Expansion of Existing Events** category of which:
 - 10 applicants were awarded funding totalling \$228,000
 - 3 applications unsuccessful
 - 1 application deemed ineligible
 - 2 applications withdrawn

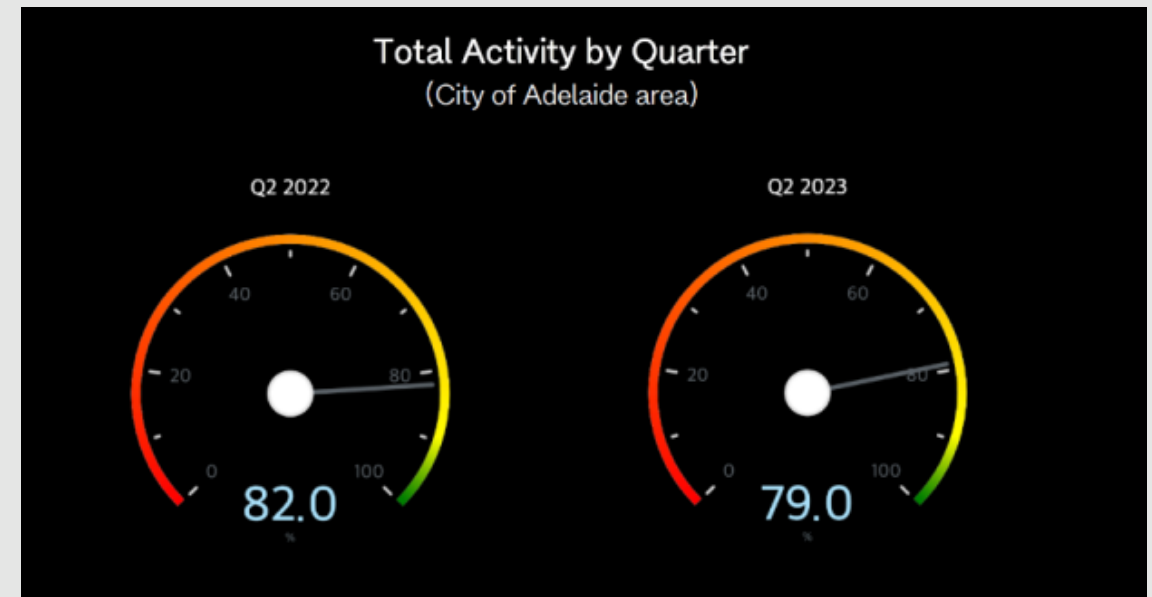
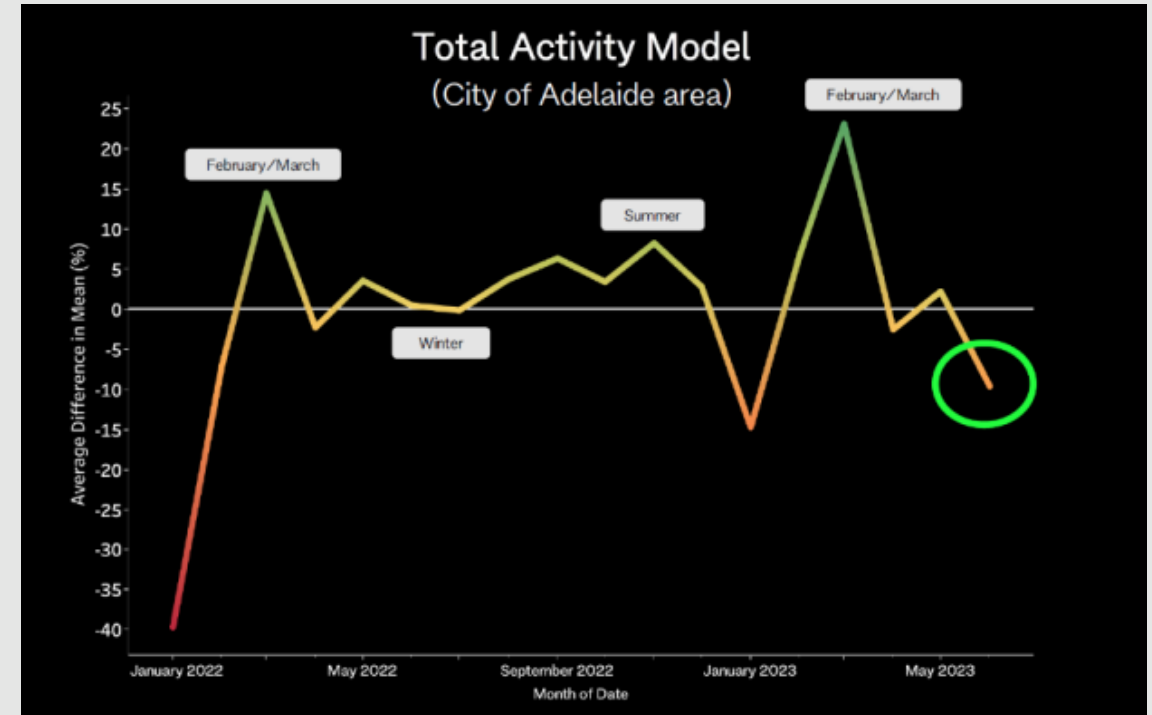
2023/24 Events and Festivals Sponsorship Program

- Applications for funding closed on 21 April 2023
- A total of 9 applications were received of which one was deemed ineligible and did not progress to assessment
- Funding recommendations for eligible applications were presented and discussed by the AEDA Board at its meeting on 30 May 2023
- The Board recommended \$175,000 be allocated to 5 different events
- The Board's funding decisions were presented to Council's Finance and Governance Committee on 20 June 2023 and Council on 27 June 2023. No changes were made to the recommendations presented which resulted in 5 events being approved for partial funding.



EDA Award Finalist

- AEDA was been shortlisted as a finalist in the Economic Development Strategic Thinking category of the 2023 National Economic Development Awards for Excellence. The successful submission focuses on the development of an Economic Activity Barometer.
- The Activity Barometer models several activity variables into one overall visual. The tool uses data from daily foot-traffic, public transport validations, on-and-off streetcar parking, e-scooter trips, and expenditure categories to create an overall activity score and visualisation. As every individual interacts with their city in a unique way, the Activity Barometer encompasses this and accounts for all users.
- This initiative sets the Council apart as a leader in evidence-based decision-making. By adopting the development of this innovative tool, the City of Adelaide is better able to track and evaluate economic development initiatives to inform policymaking and economic initiatives.



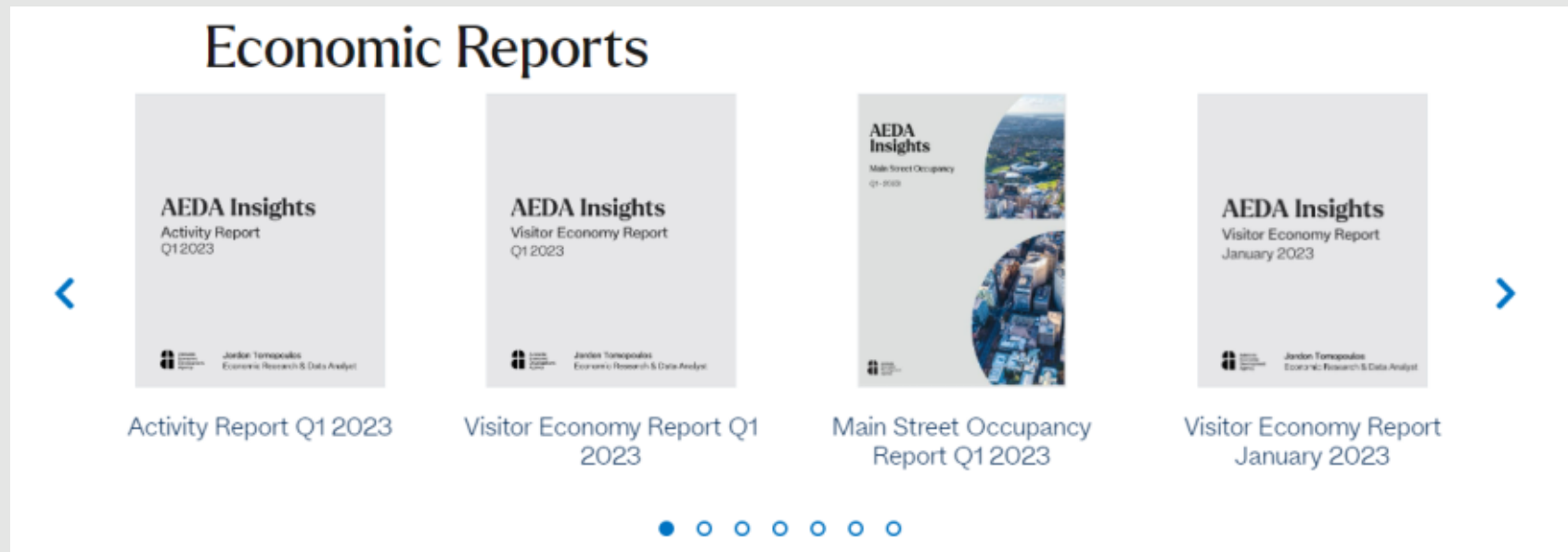
AEDA Summit

- The 2023 AEDA Business Summit was held on 24 May at Adelaide Oval. Over 430 attended and heard from industry leaders in economics, commercial property, technology, events, entrepreneurship and education about how Adelaide can prosper. The post-event survey results indicated that 97% of attendees were extremely satisfied with the quality of speakers and the overall event.



Data & Insights

- As part of AEDA's role in sharing data and insights with city stakeholders, through the quarter AEDA developed and shared the:
 - Q1 Visitor Economy Report
 - Q1 Main Street Vacancy Report
 - April Visitor Economy Report
- These reports are also published on the [AEDA Website](#)



Strategic Partnership Achievements

Through AEDA's Strategic Partners, a number of outcomes have occurred during the quarter 4 period:

South Start

- SouthStart hosted their second activity Bowl-A-Palooza on 1 June with 75 attendees the event successfully brought together diverse and fostered collaboration, network expansion, and opportunity exploration in a relaxed environment.
- Through their media partnership [_SOUTHSTART//ODYSSEY](#) that took the form of an interstate media hosted program, SouthStart:
- Hosted a total of 11 media outlets, 9 representing national media outlets and two locals at [_SOUTHSTART](#)
- Generated 34 items of media editorial coverage (linked to the specific time period of the Hosted Media Program conversations)
- Across the coverage generated to date (linked to the Hosted Media Program) an audience reach* of more than 6.9M.



Page 99

Renew Adelaide

- Renew Adelaide opened two activations KSJ Consulting and Platinum Civil Construction at Level 1 Goldsbrough House, 172-174 North Terrace and Helen's Mini Worlds at Shop 2 Charles Street Plaza. Properties in the Myer Centre and in Gawler Place have been open for EOI. This brings their FY total of ventures launched via AEDA funding to 15.



Adelaide Business Events

- Hosted Member Networking Exchange 26 June at new refurbished Playford Adelaide (100+ attendees and attended by AEDA)
- Adelaide hosted AusMedtech 24-25 May (430 delegates)
- ABE attend Business Event Australia in Guangzhou, China to foster business events and corporate incentive buyers
- May was the busiest month Adelaide had experienced for delegate numbers



Welcome to Adelaide

- In quarter 4, the financial year target of supporting 1,000 new worked to the city was exceeded by 185. Supported firms included Canva and Mercer. Across April and May, these employees visited a UPark 278 times through the 'Welcome' UPark promotional offer. An Adelaide Central Market 'Welcome Brunch' cart was also provided for Mercer employees on their first day in the city office
- At the end of quarter 4, a total of 1185 Welcome to Adelaide bags were distributed via the program since July 2022 to the employees of 21 new firms to the city
- Marketing collateral and pack inclusions are currently being re-designed for the 2023/24 financial year to improve the look and experience for the employees receiving the Welcome Packs.



City-Wide Shopfront Improvement Grants

- The City-Wide Shopfront Improvement Grant program concluded on 30 June 2023. A total of 112 businesses completed projects since the program's commencement in 2022, with a combined project value of more than \$1 million with a \$670,000 investment of Council funds.
- In quarter 4, 36 projects were completed, with a combined total project cost of \$371,440 and an investment of \$238,000 of Council funds. The businesses contributed over \$133,000 towards the project costs.



Peter Rabbit, Before



Peter Rabbit, After



Handle Bar, After



Handle Bar, Before

Support & Investment Attraction for Gaming Sector

Games Plus Support Program

The Game Plus Support (GPS) Program is an initiative that aims to increase diversity and inclusivity in the games industry by providing supported desk space and community membership at Game Plus Adelaide. This pilot initiative has been running for the past 12 months

This initiative was designed to remove the barrier to entry for diverse groups, early career starters, and those changing careers into the video games industry

By offering free desk space, the GPS program has allowed individuals who might otherwise be excluded from the industry to gain access to valuable resources and build their professional networks.

Feedback from the 16 participants in the program was:

- 83.3% successfully achieved the milestones they set for the program
- 93.3% report increased confidence in their career success as result of your placement in the Game Plus Support Program
- 96.6% report feeling better connected to the South Australian Games Community as result of your placement in the Game Plus Support Program

Attraction of AAA Gaming Development Studio

- Big Ant officially launched their new presence at 25 Franklin Street on 6 April 2023
- Big Ant Studios are behind the upcoming AFL 23 and Cricket 24 games they will create 60 new jobs in the local industry with artist, programming and engineering jobs with plans for graduate training program later in the year.

Unwind Sponsorship

- Unwind is South Australia's meetup for both the local game development industry, and the community around it. It held is bi-monthly meet up and the May meeting was held at the Light Bar at Light Adelaide, attracting over 100 attendees.

Investment Leads Managed

- The development of AEDA's investment attraction plan outlines actions to reconnect with the market and to raise Adelaide's profile as an investment location through renewing pre COVID investor contacts, links and targeting new opportunities
- Throughout the quarter over 13 investment leads have been managed:
 - A number of leads are being managed from potential investors seeking to source sites for purpose-built student housing developments and managed accommodation
 - Engagement with Student Accommodation Association (SAA) regarding aligning the SAA objectives on national quality assurance with targeted investment attraction in this sector
 - Collaboration with the Italian Chamber of Commerce and Industry following their visit to Adelaide in a bid to attract Italian luxury retail brands to Adelaide
 - Assistance in accommodation searches and reporting on commercial property for 3 organisations seeking to establish alternative locations in the City
 - AEDA attended the Retail Property Marketplace event held in Melbourne on 21 June. The event provided opportunities to seek investment and business opportunities with a focus on national and international retail brands
 - Engagement with the Property Council Australia on adaptive re-use of commercial property for residential uses
 - Engagement with State Government 's Trade Envoy to South East Asia, Martin Haese to: make representations on investment opportunities in the City to peak industry groups and investors with established links to Adelaide in Singapore, Malaysia and broader Southeast Asia; identify and promote opportunities to engage new investors in those markets; and explore possible collaborations on inbound and outbound delegations.

Rundle Mall Place Vision and Precinct Road Map

- The Rundle Mall Place Vision and Precinct Roadmap project has been completed. This has been the most comprehensive strategic planning project undertaken on Rundle Mall since the 2011 Rundle Mall Masterplan. Through extensive engagement and consumer research, new place principles, imperatives and recommendations have been established for Rundle Mall. The new vision proposes a more holistic and culturally connected, retail and lifestyle experience for Rundle Mall visitors.

Rundle Mall Foot Traffic & Expenditure

- Following a heightened period of activity from multiple events, festivals, and activations, Rundle Mall has experienced some of the strongest total foot traffic numbers since 2019. May total foot traffic was the strongest result since December 2019. Rundle Mall businesses have benefited from this heightened activity with outstanding retail expenditure figures including record months for retail spend in March
- Annualised market share in Q4 increased to 5.5% This is now the second consecutive growth quarter which is also the first growth in market share since reporting began in 2017.

Page 104

March*

Foot Traffic for March

Total Traffic* | +5% March YoY

Passer-by Traffic** | +16% March YoY

Retail Spend

\$135.5M

+18% on March 2022

Overall Spend

\$423M

+20% on March 2022

*March data is being reported on in this quarterly report as it was only available as of April 2023

April

Foot Traffic for April

Total Traffic* | +29% April YoY

Passer-by Traffic** | +14% April YoY

Retail Spend

\$124M

+3% on April 2022

Overall Spend

\$384M

+10.5% on April 2022

May

Foot Traffic for May

Total Traffic* | +36 May YoY

Passer-by Traffic** | +15% May YoY

Retail Spend

\$122M

+1% on May 2022

Overall Spend

\$379M

+6% on May 2022

June

Foot Traffic for June

Total Traffic* | +24 June YoY

Passer-by Traffic** | +11% June YoY

Retail Spend

\$121M

+3% on June 2022

Overall Spend

\$362.7M

+6% on June 2022

* Total traffic describes the number of visitors to the main pedestrianised strip of Rundle Mall, each day. Total traffic is a relativistic score, to enable relative comparison. It is not an absolute measure of pedestrian traffic.

** Passer-by describes the total number of sensors triggered by the visitors passing through the Mall. It is influenced by the amount of time visitors spend in the Mall and how much they move around. Passer-by traffic is a score, to enable relative comparison, and is not an absolute measure of traffic.

Rundle Mall Activations

Urban Kitchen

Urban Kitchen returned for third year with an expanded program. Urban Kitchen is a 10-day SA food and wine experience in Rundle Mall and is an associated event run by AEDA as part of Tasting Australia.

The expanded program consisted of:

- 3 x 45 minute sessions per day with Callum Hann from Sprout Cooking School, with an additional 5.30pm session on both Friday nights to support late night trade.
- 2 x Koko Black masterclasses with renowned Head Chocolatier Remco Brigou
- 1 x d’Arenberg’s wine tasting class with Chief Winemaker Chester Osborn

Results:

- Sold out events - 1,080 tickets sold
- Partnered with Rundle Mall businesses – David Jones and Myer to provide all kitchenware for masterclasses, Charlesworth Nuts popped up at Urban Kitchen for 2-days and was a hero ingredient in masterclasses and H&M provided dedicated homewares offers for attendees
- 84% of event attendees visited Rundle Mall specifically for Urban Kitchen but 80% of attendees went on to shop and or dine after the session
- 99% of attendees would attend Urban Kitchen again, and 100% rated it 7 out of 10 or higher
- 91% of attendees would like to see more food and wine experiences in the Mall.

Gathered SA Markets

- Gathered Markets in the Mall launched in Rundle Mall on Mother’s Day Sunday 14 May, from 9 am to 5 pm, market-lovers were able to shop a range of fashion, homewares and other makers, as well as enjoy a selection of delicious food and drinks
- Total Foot traffic on Sunday 14th May was up 58% on equivalent date in 2022.
- Total Foot traffic week 8-14 May was up 43% on equivalent date in 2022.
- Gathered Markets on the Mall also was held on 11 June.



Rundle Mall Activations cont.

Sarah and Sebastian

- Sarah & Sebastian had taken their popular 'Soldered Experience' on the road around Australia. The 'Soldered Experience' is where attendees can have one of their signature chains soldered onto their wrist to create a permanent piece that stays with them for life.
- The activation saw Sarah & Sebastian come to the Mall with their customised shipping container, providing pre-booked appointments to attendees who would otherwise not have access to the unique service. General public also had access to the event and the opportunity to purchase jewellery onsite.
- A strong PR campaign for the container driving traffic, awareness and buzz around each of the unique locations.
- Adelaide sold out within a week going live online, Sarah & Sebastian extended for an extra week in Rundle Mall.

Gather Round

To support AFL Gather Round from Thursday 13 April through to Sunday 16 April, large-scale, multi-site activations across the length of the Mall took place from Tuesday 11 April in collaboration with AFL. This included:

- Gather Round goals posts at the entrance of the Mall
- Chemist Warehouse personalised 'AFL Record' photobooth activation
- Game day merch available at the AFL and rebel pop-up stores
- \$10 Puma vouchers handed out at the rebel inflatable handball stand
- 9.5-metre inflatable Sherrin football placed in the middle of the Gawler Place intersection, with one lucky competition winner given the opportunity to inflate the giant football
- During AFL Gather Round total traffic was up +30% vs. same time in 2022



Rundle Mall Activations cont.

LIV Golf

LIV Golf bought its supercharged, fast paced energy to Rundle Mall on Wednesday 19 April to Sunday 23 April with a series of golf themed activations including:

- A bar, with DJs spinning tunes daily
- Golf simulator
- Famous player appearances
- Live screen with all the action



Ampol State of Origin

To coincide with the Ampol State of Origin fans could stop and snap a picture with the Giant State of Origin Heads located outside H&M, had the opportunity to get up close with the State of Origin Shield and meet their favourite Rugby League legends.

The captains and coaches of the NSW Blues and QLD Maroons took centre stage under the Gawler Place Canopy for a live press conference.

Coming Up

What is happening from 1 July 2023 – 30 September 2023?

- Renew agreement with Games Plus to continuing to delivery of Games Plus Support Program including its cross promotion at AVCon
- SouthStart as part of Strategic Partnership will host “Angel Assembly” on 6 July at Lumen with Southern Angels. This event is to connect Investors who are looking to play a more active role in fuelling the success of Adelaide’s Start Ups
- Calls for new partnerships via our contestable Strategic Partnership Program processes to support the small business sector, specifically in the areas of start-ups, scale ups and business growth
- A Commercial Events and Festivals Sponsorship Program (\$500K) fund will be presented to Council in August developed for commercial event operators and private businesses and (\$100K). Funds to be allocated for internal use for the purpose of leveraging events to encourage visitors to spend extra days and nights in the city through marketing and promotion of associated activities
- Board consideration of the Rundle Mall Place Vision and Strategy on 25 July
- Initiation of capital projects; the Rundle Mall Sound System and James Place upgrades
- Gathered SA Markets return to Rundle Mall over winter
- Trumpet Flowers Installation in Gawler Place Canopy as part of Illuminate Adelaide City Lights Trail
- Launch of the WellFest Adelaide Program
- Delivery of the Meetings, Incentives, Conferences, Events (MICE) Operator Support Program
- Launch of ADL Fashion Week

Kadaltilla

Adelaide Park Lands Authority

Quarterly Update
April to June 2023

Kadaltilla
Adelaide Park Lands Authority



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 / Adelaide 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.

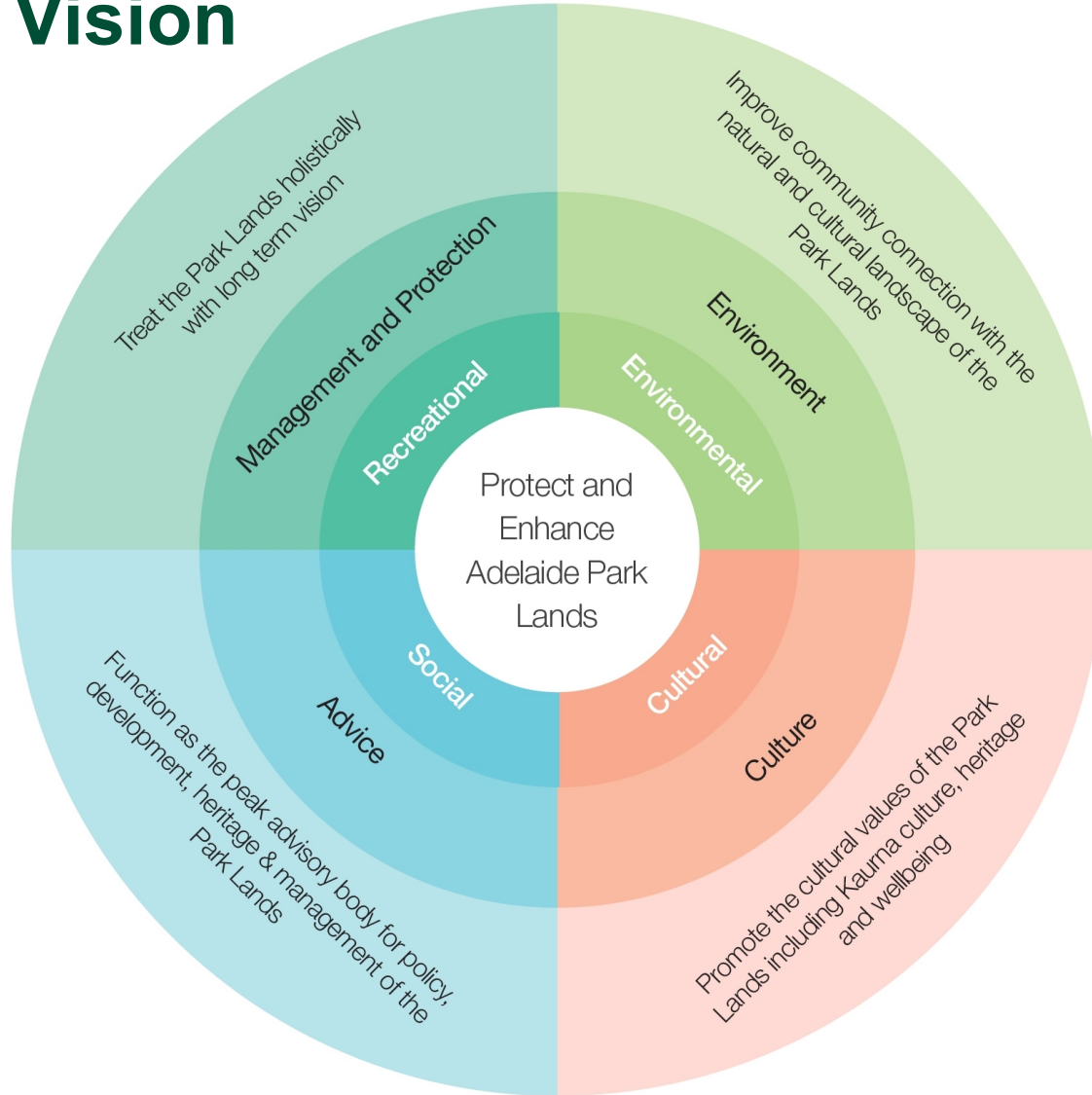
The Council, on behalf of the communities of the City of Adelaide and the State, is committed to ensuring that Kadaltilla delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.

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 Activities

April to June 2023

- Continued the comprehensive review of Adelaide Park Lands Management Strategy 2015-2025 (APLMS), including:
 - Delivery of stage 1 working draft document
 - Delivery of digital version working draft
- Consulted with the Minister for Planning to rebranding the Authority to 'Kadaltilla / Adelaide Park Lands Authority'
- Delivered the Kadaltilla 2023/2024 Business Plan and Budget



Strategic Plan 2020-2025

Key Actions April to June 2023

Culture

- 1.5 Support the development of World Heritage listing nomination
- Added to the Kadaltilla Board Meeting agenda as a standing item

Environment

- 2.1 Define, protect, and enhance landscape values and design qualities
- Workshopped defining and Identifying Alienation of Park Lands

Management and Protection

- 3.1 Review and improve the Adelaide Park Lands Management Strategy 2015-2025 (APLMS) which includes prioritisation of projects
- Comprehensive review is ongoing



Strategic Plan 2020-2025

Key Actions April to June 2023

Advice

4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands

- Advice of Kadaltilla is endorsed and adopted

4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies

- Supported the draft Park Lands Lease and Licence Policy

4.4 Strengthen Kadaltilla's engagement with City of Adelaide, State Government and adjoining Councils

- Monthly meeting of the joint local government, State Government, and Kaurna representatives Project Steering Committee for the Adelaide Park Lands Management Strategy 2015-2025 review



Kadaltilla Advice to Council

April to June 2023

- Support for the draft Park Lands Lease and Licence Policy
- Endorsement of the draft Victoria Park / Pakapakanthi (Park 16) Master Plan for the purposes of Council undertaking community consultation
- Recommendation to consider a reduction in the size of all Adelaide Aquatic Centre Redevelopment hard stand areas and the number of carparks, recommendation that all measures be taken to reduce the potential loss of up to 15 significant and /or regulated trees, and request of a commitment from the Department for Infrastructure and Transport to a net increase in the tree canopy in the area of the proposed lease



Kadaltilla Advice to Council

April to June 2023

- Authorisation for Administration to formalise Kadaltilla's workshop feedback into a draft submission from Kadaltilla on the draft Victoria Park / Pakapakanthi Master Plan
- Approval of the updated Kadaltilla Code of Practice
- Authorisation for the Presiding Member to write to the Chief Executive Officer of the South Australian Motor Sport Board on behalf of Kadaltilla with its feedback to the consultation on the proposed area for the World Solar Challenge 2023 event and the proposed period of time that works for the event will cover



2022-2023 Business Plan & Budget

April to June 2023

Performance Measures Addressed:

- Support for the development of a World Heritage listing nomination
- Kaurua culture is made intrinsic to everything we do
- A review of the Adelaide Park Lands Management Strategy is conducted which will include prioritisation of projects
- Meetings held with adjoining Councils to discuss the APLMS and other current Park Lands usage related policy
- Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme



2022-2023 Business Plan & Budget

April to June 2023

Performance Measures Addressed:

- The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter
- Received a State presentation on Park Lands planning and management related matters
- Advice of Kadaltilla is endorsed and adopted
- Kadaltilla makes appropriate use of available finances provided by Council
- Reviewed leasing and licensing and event management policies together with other relevant Park Lands use policies



Financial Summary

For the year ended 30 June 2023

\$'000	Preliminary Results	Annual Budget	Variance
Grants, Subsidies and Contributions	181	218	37
Materials, Contracts and Other Expenditure	181	218	37
Operating Surplus / (Deficit)	-	-	-

- For 2022/2023, Kadaltilla's budget of \$217,734 includes:
 - Sitting Fees and Salary (APLA Advisor) of \$165,283
 - Operations (e.g. insurance, audit and legal; community forum) of \$37,451
 - Grants (Adelaide Park Lands Art Prize Sponsorship) of \$15,000



Upcoming Quarter

Key Actions:

- Undertaking a Strategic Plan Annual Review workshop
- Embark on a site tour of Bonython Park / Tulya Warldli (Park 27)
- Drafting of the updated Adelaide Park Lands Management Plan
- Consult with the Minister for Planning to amend the Kadaltilla membership as per KYAC's request
- Delivery of the Kadaltilla 2022/2023 Annual Report
- Delivery of the Kadaltilla 2022/2023 Strategic Plan Annual Review of Progress



Upcoming Quarter

Forward Report Schedule:

- Adelaide Park Lands Management Strategy (APLMS)
- Rymill Park / Murlawirrapurka Kiosk
- Ellis Park / Tampawardli (Park 24) Sports Facilities
- Mary Lee Park (Park 27B) – Clubrooms Building Renewal
- North Adelaide Railway Station
- Kadaltilla 2022/2023 Annual Report
- Kadaltilla Strategic Plan Annual Review of Progress
- Kadaltilla 2023 Annual Community Forum
- Adelaide Aquatic Centre Update
- Update on the World Heritage Listing for the Adelaide Park Lands and Rural Settlement Landscapes



Thank You.

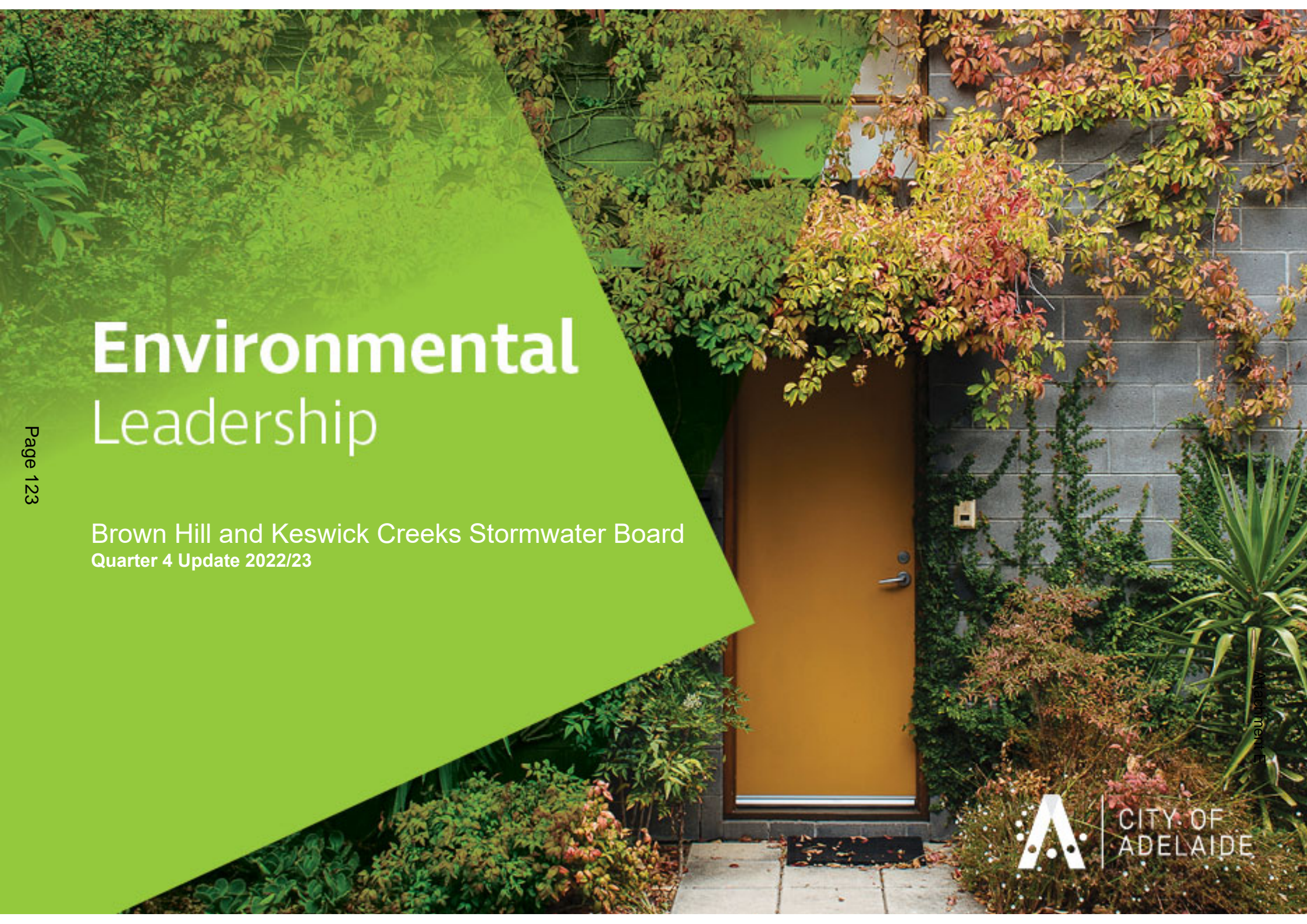


Environmental Leadership

Brown Hill and Keswick Creeks Stormwater Board
Quarter 4 Update 2022/23



CITY OF
ADELAIDE



Key Messages

- 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 (SA)* 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

BHKC – Quarter 4 2022/23 Project Update

The Brown Hill and Keswick Creeks Stormwater Board Project Update (June 2023) is available at from page 5 of this attachment.

Page 125

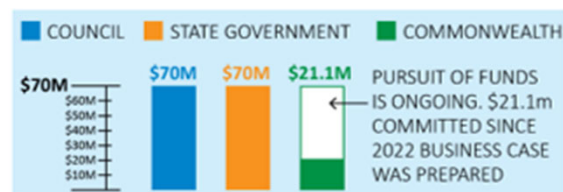
Financial Summary as at 31 May 2023

The project is being delivered on the basis that capital funding will be provided by Local, State and Commonwealth Government at one third each.

A funding commitment of \$70m was made by the SA Government’s Stormwater Management Authority with funds to be provided over 20 years.

This is based on matching funding of \$70m being provided by Constituent Councils over the same timeframe.

The project continues to pursue Commonwealth Government funding.



¹ The Commonwealth commitment of \$21.1m includes \$5m pre-election commitment under Urban Rivers and Catchments Program. These funds have not yet received final approval.

² The City of West Torrens have provided funding commitment for the next 5 years, with future funding to be reconsidered at that time

FY23 YTD Operating Summary

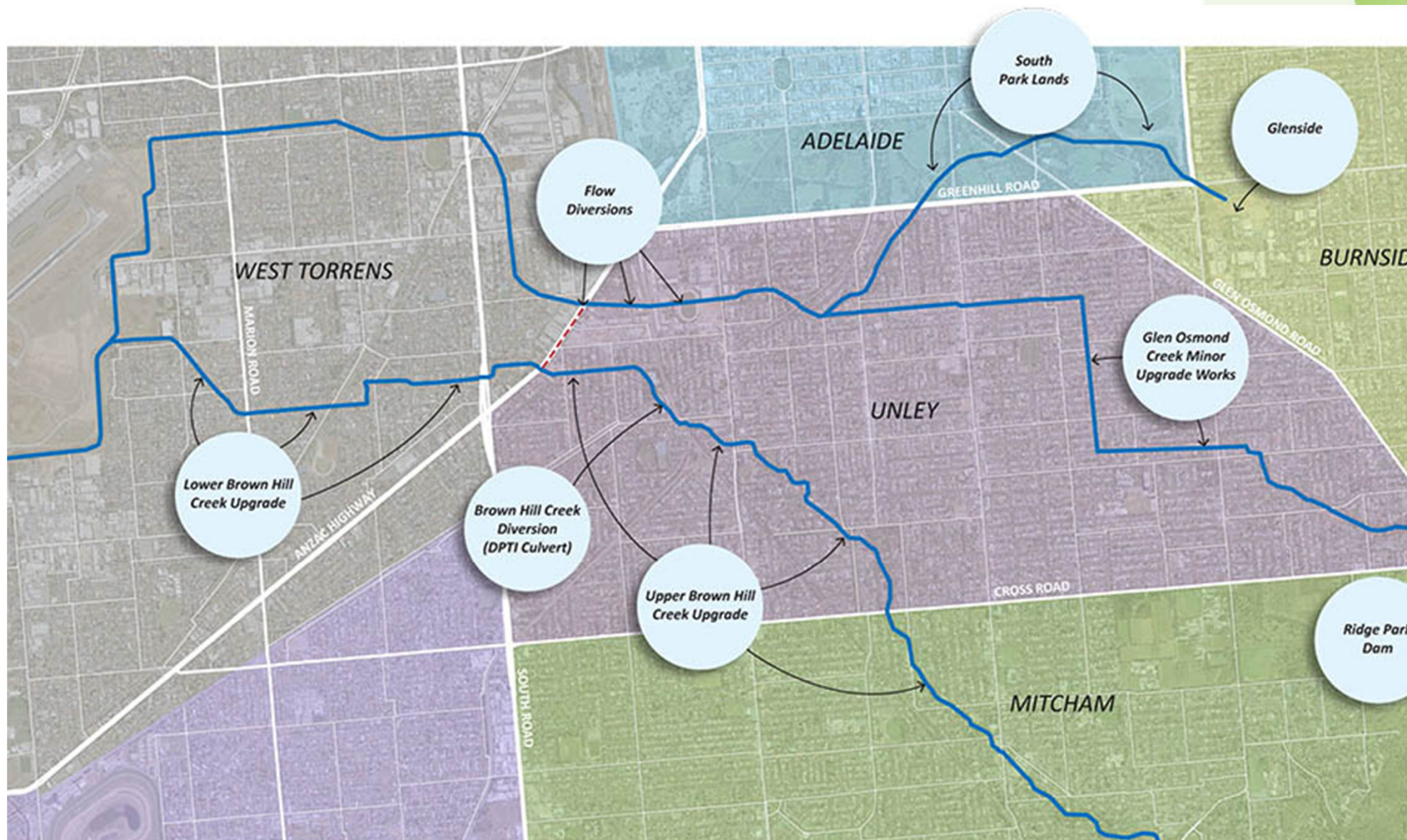
	Actual YTD	Budget YTD	Variance \$
Income	\$978,050	\$695,236	\$282,814
Expenses	(\$560,876)	(\$623,307)	\$62,431
Net Surplus	\$417,174	\$71,929	\$345,245
Depreciation	(\$140,348)	(\$140,349)	\$1

FY23 YTD Capital Income Summary

	Actual YTD	Budget YTD	Variance \$
Constituent Councils	\$2,500,000	\$2,500,000	\$0
SMA Funding	\$0	\$4,500,000	(\$4,500,000)
Federal Funding	\$4,120,105	\$4,091,106	\$28,999

FY23 SMA funding of \$4.5m was approved by the SMA Board on 31 October 2022. This funding requires approval from the Public Works Committee of Parliament and the approval process is underway

BHKC – Quarter 4 2022/23 Catchment Area



Brown Hill and Keswick Creeks Stormwater Board

Project Update

June 2023

This report provides an update to our owner Councils and interested parties on the current financial performance of the Brown Hill and Keswick Creeks Stormwater Board, an overview of capital works projects, and recent activities of interest.

Prepared by Peta Mantzarapis, Project Director

Financial Summary

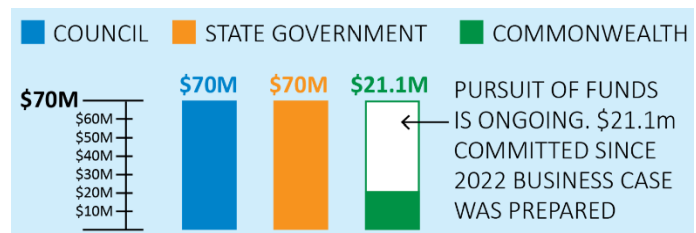
as at 31 May 2023

The project is being delivered on the basis that capital funding will be provided by Local, State and Commonwealth Government at one third each.

A funding commitment of \$70m was made by the SA Government's Stormwater Management Authority with funds to be provided over 20 years.

This is based on matching funding of \$70m being provided by Constituent Councils over the same timeframe.

The project continues to pursue Commonwealth Government funding.



¹ The Commonwealth commitment of \$21.1m includes \$5m pre-election commitment under Urban Rivers and Catchments Program. These funds have not yet received final approval.

² The City of West Torrens have provided funding commitment for the next 5 years, with future funding to be reconsidered at that time

FY23 YTD Operating Summary

	Actual YTD	Budget YTD	Variance \$
Income	\$978,050	\$695,236	\$282,814
Expenses	(\$560,876)	(\$623,307)	\$62,431
Net Surplus	\$417,174	\$71,929	\$345,245
Depreciation	(\$140,348)	(\$140,349)	\$1

FY23 YTD Capital Income Summary

	Actual YTD	Budget YTD	Variance \$
Constituent Councils	\$2,500,000	\$2,500,000	\$0
SMA Funding	\$0	\$4,500,000	(\$4,500,000)
Federal Funding	\$4,120,105	\$4,091,106	\$28,999

FY23 SMA funding of \$4.5m was approved by the SMA Board on 31 October 2022. This funding requires approval from the Public Works Committee of Parliament and the approval process is underway

Project Delivery



Stage 1 works are focussed on flood detention – holding water and slowing the flow to downstream areas – and are now complete. Stages 2 and 4 involve doubling the capacity of Brown Hill Creek from Adelaide Airport at the downstream end through to City of Mitcham at the upstream end. These stages are underway with works completed in Everard Park and currently under construction in Netley and Millswood. Additional Commonwealth grant funding will see commencement of new works in Forestville and Hawthorn in the coming months.

Funding Applications

The Australian Government’s **Disaster Ready Fund** will provide up to \$1 billion in funding over the next 5 years, with up to \$200m in funding available annually. The fund aims to build natural disaster resilience and risk reduction, with a focus on delivery of infrastructure projects and systemic risk reduction projects.

Two applications were submitted for funding under round 1 and both of these applications were successful:

1. \$3.7m in funding awarded to upgrade a 320 metre section of Upper Brown Hill Creek in Forestville. Delivery of this section will mark completion of the Area 1 upgrades of Upper Brown Hill Creek. Total project cost \$7.4m.
2. \$2.387m in funding awarded to upgrade a 230 metre section of Upper Brown Hill Creek in Hawthorn. The channel runs through private properties that were inundated in 2016 and remain vulnerable to flooding. Total project cost \$4.774m.

A pre- election commitment of up to \$5m was made under the Commonwealth Government’s **Urban Rivers and Catchments Program** for delivery of works within key areas of open public space including Forestville Reserve, Orphanage Park and Betty Long Gardens. A formal submission was requested and has been made to secure these funds. Final approval has not yet been received.



Reference Design and Technical Support

This project involves development of concept designs to the preliminary (30%) design stage for all remaining project works. The scope has also expanded to progress design development and engagement where opportunities exist for acceleration.

Recent Activities

- Presentation of reference design plans to the Board.
- Technical Working Group meeting with all 5 Constituent Councils.
- Collaboration with City of Unley, Renewal SA and the developers of the former Le Cornu site in Forestville to prepare a proposal for the State Government to fund the accelerated delivery of the Keswick Creek Flow Diversions, generally in line with the existing Business Case.
- Re-commencement of consultation with the North South Corridor project team as they seek to refine their design and procurement requirements.
- Participation in the Steering Committee and Technical Working Group for the Department for Environment and Water's Flash Flood Forecasting Pilot Project, and coordination of input from the Constituent Councils to the scoping of this pilot project.
- Technical input to Adelaide Airport's flood study.
- The project continues to receive a high volume of enquiries from property owners along Upper Brown Hill Creek regarding the status of the proposed channel upgrades, and the potential impact of the project on their plans to develop or improve their property. The reference design is being used to inform these discussions.

Next Steps

- Collate supporting information for the proposal to the State Government for the Keswick Creek Flow Diversions including letters of support from the Mayors of the Constituent Councils, Adelaide Airport Limited and North South Corridor project. Refine the design to integrate with the design for the former Le Cornu site. Meet with the Adelaide Showground to discuss alignment options and scheduling impacts.
- Participate in the North South Corridor project review process, assist in coordinating the technical input of the Constituent Councils, and facilitate an updated Data Sharing Agreement and protocols that will enable exchange of the floodplain model data at various design milestones. This would provide the Board with the option of establishing a 'whole-of-catchment' floodplain model using the latest data.
- Continue participating in the Steering Committee and Technical Working Group for the Department for Environment and Water's Flash Flood Forecasting Pilot Project.
- Continue attempts to formalise DIT's technical review of the proposed design solutions in Marion Road, Anzac Highway, Goodwood Road and the Leader Street rail corridor.
- WGA to finalise the reference designs for Upper Brown Hill Creek and associated site inspections with staff from Council, the SMA and Green Adelaide.

Glenside

This project involved enlargement of an existing detention basin from a capacity of 18ML to 37ML, to limit downstream flow to the existing capacity of the culvert under the Fullarton and Greenhill Roads intersection. The detention basin, together with other works in the South Park Lands reduce the peak stormwater flows along Park Lands Creek and further downstream.

The Glenside site is being developed by Cedar Woods and a condition of Cedar Woods agreement with Renewal SA was that the development include delivery of the detention basin and associated stormwater infrastructure required under the SMP.

Design Review

In November 2021, the Project Director and Technical Advisor met with staff from City of Burnside, Cedar Woods and WGA to discuss matters relating to the operation and maintenance of the Glenside Detention Basin and discuss the performance of the detention basin during rainfall events.

Following the meeting there were a number of actions on Cedar Woods and WGA to complete with BHKC and Council staff regularly requesting updates since that time.

Council has requested an options assessment be presented for consideration of Council and the Board, with an emphasis on achieving a high amenity outcome that is durable and functions properly, with minimal ongoing maintenance requirements.

Maintenance and Operational

A full clean of all 3 GPTs and the internal screens was undertaken in September 2022, with subsequent cleans undertaken in November 2022 and February 2023 in accordance with the agreed maintenance schedule. A full clean was scheduled for April/May 2023, but wet weather has restricted access. These works will be undertaken when weather allows.



South Park Lands

Prior to delivery of the South Park Lands project, predicted peak stormwater flows through Park Lands Creek were about double the creek capacity downstream of Greenhill Road. The South Park Lands projects specifically relates to:

Victoria Park/ Pakapakanthi (Park 16) wetland

Establishment of a 3.2 hectare wetland to provide 100 million litres of flood storage. The wetland comprises areas of permanent water, areas that become inundated with stormwater during regular flow events and a broader flood basin that will only become inundated during more significant flow events.

Blue Gum Park/ Kurangga (Park 20) creek works

Construction of a low-level bund and the realignment of existing open channels in the southern section of the park. The works divert flows into new open channels and detain water on site, releasing flows downstream in a controlled manner. Areas to the north of the bund will be inundated in significant flow events.

Key Messages

The Park 20 creek works were completed on 30 September 2022. The works are now in the maintenance phase with fortnightly inspections being

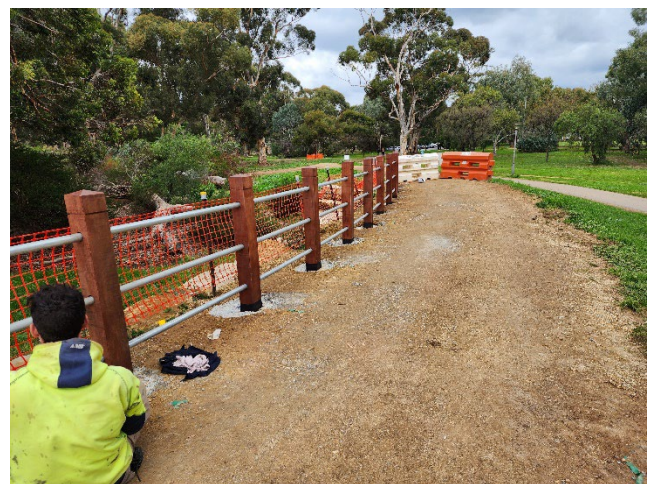
undertaken. An issue was identified with the surface level of the containment berm and this has now been rectified by the contractor.

The wetland is now in its operational phase and there are a number of activities that have commenced in recent weeks to finalise works. These works are due for completion late-June 2023, with the exception of the inlet basin remedial works which will be delivered later in the year in drier weather.

Community sentiment around the wetland project has been overwhelmingly positive with regular emails and phone calls from members of the public asking questions and speaking about the merits of the project.

Asset Handover

The non-stormwater components of this asset are now being handed over to City of Adelaide for ongoing maintenance as part of Council's broader approach to management of the Park Lands.



Upper Brown Hill Creek, Area 1 Everard Park

This project required upgrade of an existing open concrete channel to increase its capacity. The works extend from Anzac Highway, Everard Park to Third Avenue, Forestville and were accelerated due to the adjoining residential development restricting future access. The approved solution included installation of a covered culvert, which allowed for the extension of Wilberforce Walk and establishment of a shared use pathway and landscape improvements at ground level. City of Unley made a financial contribution to achieve the covered culvert outcome. Construction was completed in August 2020 and the site was then handed over to City of Unley for ground-level improvements to be delivered.



Lower Brown Hill Creek, Packages 1-3

Packages 1 to 3 of the Lower Brown Hill Creek Upgrade will involve doubling the flow capacity of a 1.7-kilometre-long section of channel beginning at the south-eastern corner of Adelaide Airport and ending at Birdwood Terrace. The channel is primarily situated within a 12-metre-wide reserve owned by City of West Torrens.

Key Messages

Construction is underway on Package 1A: Channel Upgrade – Keswick Creek to Watson Avenue and Package 1C: Crossing Upgrade – Watson Avenue. Detailed design has been completed for Package 1B: Channel Upgrade – Watson Avenue to Marion Road and Package 1D: Crossing Upgrade – Harvey Avenue, and the pre-construction planning is advanced for those packages. A strategy has been developed for securing access to private property, where required for future construction works, and one-on-one engagement with property owners that are directly affected by the works will commence after a briefing of City of West Torrens' Elected Members.

On 20 June 2023 City of West Torrens approved the future-proofing exercise for the Watson to Harvey Avenue section, to ensure the channel is constructed in a way that enables a covered culvert solution to be achieved in the future.



Recent Works and Focus Areas

March to May activities included:

- Construction activities for Package 1C including installation of the new 6.8 metre wide box culverts.
- Commencement of construction activities for Package 1A. Approximately 150 metres of channel has been excavated and lined with a protective layer of concrete and the first sections of new concrete base slab and walls have been poured.
- Completion of detailed design for Packages 1B and 1D, including pot-holing of existing underground services.
- Pre-construction inspections and planning for Packages 1B and 1D, including identification of private property impacts.

June and July activities will include:

- Continuation of construction for packages 1A & 1C.
- For packages 1B and 1D:
 - One-on-one engagement with property owners that will be directly affected by construction;
 - Liaison with service authorities to determine the scope and cost of relocations required;
 - Preparation of tender documentation and industry briefing.
- Continuation of detailed design of remaining packages.



Upper Brown Hill Creek, Area 3 Millswood

This sub-project involves increasing the size and capacity of the section of Brown Hill Creek from just downstream of Regent Street to just upstream of Avenue Street Millswood, including upgrade of the Regent Street culvert. The creek passes through several privately owned properties and the project team have been engaging closely with owners over the course of the design development.



Key Messages

The channel upgrades are well underway and have progressed well in recent weeks. The precast culverts for the Regent Street crossing are currently being manufactured off-site.

At this stage Camco is proposing to continue the works throughout winter, acknowledging that in the months ahead there will be periods of time when there are flows in the channel and progress will be limited to the overbank areas. The works are being carefully scheduled and protective measures are being deployed to ensure that the works under construction are resilient to flow conditions.

Recent Works and Focus Areas

March to May activities included:

- Execution of Licence Agreements and completion of pre-construction dilapidation inspections with property owners affected by the works.
- Substantial construction progress for channel upgrades.
- Order placed for the precast box culverts required for Regent Street – Culvert Upgrades.
- Regular liaison with the affected property owners regarding construction scheduling and site matters.
- Risk assessment with property owners for alternative fencing options for the upgraded channel.

June and July activities will include:

- Execution of remaining licence agreements.
- Complete the construction of the channel upgrades.
- Planning and notification of road closure for Regent Street culvert upgrades.
- Precast culverts to be manufactured and ready to be delivered to site in early August.
- Continued liaison with the affected property owners regarding construction scheduling and site matters.

Upper Brown Hill Creek, Area 1C Forestville

The Area 1C – Leah Street to Ethel Street reach of Upper Brown Hill Creek is situated in a Council owned drainage corridor (fenced between private properties), except where it passes through 16 and 18 Ethel Street. A proposed development at 18 Ethel Street (currently vacant land) has been approved by Council and will include the construction of 3 townhouses, including one townhouse at the eastern end of the allotment that will span the channel. The height of the existing concrete channel needs to be raised by 0.6 metres, over a length of 175 metres from Leah Street to Ethel Street, to contain the 1% Annual Exceedance Probability (AEP) design flow.

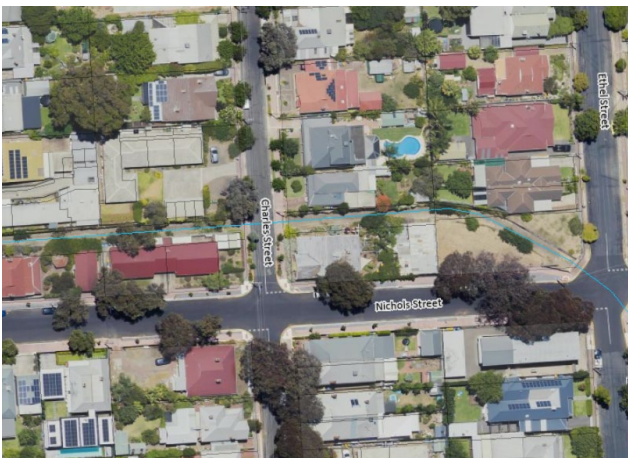
Key Messages

The owner of 18 Ethel Street requested the opportunity to explore alternative design solutions, and this occurred throughout the first half of 2023. As of early June the property owner has re-affirmed their acceptance of the Board’s design solution. A revised construction schedule will now be determined with consideration of the broader works to be delivered in Forestville.

Opportunities

The Board passed a resolution approving delivery of these works in September 2021. The works were tendered as a separable portion of the Millswood sub-project but were halted as City of Unley was pursuing an option to establish a covered culvert and shared path in this location. City of Unley has advised this option is not proceeding and the Forestville works therefore formed part of the Millswood detailed tender evaluation.

Commonwealth funding has recently been secured for the remainder of the channel and crossing upgrades through Area 1 – Forestville, which will take place immediately downstream of Area 1C – Leah Street to Ethel Street. There is also a Commonwealth funding submission to upgrade the channel through Forestville Reserve, which would take place immediately upstream of Area 1C. Project scheduling and work packaging is currently being reviewed in this context, and further consultation with Council will be undertaken as part of this review.



ACMA Audited Financial Statements & Report on Financial Results

Friday, 1 September 2023

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Anthony Spartalis, Manager
Finance & Procurement

Public

Approving Officer:

Michael Sedgman, Chief
Operating Officer

EXECUTIVE SUMMARY

This report presents the Adelaide Central Market Authority (ACMA) audited financial statements for the 2022/23 financial year.

The *Retail and Commercial Leases Act 1995* (the Act) requires the Central Market Marketing Fund's (CMMF) Income and Expenditure Statement to be presented before 30 September each year. External auditors prepare both the ACMA Financial Statements and the CMMF's Income and Expenditure Statement and both sets of statements are presented together before 30 September.

Previously ACMA financial statements have been presented with the City of Adelaide consolidated statements, but a 2021 change to ACMA's Charter requires the presentation of the financial statements to the Audit and Risk Committee (ARC) before being presented to the ACMA Board. The timing of ARC meetings for 2023/24 means the ACMA statements are being presented to ARC separately this year to meet Act deadlines.

The end of year financial result is as follows:

- Operating surplus of \$83,000 (deficit of \$146,000 in 2021/22)
- Total operating income of \$4.775 million (\$4.282 million 2021/22)
- Total operating expenditure of \$4.692 million (\$4.428 million 2021/22)

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the 2022-23 Financial Position as presented in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023, which includes:
 - 1.1 An operating surplus of \$83,000 (deficit of \$146,000 in 2021/22)
 - 1.2 Total operating income of \$4.775 million (\$4.282 million 2021/22)
 - 1.3 Total operating expenditure of \$4.692 million (\$4.428 million 2021/22)
2. Notes the audited Adelaide Central Market Authority Financial Statements for 2022-23 as contained in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023, have been reviewed by the Adelaide Central Market Authority Board at its meeting on 24 August 2023. These financial results will be included in the Consolidated Financial Statements of the City of Adelaide.
3. Notes the Adelaide Central Market Authority Annual Completion Report for the year ended 30 June 2023 from Council's external auditors, BDO, contained in Attachment B to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023.

4. Considers the Financial Statements for 2022-23 as contained in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023 present fairly the financial position of the Adelaide Central Market Authority, and subject to minor administrative changes and subsequent balance date event adjustments, be certified by the City of Adelaide Chief Executive Officer and the Acting Chair of Adelaide Central Market Authority.
 5. Considers it is appropriate that the representation letter requested by the external auditor of the Adelaide Central Market Authority, contained in Attachment C to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023 is signed by management.
 6. Notes the Certification of Auditor Independence in relation to Adelaide Central Market Authority, contained in Attachment D to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023.
 7. Notes the audited Central Market Marketing Fund (CMMF) Financial Statements for 2022-23 as contained in Attachment E to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023, have been audited and present fairly the position of the CMMF.
 8. Notes the representation letter requested by the external auditor of the Central Market Marketing Fund, contained in Attachment F to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023, is signed by management.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities Regular reporting to the Audit and Risk Committee on the performance of the organisation and its subsidiaries demonstrates good governance and supports sound financial management and decision making that enables Council to achieve financial sustainability.
Policy	Not as a result of this report.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	The regular monitoring and reporting of Council's performance is a key step in mitigating risk-related events that could impact the delivery of the Strategic Plan and Business Plan and Budget. This includes monitoring the performance of services, business activities, project delivery and the performance of subsidiaries.
Opportunities	Not as a result of this report.
23/24 Budget Allocation	Not as a result of this report.
Proposed 24/25 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.
23/24 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. This report presents Adelaide Central Market Authority (ACMA) audited financial statements for the 2022/23 financial year.
2. ACMA's financial statements are prepared by City of Adelaide (CoA) finance staff and audited by CoA's external auditor (BDO) consistent with the approach taken with CoA's own financial statements.
3. ACMA operates the Central Market Marketing Fund (CMMF) whereby revenue raised from market operators is expended on marketing activities for the Market.
4. Under the *Retail and Commercial Leases Act 1995* (the Act), operation of the CMMF requires the CMMF's Income and Expenditure Statement to be presented and adopted prior to 30 September.
5. The external auditors prepare both the ACMA Financial Statements and the CMMF's Income and Expenditure Statement and both these sets of statements are presented together prior to 30 September.
6. In previous years, the ACMA statements have been presented with the CoA consolidated statements.
7. A change made to ACMA's Charter in 2021 requires presentation of the financial statements to the Audit and Risk Committee (ARC) before being presented to the ACMA Board.
8. Due to the timing of the Audit and Risk Committee meetings for 2023/24, this year the ACMA statements are being presented to ARC on their own to meet the deadline under the Act.
9. The end of year financial result is as follows:
 - 9.1. Operating surplus of \$83,000 (deficit of \$146,000 in 2021/22)
 - 9.2. Total operating income of \$4.775 million (\$4.282 million 2021/22)
 - 9.3. Total operating expenditure of \$4.692 million (\$4.428 million 2021/22)
10. Key highlights in the ACMA financial statements include:
 - 10.1. Delivery of an operating surplus compared to deficit in previous years
 - 10.2. 11.5% growth in revenue primarily from user charges (leasing and recoveries)
 - 10.3. 6.0% increase in costs predominantly from staffing and utilities
 - 10.4. Positive cash flow from operating activities
11. Note that due to the operating surplus, no parent contribution from CoA was required in 2022/23, compared to \$146,000 contributed in 2021/22, and a cumulative contribution of \$795k. Insofar as operations continue to produce surpluses, there is an expectation contributions made to ACMA will be repaid to CoA over time.

Report on Matters Arising from the Audit

12. The external auditor, BDO has completed the audit of the financial statements and provided audit clearance for the Audited Financial Statements subject to:
 - 12.1. Receipt of Knight Frank Type 2 audit report for the year ended 30 June 2023
 - 12.2. Review of events subsequent to 30 June 2023
 - 12.3. Receipt of written management representation on various matters
 - 12.4. Receipt of formally adopted Annual Financial Statements certified by the CEO and the Acting Chair of Adelaide Central Market
13. These are scheduled to be completed subsequent to the Audit and Risk Committee meeting on 1 September 2023.
14. As part of their audit process BDO have tabled their final Annual Completion Report dealing with matters arising from the audit included as Attachment B. This report addresses the following:
 - 14.1. The status of the audit
 - 14.2. Areas of audit focus
 - 14.3. Adoption and impacts of new accounting standards
 - 14.4. Internal controls.
15. The audit was conducted in accordance with the Australian Auditing Standards as required by the Act and provides Council with reasonable assurance that the Financial Statements are free of material misstatement.

16. The report identified no material deficiencies existed in the accounting treatment and disclosures of matters previously identified as significant risks.
17. The audit did not identify any significant deficiencies with internal controls.
18. The audit has concluded that the financial reports of the Adelaide Central Market Authority present fairly, in all material respects, the entities financial position as at 30 June 2023.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Adelaide Central Market Authority General Purpose Financial Statements for the year ended 30 June 2023

Attachment B – Adelaide Central Market Authority Annual Completion Report for year ended 30 June 2023

Attachment C - Adelaide Central Market Audit Representation Letter

Attachment D – Certification of Auditor Independence ACMA

Attachment E - Central Market Marketing Fund Income and Expenditure Statement

Attachment F- Central Market Marketing Fund Audit Representation Letter

- END OF REPORT -

Adelaide Central Market Authority

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023

Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2023

Table of Contents	Page
1. Authority Certificate	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	7
4. Independent Auditor's Report - Financial Statements	24
5. Certificates of Audit Independence	
- Adelaide Central Market Authority Certificate of Audit Independence	26
- Audit Certificate of Audit Independence	27

Adelaide Central Market Authority

General Purpose Financial Statements

for the year ended 30 June 2023

Certification of Financial Statements

We have been authorised by the Adelaide Central Market Authority (the Authority) to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Authority's accounting and other records.

Clare Mockler
CITY OF ADELAIDE
CHIEF EXECUTIVE OFFICER

Christine Locher
ACTING CHAIR

Date:

Adelaide Central Market Authority

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Income			
User Charges	2a	4,647	4,146
Other Income	2b	128	136
Total Income		4,775	4,282
Expenses			
Materials, Contracts & Other Expenses	3a	4,651	4,425
Depreciation, Amortisation & Impairment	3b	39	3
Finance Costs	3c	2	-
Total Expenses		4,692	4,428
Operating Surplus / (Deficit)		83	(146)
Net Surplus / (Deficit)		83	(146)
Other Comprehensive Income			
Movements in Other Reserves - Parent Contribution		-	146
Total Other Comprehensive Income		-	146
Total Comprehensive Income		83	-

Adelaide Central Market Authority

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current Assets			
Cash and Cash Equivalents	4a	-	-
Trade & Other Receivables	4b	276	127
Inventories	4c	31	13
Other Current Assets	4d	72	128
Total Current Assets		379	268
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	6	75	114
Other Non-Current Assets	5a	29	100
Total Non-Current Assets		104	214
TOTAL ASSETS		483	482
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7a	323	368
Borrowings	7b	39	37
Subtotal		362	405
Total Current Liabilities		362	405
Non-Current Liabilities			
Borrowings	7b	38	77
Total Non-Current Liabilities		38	77
TOTAL LIABILITIES		400	482
Net Assets		83	-
EQUITY			
Accumulated Surplus		(712)	(795)
Other Reserves	8a	795	795
Total Equity		83	-

Adelaide Central Market Authority

Statement of Changes in Equity for the year ended 30 June 2023

\$ '000	Notes	Accumulated Surplus	Other Reserves	Total Equity
2023				
Balance at the end of previous reporting period		(795)	795	-
Net Surplus / (Deficit) for Year		83	-	83
Other Comprehensive Income				
- Parent Contribution		-	-	-
Other Comprehensive Income	8a	-	-	-
Total Comprehensive Income		83	-	83
Transfers between Reserves		-	-	-
Balance at the end of period		(712)	795	83
2022				
Balance at the end of previous reporting period		(3,069)	3,069	-
Net Surplus / (Deficit) for Year		(146)	-	(146)
Other Comprehensive Income				
- Parent Contribution		-	146	146
Other Comprehensive Income	8a	-	146	146
Total Comprehensive Income		(146)	146	-
Transfers between Reserves		2,420	(2,420)	-
Balance at the end of period		(795)	795	-

Adelaide Central Market Authority

Statement of Cash Flows

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Cash Flows from Operating Activities			
Receipts			
Operating Receipts		4,575	4,512
Payments			
Operating Payments to Suppliers and Employees		(4,536)	(5,238)
<hr/>			
Net Cash provided by (or used in) Operating Activities	9b	39	(726)
Cash Flows from Investing Activities			
Receipts			
Nil			
Payments			
Nil			
<hr/>			
Net Cash provided by (or used in) Investing Activities		-	-
Cash Flows from Financing Activities			
Receipts			
Nil			
Payments			
Repayment of Lease Liabilities		(39)	(3)
<hr/>			
Net Cash provided by (or used in) Financing Activities		(39)	(3)
<hr/>			
Net Increase (Decrease) in Cash Held		-	(729)
<hr/>			
plus: Cash & Cash Equivalents at beginning of period		-	729
<hr/>			
Cash & Cash Equivalents at end of period	9a	-	-

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	12
3	Expenses	13
	Current Assets	
4a	Cash & Cash Equivalent Assets	15
4b	Trade & Other Receivables	15
4c	Inventories	15
4d	Other Current Assets	15
	Non-Current Assets	
5a	Other Non-Current Assets	15
	Fixed Assets	
6	Infrastructure, Property, Plant & Equipment	16
	Liabilities	
7a	Trade & Other Payables	17
7b	Borrowings	17
	Reserves	
8a	Other Reserves	17
9	Reconciliation to Statement of Cashflows	18
10	Financial Instruments	19
11	Uniform Presentation of Finances	20
12	Leases	21
13	Events After the Statement of Financial Position Date	22
14	Related Party Transactions	23

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2023

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by the Adelaide Central Market Authority (the Authority) in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

The Adelaide Central Market Authority is incorporated under the South Australian *Local*

Government Act 1999 and has its principal place of business at 44-60 Gouger Street, Adelaide.

The Authority was enacted on 3 May 2012 as a subsidiary of the Corporation of the City of Adelaide with its primary role being to oversee the management and operation of the Adelaide Central Market.

3 Income Recognition

The Authority recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the Authority to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Note 1. Summary of Significant Accounting Policies (continued)

Most receivables relate to stall holder leases and are secured in part by bank or director's guarantees.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

5 Inventories

Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Infrastructure, Property, Plant & Equipment

Effective from 1 July 2021, ACMA is responsible for operating the Market with the market assets and car park operation transferred to the City of Adelaide.

6.1 Initial Recognition

All assets are initially recognised at cost.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred.

The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority. Items of property, plant and equipment with a total value less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

6.3 Depreciation of Non-Current Assets

Property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Authority, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below.

Other Assets

Right-of-Use Assets	3 years
---------------------	---------

6.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to the Authority assets, are

Note 1. Summary of Significant Accounting Policies (continued)

recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded.

8 Employee Benefits

The Authority does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

9 Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

9.1 The Authority as a lessee

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i.) Right-of-Use-Assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii.) Lease Liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

iii.) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (ie, those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv.) Leases with significantly below-market terms and conditions

In the prior year the Authority commenced a new lease on 8 July 2021 for the Central Market Complex from the Corporation of the City of Adelaide for a period of 20 years. The Authority has elected to apply the exemption available under AASB16 as the lease contains payment terms of \$1 per annum and is treated as a “peppercorn” lease. The lease payments are recognised as an expense on a straight-line basis over the lease term.

9.2 The Authority as a lessor

Leases in which the Authority does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

10 GST Implications

In accordance with Interpretation 1031 “Accounting for the Goods & Services Tax”

- Receivables and Creditors include GST receivable and payable.

Notes to and forming part of the Financial Statements for the period ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

11 New and amended accounting standards and interpretations

No new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) have been adopted in the current period.

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023. The Authority does not anticipate that new and amended Australian Accounting Standards, and Interpretations, issued but not yet effective at the time of compiling these illustrative statements will apply to the Authority's future reporting periods.

12 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

13 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income

\$ '000	2023	2022
(a). User Charges		
Property Lease	3,804	3,441
Property Recovery	843	705
Total User Charges	4,647	4,146
(b). Other Income		
Merchandise Sales	40	25
General Sales	-	11
Commission	88	100
Total Other Income	128	136

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 3. Expenses

\$ '000	Notes	2023	2022
(a). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration		9	10
Board Fees		113	103
Subtotal - Prescribed Expenses		122	113
(ii) Other Materials, Contracts and Expenses			
Contractors		1,130	1,040
Energy		598	497
Maintenance		339	335
Legal Expenses		16	14
Levies Paid to Government - including Landscape levy		27	23
Parts, Accessories & Consumables		43	59
Professional Services		114	69
Advertising and Promotion		125	149
Bank Charges and Cash Collection		12	15
Catering		2	12
Cleaning		967	927
Water		111	53
External Plant Hire		7	16
Insurance		52	57
Minor Plant and Equipment		5	4
Printing, Freight and Postage		73	75
Rates and Taxes		38	39
Security		519	567
Subscriptions		8	7
Training and Development		2	6
Waste Services		328	302
Other		13	46
Subtotal - Other Material, Contracts & Expenses		4,529	4,312
Total Materials, Contracts and Other Expenses		4,651	4,425

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 3. Expenses (continued)

\$ '000	2023	2022
(b). Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Right-of-Use Assets	39	3
Subtotal	39	3
<hr/>		
Total Depreciation, Amortisation and Impairment	39	3
 (c). Finance Costs		
Interest on Leases	2	-
Total Finance Costs	2	-

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 4. Current Assets

\$ '000	2023	2022
(a). Cash & Cash Equivalent Assets		
Cash on Hand and at Bank	-	-
Total Cash & Cash Equivalent Assets	-	-
(b). Trade & Other Receivables		
Accrued Revenues	120	109
Debtors - General	-	15
GST Recoupment	18	-
Prepayments	-	3
Inter-Entity Debtor	138	-
Subtotal	276	127
Total Trade & Other Receivables	276	127
(c). Inventories		
Trading Stock	31	13
Total Inventories	31	13
(d). Other Current Assets		
Rent Receivable	72	128
Total Other Current Assets	72	128

In 2019-20 the Authority resolved to provide three month's rent relief to its tenants as a consequence of the COVID-19 pandemic. The rent concession has been recognised as a lease modification under AASB 16 Leases, and the revised consideration is recognised over the remaining lease term. The non-current portion of the modification is shown at Note 5. Non-Current Assets (a)(i) Other.

Note 5. Non-Current Assets

\$ '000	2023	2022
(a). Other Non-Current Assets		
(i) Other		
Rent Receivable	29	100
Total Other	29	100
Total Other Non-Current Assets	29	100

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 6. Infrastructure, Property, Plant & Equipment

	as at 30/6/2022			Asset movements during the reporting period					as at 30/6/2023		
	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Depreciation Expense (Note 3c)	Adjustments & Transfers	Projected Related Expenditure (Note 3b)	Tfrs from/(to) "Held for Distribution to Owners" category	At Cost	Accumulated Dep'n	Carrying Value
\$ '000											
Right-of-Use Assets	117	(3)	114	-	(39)	-	-	-	117	(42)	75
Total Infrastructure, Property, Plant & Equipment	117	(3)	114	-	(39)	-	-	-	117	(42)	75
Comparatives	-	-	-	117	(3)	-	-	-	117	(3)	114

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Liabilities

\$ '000	Notes	2023 Current	2023 Non Current	2022 Current	2022 Non Current
(a). Trade and Other Payables					
Payments Received in Advance		180	-	228	-
Accrued Expenses - Other		22	-	96	-
Inter-Entity Creditor		-	-	42	-
GST Payable		-	-	2	-
Trade Payables		121	-	-	-
Total Trade and Other Payables		323	-	368	-
(b). Borrowings					
Lease Liabilities	12	39	38	37	77
Total Borrowings		39	38	37	77

Note 8. Reserves

\$ '000	30/6/2022	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2023
(a). Other Reserves					
City of Adelaide Contribution	795	-	-	-	795
Total Other Reserves	795	-	-	-	795
Comparatives	3,069	146	(2,420)	-	795

OTHER RESERVES

City of Adelaide Contribution

In the prior period an amount of \$146,000 was committed to the Authority as a contribution from the City of Adelaide. The contribution supports the ongoing operations of the Authority to continue as a going concern.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 9. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2023	2022
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total Cash & Equivalent Assets		-	-
Balances per Statement of Cash Flows		-	-
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		83	(146)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		39	3
		122	(143)
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(149)	165
Net (Increase)/Decrease in Inventories		(18)	18
Net (Increase)/Decrease in Other Current Assets		127	370
Net Increase/(Decrease) in Trade & Other Payables		(43)	(1,136)
Net Cash provided by (or used in) operations		39	(726)
(c). Non-Cash Financing and Investing Activities			
Borrowings			
- Opening Balance		-	10,883
- Net Proceeds from/(Repayment of) Borrowings		-	(10,883)
Closing Balance		-	-
- Leases		77	114
Total Liabilities from Financing Activities		77	114

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 10. Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2023					
<u>Financial Assets</u>					
Receivables	277	-	-	277	276
Total Financial Assets	277	-	-	277	276
<u>Financial Liabilities</u>					
Payables	143	-	-	143	143
Lease Liabilities	40	38	-	78	77
Total Financial Liabilities	183	38	-	221	220

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2022					
<u>Financial Assets</u>					
Receivables	126	-	-	126	124
Total Financial Assets	126	-	-	126	124
<u>Financial Liabilities</u>					
Payables	140	-	-	140	140
Lease Liabilities	39	78	-	117	114
Total Financial Liabilities	179	78	-	257	254

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 10. Financial Instruments (continued)

\$ '000

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 4 & 5 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed through the City of Adelaide.

Note 11. Uniform Presentation of Finances

\$ '000

2023

2022

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

Income	4,775	4,282
less Expenses	(4,692)	(4,428)
Operating Surplus / (Deficit)	83	(146)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	-	-
<i>add back</i> Depreciation, Amortisation and Impairment	39	3
Subtotal	39	3
Net Outlays on New and Upgraded Assets		
Nil		
Net Lending / (Borrowing) for Financial Year	122	(143)

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 12. Leases

\$ '000

The Authority as a Lessee

Terms and conditions of leases

Land & Buildings

The Authority leased the Central Market Complex from the Corporation of the City of Adelaide under a lease which commenced on 8 July 2021 for a period of 20 years. The lease contains payment terms of \$1 per annum and is deemed a "Peppercorn" lease. The lease payments are recognised as an expense in Note 3.

Right of use Asset

ACMA has entered into an agreement with Willsmere Pty Ltd in order to occupy a cool room and online shopping retail space until 31 May 2025. The financial implications of this arrangement are disclosed in Right of Use Assets below.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

	Buildings \$'000	Total \$'000
2023		
Opening Balance	114	114
Depreciation charge	(39)	(39)
Balance at 30 June 2023	75	75
2022		
Opening Balance	-	-
Additions to right-of-use assets	117	117
Depreciation charge	(3)	(3)
Balance at 30 June 2022	114	114

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2023	2022
Balance at 1 July	114	4,664
Additions	-	117
Accretion of interest	2	-
Payments	(39)	(3)
Transfer to City of Adelaide	-	(4,664)
Balance at 30 June	77	114

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 12. Leases (continued)

The Authority as a Lessee (continued)

Classified as:

Current	39	37
Non Current	38	77

The maturity analysis of lease liabilities is included in Note 10.

The Authority had total cash outflows for leases of \$38,830 in 2022-23 (2022: \$3,214).

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	39	3
Interest expense on lease liabilities	2	-
Total amount recognised in profit or loss	41	3

The Authority as a Lessor

Leases Providing Revenue to the Authority

\$ '000	2023	2022
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	4,209	3,918
Later than one year and not later than 5 years	6,827	6,378
Later than 5 years	16	9
	11,052	10,305

Note 13. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2023, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

The Authority has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 01/09/23.

The Authority is not aware of any "non adjusting events" that merit disclosure.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 14. Related Party Transactions

\$ '000	2023	2022
---------	------	------

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Adelaide Central Market Authority include Board members and the General Manager. In all, 7 persons were paid the following total cumulative compensation which have been included within contractors in note 3:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	279	275
Post-Employment Benefits	19	17
Total	<u>298</u>	<u>292</u>

Amounts paid as direct reimbursement of expenses incurred on behalf of the Adelaide Central Market Authority have not been included above.

Receipts from Key Management Personnel comprise:

Adelaide Central Market Authority received the following rent amounts from Board members or Council elected members relating to 3 tenancies:

Stallholder Lease Rentals for properties managed by Adelaide Central Market	100	272
Total	<u>100</u>	<u>272</u>

Other Related Party Transactions

ACMA contracts staff from Council with the on-charge totalling \$1,107,190 (2022: \$966,880) for the year.

Council, as the parent entity, has provided an equity contribution of \$146,000 in the prior year to continue to support ACMA on a going concern basis. ACMA generated a profit of \$83,000 in the current year. Distribution will be made to City of Adelaide once sufficient reserves are generated.

Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2023

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Central Market Authority for the year ended 30 June 2023, the Council's Auditor, BDO Audit (SA) Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

Clare Mockler
Chief Executive Officer
CITY OF ADELAIDE

Christine Locher
Acting Chair
ADELAIDE CENTRAL MARKET AUTHORITY

David Powell
Presiding Member
CITY OF ADELAIDE AUDIT COMMITTEE

Date:

ADELAIDE CENTRAL MARKET AUTHORITY

Annual completion report

YEAR ENDED 30 JUNE 2023

CONTENTS

Executive Summary	4
Areas of audit focus	5
Internal control	7
Other reporting requirements	8
Appendix 1 Proposed audit report	9
Appendix 2 Auditor independence declaration	11
Appendix 3 New developments	12
Appendix 4 Climate risks and financial reporting	14
Appendix 5 ESG and your business	15



Dear Audit and Risk Committee Members

We are pleased to present this report to the Audit and Risk Committee Members of Adelaide Central Market Authority ('ACMA' or the 'Authority') in relation to the 30 June 2023 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

We look forward to the Audit and Risk Committee Members meeting on 1 September 2023 where we will have the opportunity to discuss this report.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +61 8 7324 6147.

We would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the course of our audit.

Yours faithfully



Linh Dao
Engagement Partner

Adelaide, 23 August 2023





EXECUTIVE SUMMARY

PURPOSE

The purpose of this report is to communicate significant matters arising from our audit to the Audit and Risk Committee Members. This report has been discussed with management.

SCOPE

Our audit was conducted in accordance with Australian Auditing Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2001* for the year ended 30 June 2023.

STATUS OF THE AUDIT

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- ▶ Receipt of Knight Frank Type 2 audit report for the year ended 30 June 2023;
- ▶ Review of events subsequent to 30 June 2023;
- ▶ Receipt of written management representation on various matters; and
- ▶ Receipt of formally adopted financial statements and agreements of these to the final draft provided to date.

A draft of the proposed audit report is included at [Appendix 1](#).

SUMMARY OF MISSTATEMENTS

We have not identified any misstatements during our audit.

AREAS OF AUDIT FOCUS

In performing our audit, we have identified those matters that, in the auditor's judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant and elevated risks of material misstatement. These areas of focus are outlined below:

- ▶ Management override of internal controls
- ▶ Revenue recognition
- ▶ Lease accounting

Refer to the relevant section for details on the significant risk areas and other areas focused on during the audit.



AREAS OF AUDIT FOCUS

In assessing the risks of material misstatement at the planning phase, we used a spectrum of risk based on the likelihood of a misstatement occurring and the magnitude of the misstatement in the context of our materiality. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

We set out the areas that were considered key areas of focus along with an outline of the work performed and a summary of findings.

Management override of internal controls

Description	Audit work performed	Summary of findings
Australian Auditing Standards require that we presume there is a risk that management have the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively.	<p>Our response included review of key internal controls that the Authority has in place to mitigate risk of management override of internal controls.</p> <p>We applied professional scepticism throughout the audit. We tested general journals posted during the year and at the end of the reporting period to consider whether they are appropriate.</p> <p>We reviewed accounting estimates and considered whether circumstances producing any bias present a risk of material misstatements due to fraud.</p>	We did not identify any evidence of misstatements due to management override of internal controls.

AREAS OF AUDIT FOCUS *CONTINUED*

Revenue recognition

Description	Audit work performed	Summary of findings
There is a risk of error regarding revenue recognised during the year.	<p>We audited how revenue was recognised in a manner consistent with ACMA’s accounting policies and applicable Australian Accounting Standards.</p> <p>In addition to performing analytical and substantive procedures on all material revenue streams recorded throughout the year, we considered the appropriateness of accounting for accrued and deferred income at the reporting end date. We audited the unwinding of COVID-rent concession ‘receivable’ during the year.</p>	No exceptions were noted.

Lease accounting

Description	Audit work performed	Summary of findings
There is a risk of material misstatement in relation to lease accounting for ongoing lease reassessment and remeasurement.	<p>We obtained the right of use asset and lease liability reconciliation and supporting schedule to test compliance with AASB 16.</p> <p>We made enquiries of management and sought to corroborate key estimates and assumptions adopted to the appropriate supporting documentation, giving priority to information independent of the Authority.</p>	No exceptions were noted.



INTERNAL CONTROL

CURRENT YEAR

In accordance with ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during our audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of the Audit and Risk Committee Members.

Our audit procedures did not identify any significant deficiencies that in our professional judgment are of sufficient importance to merit the attention of the Audit and Risk Committee Members.



OTHER REPORTING REQUIREMENTS

INDEPENDENCE AND ETHICS

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2001* and Part 4A of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to Adelaide Central Market Authority.

The *Local Government Act 1999* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, and a copy of the declaration has been included at [Appendix 2](#).

NON-COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

FRAUD

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.



APPENDIX 1 PROPOSED AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADELAIDE CENTRAL MARKET AUTHORITY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adelaide Central Market Authority (the Entity), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2023 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.



APPENDIX 1 PROPOSED AUDIT REPORT *CONTINUED*

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website

(<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Linh Dao
Director

Adelaide, XX Month 2023

APPENDIX 2 AUDITOR INDEPENDENCE DECLARATION

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Central Market Authority for the year ended 30 June 2023, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 23 August 2023

APPENDIX 3 NEW DEVELOPMENTS

REVISIONS TO THE PROVISION OF NON-ASSURANCE SERVICES

The Accounting Professional and Ethical Standards (APES) Board has reviewed and revised the Non-Assurance Services (NAS) Provisions in APES 110 Code of Ethics for Professional Accountants (including independence standards) and issued an amending standard on 21 December 2022. The revisions strengthen the independence standards by addressing public interest concerns about independence when firms provide NAS to their audit clients.

Amongst the key changes proposed to the non-assurance services provisions are:

- ▶ Strengthened provisions regarding auditor communication. There is now a requirement for Those Charged with Governance (TCWG) at a public interest entity (PIE) audit client to concur with BDO's assessment of the threats associated with the non-assurance services prior to the non-assurance services commencing.
- ▶ A new general prohibition in providing non-assurance services to a PIE audit client, if a self-review threat to auditor independence will be created.
- ▶ Further tightening of the circumstances in which materiality may be considered in determining the permissibility of a non-assurance service. Materiality is no longer a consideration for PIE audit clients in assessing the self-review threat.

EFFECTIVE DATE

The APES Board has advised that these amendments will take effect from 1 July 2023, with early adoption permitted.

AMENDMENTS TO THE FEE-RELATED PROVISIONS OF APES 110 CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS (INCLUDING INDEPENDENCE STANDARDS)

To enhance and strengthen the communication between the auditor and TCWG, and to enable TCWG to have effective oversight over the independence of the auditor, the revised provisions on fees contain new transparency requirements. The APES Board has issued an amending standard in relation to the amendments to the fee-related provisions within the APES 110 Code of Ethics for Professional Accountants (the Code). The key changes include:

- ▶ Communication to TCWG at a PIE audit client, the fees and assessment thereof for non-assurance services. The purpose of this communication is to provide the background and context for the client to concur that the fees and levels of fees does not impair BDO's independence.
- ▶ Enhanced guidance on identifying, evaluating and addressing threats to independence in relation to other fee-related matters, including the proportion of fees for services other than audit to the audit fee.
- ▶ Communication of information related to the audit fee to the client and to the public to assist them in forming a view that auditor independence is not compromised.
- ▶ A prohibition on firms allowing the audit fee to be influenced by the provision of services other than audit to the audit client.
- ▶ In the case of PIE audit clients, a requirement to cease to act as auditor if fee dependency on the audit client continues beyond a specified period.

These provisions will be effective for audits and reviews of financial statements for periods beginning on or after 1 January 2023.

APPENDIX 3 NEW DEVELOPMENTS CONTINUED

PRACTICAL APPLICATION FOR THOSE CHARGED WITH GOVERNANCE

To facilitate compliance with the above requirements, your BDO Audit Engagement Partner will discuss and agree on a process, including:

- ▶ Identifying all entities within a corporate structure to which the revised provisions would apply.
- ▶ Establishing how TCWG have determined that authority for approving services is to be allocated.
- ▶ Understanding the information that will be communicated to TCWG to assist them in concurring with the assessment of the services and fees.

UPCOMING CHANGES IN FINANCIAL REPORTING

AASB 2020-1 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Effective for annual reporting periods beginning on or after 1 January 2024, there are five main changes to the classification requirements within AASB 101

Presentation of financial statements:

- ▶ The requirement for an ‘unconditional’ right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights.
- ▶ The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
- ▶ Classification is based on the right to defer settlement, and not intention (paragraph 73), and

- ▶ If the right to defer settlement of a liability arising from a loan arrangement is dependent upon the entity complying with specified conditions in that loan arrangement, such covenants only affect the entity’s right to defer settlement for at least twelve months after the reporting period if the entity must comply with the covenants **on or before the end of the reporting period.**
- ▶ If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

APPENDIX 4 CLIMATE RISKS AND FINANCIAL REPORTING

CLIMATE RELATED FINANCIAL DISCLOSURES

In December 2022, in anticipation of the release of forthcoming sustainability standards, the Australian Government opened its first round of consultation on [‘Climate-related financial disclosures’](#). The process closed in February 2023, when the Government received nearly 200 responses.

In June 2023, the [ISSB issued its first two sustainability standards](#):

- ▶ IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and
- ▶ IFRS S2 Climate-related Disclosures.

According to the ISSB, these standards become effective from 1 January 2024, subject to endorsement in each respective jurisdiction.

The day after the ISSB standards’ release, the Australian Government announced its second round of consultation on implementing climate-related financial disclosures in Australia.

WHICH ENTITIES WILL BE IMPACTED?

One of the key changes is a revised approach to the order of entities being introduced to mandatory climate-related reporting. While the previous consultation paper suggested focusing on large listed and large financial service providers, the new approach includes listed and non-listed organisations. The focus is still on the size of the organisation - starting with the ‘big end of town’ - and organisations that meet the reporting requirements of the [National Greenhouse and Energy Reporting \(NGER\) Scheme](#).

The introduction of mandatory reporting will still phase in (now across four years) to allow the market to upskill and prepare.

To find out when the climate-related reporting requirements may impact you, and what category you fall into, refer to BDO’s IFRS & Corporate Reporting team’s [ESG and Sustainability insights](#) and the proposed roadmap as set out by [Treasury](#).

WHAT HAPPENS NEXT?

Organisations of all sizes - whether listed or private - should take note of the group they fall into to anticipate what the mandatory reporting implications might be, both now and with consideration of any future growth plans.

Regardless of status, entities should also assess and reflect on the organisations in their supply chain. With Scope 3 emissions - as required to be measured and reported under IFRS S2 - a reflection of the emissions from an organisation’s supply chain, organisations of all sizes are likely to be impacted by the introduction of mandatory reporting. As group one entities begin to measure and report emissions, Scope 3 could become a key component of emission reduction strategies. By having accurate, reportable data and a decarbonisation strategy, organisations of all sizes can positively impact their supply chain before mandatory reporting even knocks on their door.

To understand more about what this means for your business, please contact our [National Sustainability Team](#).



APPENDIX 5 ESG AND YOUR BUSINESS

WHAT IS ESG?

ESG is the acronym for Environmental, Social and Governance. It is a holistic concept about an organisation's ability to create and sustain long-term value in a rapidly changing world, and managing the risks and opportunities associated with these changes.

ESG metrics are not part of mandatory [financial reporting](#) required by Australian Accounting Standards or International Financial Reporting Standards, but organisations across the world are increasingly making disclosures in their annual report or in a standalone sustainability report.

ESG is used as a framework to assess how an organisation manages risks and opportunities that changing market and non-market conditions create. ESG also puts a heavy emphasis on risk management, because monitoring and mitigating risks across all three dimensions is an important priority for any company that is serious about ESG. The three categories of ESG factors are as follow:

- ▶ **Environmental** factors address an organisation's environmental impact and environmental stewardship. It is focused on improving the environmental performance of an organisation.
- ▶ **Social** factors refer to how an organisation manages relationships with, and creates value for, stakeholders. The social dimension is focused on an organisation's impact on its employees, customers and the community.
- ▶ **Governance** factors refers to an organisation's leadership and management philosophy, practices, policies, internal controls, and shareholder rights. The governance dimension is focused on an organisation's leadership and structure.

WHY IS ESG IMPORTANT FOR YOUR BUSINESS?

Investors across the globe are increasingly demanding organisations to outline their ESG framework and approach in order to assess the organisation's long-term sustainability. ESG has a potential significant impact on the following fundamental business issues relevant to the long-term success of the organisation:

- ▶ **Corporate reputation** - ESG can enhance a company's license to operate making it easier to accomplish business objectives and respond to crisis scenarios with key stakeholder groups.
- ▶ **Risk reduction** - ESG can assist with the identification of immediate and long-term risks depending on the industry and business model.
- ▶ **Opportunity management** - Shifting market and non-market conditions can expose unmet needs for new products and/or services, potential customer bases, and potential strategic relationships for addressing ESG issues.
- ▶ **Culture & intrinsic value** - ESG maturity is an indicator of a company's commitment to building a high performing, purpose-driven workforce and inclusive culture.

A robust ESG strategy can help attract the right talent and investors. To achieve a shift in sustainability we need to stop viewing ESG as a 'nice to have', it should be part of business strategy and risk management which can have a direct and positive impact on financial performance.

If you would like to speak with us about implementing an ESG framework in your organisation or providing assurance on your framework, please contact your audit engagement partner initially.

1300 138 991
www.bdo.com.au

Distinctively different - it's how we see you
AUDIT • TAX • ADVISORY

NEW SOUTH WALES
NORTHERN TERRITORY
QUEENSLAND
SOUTH AUSTRALIA
TASMANIA
VICTORIA
WESTERN AUSTRALIA

We have prepared this report solely for the use of Adelaide Central Market Authority. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

www.bdo.com.au



Ms Linh Dao
BDO Audit Pty Ltd
Level 7, BDO Centre
420 King William Street
ADELAIDE SA 5000

24 August 2023

Dear Linh

AUDIT FOR YEAR ENDED 30 JUNE 2023 OF ADELAIDE CENTRAL MARKET AUTHORITY

This representation letter is provided in connection with your audit of the financial report of Adelaide Central Market Authority for the year ended 30 June 2023, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 1 June 2023, for the preparation for the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities except for those that were disclosed below.
5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.
6. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.

7. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.
8. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.
9. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.

Books, records and documentation

10. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Board of Directors and Committees since the end of the previous reporting period have been given to you for your inspection;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
11. All transactions have been recorded in the accounting records and are reflected in the financial report.

Related parties

12. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
13. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

14. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
15. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
16. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, regulators or others.

Litigation and claims

18. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

19. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
20. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

21. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required, including but not limited to accounting estimates have been adjusted or disclosed.

Other information

22. We have informed you of all the documents that we expect to issue which may comprise other information accompanying the financial report.
23. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

Electronic presentation of Financial Report

24. We are responsible for the electronic presentation of the financial report.
25. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
26. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
27. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
28. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours sincerely

Clare Mockler
Chief Executive Officer
City of Adelaide

Christine Locher

Acting Chair

Adelaide Central Market Authority

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Central Market Authority for the year ended 30 June 2023, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 23 August 2023

Central Market Marketing Fund

Summary Financials

For the year ended 30 June 2023

Adelaide Central Market Authority
Report on Marketing Contributions from Lessees 2022-23

Income and Expenditure for the year ended 30 June 2023

Marketing Contribution by Lessees	2022-23 \$	2021-22 \$
Income		
Tenants Contribution *	517,809	487,200
Income from Market Activities	40,715	39,002
Interest Received - Bank Accounts	709	162
Total Income	559,233	526,364
Expenditure		
Advertising/Promotion	507,661	621,364
Audit Fees	1,300	1,200
Bank Charges	4,061	3,470
Promotional Materials	0	127
Other Expenditure	133	121
Total Expenditure	513,155	626,283
Total Central Market Marketing Fund	46,079	(99,919)
Previous Year brought forward	36,991	136,910
Net position 30 June	83,070	36,991

Marketing Fund Balance Sheet as at 30 June 2023

Central Market Marketing Fund	2022-23 \$	2021-22 \$
Assets		
Cash at Bank	45,189	12,526
Trade and Other Receivables	44,997	45,612
Total Assets	90,187	58,138
Liabilities		
Trade and Other Payables - Current	(7,117)	(21,147)
Total Liabilities	(7,117)	(21,147)
Net Assets	83,070	36,991
Current Year Surplus	46,079	(99,919)
Accumulated Surplus / Deficit	36,991	136,910
Total Equity	83,070	36,991

* The contribution provided by lessees to marketing activities is determined by the Retail & Commercial Leases Act 1995. The contribution amount is calculated at 13% of rent.



Ms Linh Dao
Director
BDO Audit Pty Ltd
Level 7, BDO Centre
420 King William Street
ADELAIDE SA 5000

23 August 2023

Dear Linh

ADELAIDE CENTRAL MARKET AUTHORITY – REPORT ON MARKETING CONTRIBUTIONS FROM LESSEES 2022-23

This representation letter is provided in connection with your audit of the report on Marketing Contribution from Lessees (the 'financial statement') for the Adelaide Central Market – Marketing Fund of Adelaide Central Market Authority for the year ended 30 June 2023, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the requirements of section 55 of the *Retail and Commercial Leases Act (SA) 1995*.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 1 June 2023, for the preparation for the financial statement in accordance with requirements of section 55 of the *Retail and Commercial Leases Act (SA) 1995*; in particular that the financial statement presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable Statement and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.
5. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.

6. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.
7. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.

Books, records and documentation

8. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. All transactions have been recorded in the accounting records and are reflected in the financial report.

Related parties

10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.

Fraud

11. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
12. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, regulators or others.

Litigation and claims

15. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

16. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the Statement.

17. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
18. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the Statement.

Subsequent events

19. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required have been adjusted or disclosed.

Yours sincerely

Fabienne Reilly

General Manager

Adelaide Central Market Authority

Adelaide Aquatic Centre Redevelopment - Prudential Review

Friday, 1 September 2023

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Jennifer Kalionis, Associate
Director City Culture

Public

Approving Officer:

Ilia Houridis, Director City
Shaping

EXECUTIVE SUMMARY

The Adelaide Aquatic Centre Redevelopment is funded by state government and is valued at approximately \$135m. Council's contribution to the costs of Council Funded Works as part of the Return to Park Land Zone is a total of up to \$20m (exclusive of GST) for:

- (a) The cost of demolition works of the Original Centre including the costs of managing any unforeseen site conditions in connection with the demolition; and
- (b) The construction of the community level playing field (including irrigation). The Council will be responsible and liable for all costs incurred in the operational closure of the Original Centre.

To ensure good governance and accountability, local government entities are required under section 48 of the *Local Government Act 1999* (SA) (the Act) to consider a report addressing prudential issues when engaging in any project where the expected capital cost of the project over the ensuing five years is likely to exceed \$4m (indexed).

As at the date of this Report, the relevant threshold is \$5.475m. Administration does not believe that the Project falls within an exemption of section 48(3) of the Act. As such, section 48(1) of the Act applies and, in compliance with that section, Administration has prepared a Prudential Report for presentation to Council Members.

The Act requires Council to make prudential information set out in a Prudential Report available to the public.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the BRM Advisory 'Prudential Report: Adelaide Aquatic Centre Redevelopment' August 2023' as per Attachment A to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 1 September 2023 as required by the Audit and Risk Committee Terms of Reference.
 2. Notes that the Strategic Risks raised in the report will be monitored by the Administration through the Strategic Risk and Internal Audit Group.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities
Policy	Not relevant to this report
Consultation	Public consultation regarding the essential terms of the proposed Lease Agreement and construction Licence was undertaken 13 July to 3 August 2023. Public consultation regarding the Draft Community Land Management Plan for the Adelaide Park Lands was undertaken 7 July to 31 July 2023.
Resource	Not relevant to this report
Risk / Legal / Legislative	The Prudential Report addresses risk and satisfies Council's obligations under section 48 of the <i>Local Government Act 1999 (SA)</i> . If the Prudential Report is not approved, then there is a risk that Council will not meet the timing requirements for the Project.
Opportunities	Not relevant to this report
23/24 Budget Allocation	Not as a result of this report.
Proposed 24/25 Budget Allocation	Estimated \$10m for demolition. It should be noted that the remainder of the allocated funds for this initiative will be cash flowed against 2025/26 in the LTFP as it relates to the Return to Park Land Zone works.
Life of Project, Service, Initiative or (Expectancy of) Asset	\$14.2m offset across the LTFP.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Ongoing costs for the Return to Park Land Zone to be determined once scope of works is agreed.
Other Funding Sources	State Government funding is \$135m.

DISCUSSION

1. Administration has sought BRM Advisory to undertake a Prudential Report for the City of Adelaide (CoA) requirements of the State Government Project - Adelaide Aquatic Centre Redevelopment (the Project).
2. BRM Advisory advises that the City of Adelaide has acted with due care, diligence and foresight in progressing the Project and Council has been provided with sufficient information to satisfy the requirements of the Prudential Management Policy and Section 48 of the Act in order to make an informed decision on the Project.
3. Key Findings against the criteria of s48(2):

48(2)	Description	BRM comment	Finding
(a)	The relationship with strategic management plans.	The acquisition of the Land is consistent with CoA strategic plan and relevant state and national plans.	Requirements of S48 (2) (a) have been met.
(b)	The objectives of the Development Plan.	The Project is consistent with the policies of the Adelaide Aquatic Centre Sub Zone.	Requirements of S48 (2) (b) have been met.
(c)	The expected contribution to the economic development of the local area. The impact on businesses in the proximity. Impacts on fair competition in the marketplace.	The construction activity will positively impact economic development in the CoA. The new AAC is also expected to increase visitations to the CoA further enhancing economic development.	Requirements of S48 (2) (c) have been met.
(d)	Consultation with the local community and community influence on the project.	Extensive consultation and engagement have been undertaken which has influenced the location and design of the new AAC. Under the CoA Act and Council's Community Consultation Policy, due consideration needs to be given to the feedback received through the consultation processes.	Requirements of S48 (2) (d) have been met.
(e)	Revenue projections and potential financial risks.	The Project is not forecast to produce revenue. Financial risks are to be mitigated through the Project Agreement and the Lease.	Requirements of S48 (2) (e) have been met.
(f)	Recurrent and whole-of-life costs, any financial arrangements	The recurrent costs have been identified but cannot be quantified until the 'Return to Park Lands' works have been designed. Consequently, a whole of life cost estimate has not been prepared.	Requirements of S48 (2) (f) have been partially met.
(g)	Financial viability of the project.	The Project will have a negative impact on the CoA's key financial indicators. In FY2025 and FY2026 the contribution to the Project is forecast to result in the CoA recording Operating Deficits	Requirements of S48 (2) (g) have been met.
(h)	Risks associated with the project, and steps taken to manage, reduce or eliminate risks.	The CoA is managing risk through the Project Agreement and a Lease. The essential terms are agreed between the parties.	Requirements of S48 (2) (h) have been met.
(i)	Appropriate mechanisms or arrangements for carrying out the project.	Project delivery will occur through the Minister for Infrastructure and Transport.	Requirements of S48 (2) (i) have been met.
(j)	If the project involves the sale of land, the valuation of the land by a qualified valuer	The CoA has relied on a December 2019 valuation of the Land that expressed the view that a peppercorn rental is appropriate.	Requirements of S48 (2) (j) have been met.
	An appropriate level of due diligence is applied to the proposed project.	An appropriate level of 'due diligence' has been applied to ensure Elected Members have been informed about the Project.	Complies with Prudential Management Policy.

4. The Prudential Report highlights one matter requiring finalisation (Requirement Partially Met). As stated in the Prudential Report and the Summary Conclusion it has been determined that there is sufficient information to satisfy the requirements of the Prudential Management Policy and section 48 of the Act.

5. CoA intends to manage the Partially Met Requirements of the Prudential Report through a Project Risk Register with oversight by the Strategic Risk and Internal Audit Committee (SRIA). Furthermore, it should be noted that:
 - 5.1. The risk associated with the recurrent costs of a community standard playing field do have comparable costs against which this can be benchmarked, until final costs are determined and that these risks are low due to their low cost nature.
 - 5.2. As identified in the Prudential Report the Project will be financed in accordance with the provisions of the Treasury Policy and the CoA is forecast to remain within its prudential limits.
-

ATTACHMENTS

Attachment A – City of Adelaide Prudential Report: Adelaide Aquatic Centre Redevelopment August 2023

- END OF REPORT -



City of Adelaide

Prudential Report:
Adelaide Aquatic Centre Redevelopment

22 August 2023

Final Report



Disclaimer: This document is for the exclusive use of the person named on the front of this document ('**Recipient**'). This document must not be relied upon by any person who is not the Recipient. BRM Advisory does not take responsibility for any loss, damage or injury caused by use, misuse or misinterpretation of the information in this document by any person who is not the Recipient. This document may not be reproduced in whole or in part without permission.

**BRM ADVISORY
BUSINESS RESOURCE MANAGEMENT**

Level 8, 420 King William Street, Adelaide SA 5000

Tel 08 8168 8400

ABN: 65 067 721 797

TABLE OF CONTENTS

EXECUTIVE SUMMARY	I
Key findings	ii
1. INTRODUCTION	1
1.1 Background	1
1.2 The Project	4
1.3 Project Rationale.....	4
1.4 Legal Framework and Prudential Issues	4
1.5 Presentation of Report.....	5
2. RELATIONSHIP WITH STRATEGIC MANAGEMENT PLANS	6
3. OBJECTIVES OF THE DEVELOPMENT PLAN	8
4. CONTRIBUTION TO ECONOMIC DEVELOPMENT	9
5. COMMUNITY CONSULTATION.....	11
6. FINANCIAL ASSESSMENT	15
6.1 Revenue, Revenue Projections and Potential Financial Risks	15
6.2 Recurrent and Whole of Life Costs.....	17
6.3 Financial Viability	19
7. RISK MANAGEMENT	20
8. PROJECT DELIVERY	22
9. SALE OR DISPOSITION OF LAND	23
ATTACHMENT ONE: LOCAL GOVERNMENT ACT, 1999 SECTION 48	25

EXECUTIVE SUMMARY

Purpose

The following report has been prepared to satisfy the requirements of the City of Adelaide's Prudential Management Policy and Section 48 of the Local Government Act 1999 (Act) which requires a Council to consider the prudential issues set out in Section 48 subsection 2 of the Act before engaging in a project which meets certain specified criteria. The purpose of a Prudential Report is to ensure the Elected Members have the necessary information to enable an informed decision whether or not to proceed with a project.

The Project

The Project is the contractual commitment to a Project Agreement with the Minister for Infrastructure and Transport for the redevelopment of the Adelaide Aquatic Centre to be undertaken on the Adelaide Parklands by the State Government.

Summary Conclusion

In our view, the City of Adelaide has acted with due care, diligence and foresight in progressing the Project and Council has been provided with sufficient information to satisfy the requirements of the Prudential Management Policy and Section 48 of the Act in order to make an informed decision on the Project.

Prudential Issues and Findings

In March 2022 the State Government committed \$82.4 million to build and operate a new Adelaide Aquatic Centre on Pardipardinyilla / Denise Norton Park (Park 2) with no loss of Park Lands. The Return to Park Lands Zone, as it is known, will see 1,000 square metres returned to Park Lands. Council subsequently resolved to contribute \$20.000 million to the demolition of the existing Adelaide Aquatic Centre and to the redevelopment of the Park Lands.

Extensive consultation and engagement have occurred on the development of the proposed new Aquatic Centre on Park Lands, the consultation process has identified strong community feedback against development of the Park Lands by the State Government which, under the City of Adelaide Act and its Community Consultation Policy, Council should consider.

The financial contribution to the Project is expected to have a negative impact on the Councils key financial indicators with the Operating Surplus ratio falling to below the target range in two consecutive years as a consequence.

The City of Adelaide and the State Government have negotiated a Project Agreement detailing their respective roles and responsibilities. The Agreement seeks to effectively manage Council's financial and other risks and impose certain obligations on the State Government, including a requirement to consult with Council on the design of the Return to Park Lands Zone. The parties will also enter into a lease for 42 years over the area of Park Lands on which the facility is to be located, and although the detailed terms of the Lease are yet to be negotiated the essential terms are agreed.

The City of Adelaide has relied on a December 2019 valuation of the Land which expressed the view that a peppercorn is the appropriate basis for determining market value for an occupier which is either a not-for-profit or community based organisation.

Our detailed report follows.

Key findings

S48 (2)	Description	Comments	Finding
(a)	The relationship with strategic management plans .	The acquisition of the Land is consistent with CoA strategic plan and relevant state and national plans.	Requirements of S48 (2) (a) have been met.
(b)	The objectives of the Development Plan .	The Project is consistent with the polices of the Adelaide Aquatic Centre Sub Zone.	Requirements of S48 (2) (b) have been met.
(c)	The expected contribution to the economic development of the local area. The impact on businesses in the proximity . Impacts on fair competition in the marketplace.	The construction activity will positively impact economic development in the CoA. The new AAC is also expected to increase visitations to the CoA further enhancing economic development.	Requirements of S48 (2) (c) have been met.
(d)	Consultation with the local community and community influence on the project.	Extensive consultation and engagement have been undertaken which has influenced the location and design of the new AAC. Under the CoA Act and Council's Community Consultation Policy, due consideration needs to be given to the feedback received through the consultation processes.	Requirements of S48 (2) (d) have been met.
(e)	Revenue projections and potential financial risks .	The Project is not forecast to produce revenue. Financial risks are to be mitigated through the Project Agreement and the Lease.	Requirements of S48 (2) (e) have been met.
(f)	Recurrent and whole-of-life costs , any financial arrangements	The recurrent costs have been identified but cannot be quantified until the 'Return to Park Lands' works have been designed. Consequently, a whole of life cost estimate has not been prepared.	Requirements of S48 (2) (f) have been partially met.
(g)	Financial viability of the project.	The Project will have a negative impact on the CoA's key financial indicators. In FY2025 and FY2026 the contribution to the Project is forecast to result in the CoA recording Operating Deficits.	Requirements of S48 (2) (g) have been met.
(h)	Risks associated with the project, and steps taken to manage, reduce or eliminate risks.	The CoA is managing risk through the Project Agreement and a Lease. The essential terms are agreed between the parties.	Requirements of S48 (2) (h) have been met.
(i)	Appropriate mechanisms or arrangements for carrying out the project .	Project delivery will occur through the Minister for Infrastructure and Transport.	Requirements of S48 (2) (i) have been met.
(j)	If the project involves the sale of land , the valuation of the land by a qualified valuer	The CoA has relied on a December 2019 valuation of the Land that expressed the view that a peppercorn rental is appropriate.	Requirements of S48 (2) (j) have been met.
	An appropriate level of due diligence is applied to the proposed project.	An appropriate level of 'due diligence' has been applied to ensure Elected Members have been informed about the Project.	Complies with Prudential Management Policy.



1. INTRODUCTION

1.1 Background

1.1.1 The City of Adelaide (CoA) owns and operates the Adelaide Aquatic Centre (AAC) which was originally built in 1968-1969 and was enclosed with a roof in 1985. The AAC is located on a portion of the Adelaide Park Lands known as Pardipardinyilla / Denise Norton Park (Park 2), North Adelaide (the Land).

1.1.2 As well as the AAC, Park 2 is predominantly a recreational and sporting landscape providing a range of formal and informal facilities for cricket, swimming, tennis and family picnics, the bush magic playground and the remainder of the park includes sporting facilities, open space and vegetation.

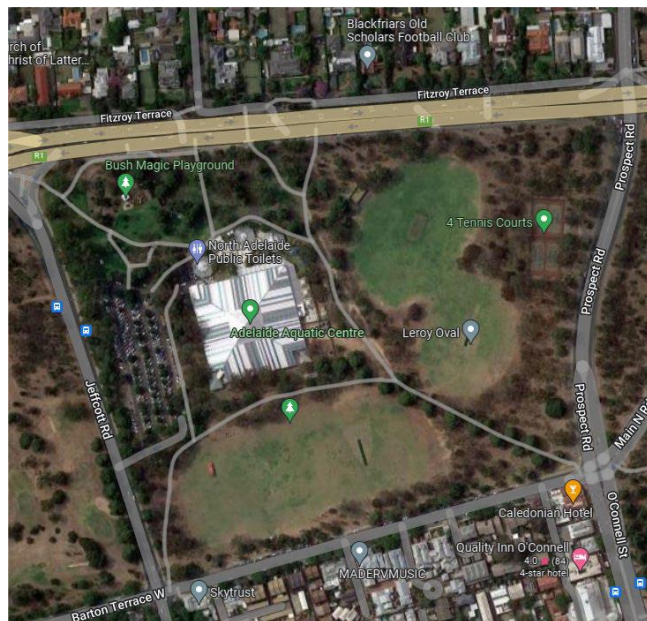


Figure One: The Land

1.1.3 In February 2020, Council identified the need to upgrade the AAC to provide a modern, fit for purpose facility. In progressing this the CoA:

1.1.3.1 Commissioned a 'Needs Analysis' (June 2020) that ascertained the current and future needs of the community if the CoA was to replace the existing facility. This 'Needs Analysis' included extensive market research and community consultation.

1.1.3.2 Conducted a 'Strategic Options Analysis' (October 2020) to investigate various renewal and upgrade (refurbish) options for the existing AAC.

1.1.3.3 Had a detailed Feasibility Study prepared on the preferred option of a new Regional Adelaide Aquatic and Wellbeing Centre (RAAWC).

1.1.4 In September 2021, the Feasibility Study was received by Council. Having assessed Council's preferred options of the southeast or northeast corners of Park 2, Council concluded that the southeast corner of Park 2 was the preferred development option. Throughout 2021 and up until the 2022 State and Federal elections, the then Lord Mayor progressed discussions at Federal and State levels seeking election funding commitments for a new RAAWC.

1.1.5 In March 2022, the State Government committed \$82.4 million to build and operate a new Adelaide Aquatic Centre on Pardipardinyilla / Denise Norton Park (Park 2) with no loss of Park Lands. In July 2022 the State Government concluded a community engagement process that sought to determine the ideal location within Park 2 for the new development.



- 1.1.6 The State Government announced the Department for Infrastructure and Transport (DIT) will manage the delivery of the Adelaide Aquatic Centre Development with the Office for Recreation, Sport and Racing (ORSR) to manage the operations of the AAC once it is completed.
- 1.1.7 On 3 August 2022, the CoA wrote to DIT advising of key considerations for the proposed redevelopment of the new AAC on the Park Lands, including the requirement to engage with Council and Kadaltilla / Adelaide Park Lands Authority through the design and delivery process.
- 1.1.8 In early September 2022, the State Government announced that the location for the new AAC would be in the south-west corner of Park 2. The site was selected based on majority feedback from the community engagement process undertaken by the State Government and included reasons relating to proximity to the existing car park infrastructure and minimising impact to trees.
- 1.1.9 DIT initiated a Code Amendment to amend the Adelaide Park Lands Zone by introducing a new Sub Zone (the Adelaide Aquatic Centre Sub Zone) to change what the Park 2 land can be used for by amending the planning rules. Consultation on the Code Amendment commenced on 23 January 2023.
- 1.1.10 At its meeting on 31 January 2023, Council resolved that:
- "3.1. Council acknowledges the concerns of residents of North Adelaide who live adjacent to the proposed site for the Adelaide Aquatic Centre and supports them in their opposition to the location of the Centre and their request for the identification of an alternate site that delivers the redevelopment of this valued community asset but also protects their rights as residents.*
- 3.2 Administration include potential impacts such as noise, increased traffic and loss of amenity and requests that these local concerns in the City of Adelaide's submission to the Code Amendment consultation."*
- 1.1.11 Following the resolution of Council in March 2023 the CoA made submission to the Adelaide Aquatic Centre Code Amendment consultation and since March 2023, the CoA Administration has been working with DIT on the Return to Parklands Zone (no loss of Park Lands) elements of the new AAC project.
- 1.1.12 On 10 June 2023, the State Government made a public announcement on the new Adelaide Aquatic Centre Redevelopment, advising the following project details:
- 1.1.12.1 a \$55 million increase in projected expenditure by the State Government, bringing the total project cost to \$135 million;
- 1.1.12.2 return of 1,000 square metres of open space to the Park Lands through a minimised facility footprint;
- 1.1.12.3 an increased set back of the new facility from Barton Terrace West to 70 metres;



- 1.1.12.4 closure of the existing AAC facility by August 2024 to accommodate the adjustment to site location;
 - 1.1.12.5 State Government support for CoA staff to be redeployed to other roles following the closure of the existing facility; and
 - 1.1.12.6 a commitment by State Government to relocate users to other facilities around metropolitan Adelaide while both facilities are closed and issue Sports Vouchers to Learn to Swim participants.
- 1.1.13 The closure of the AAC was brought forward to August 2024 by DIT as a result of public sentiment captured in feedback and engagement through CoA to site the Redevelopment further north and away from residents on Barton Terrace West, which was a concern of local residents, and reflects the CoA's submission to the Code Amendment consultation. The earlier closure will also enable a long term coordinated 'whole of park' design response that incorporates shifting the site location of the new facility further north, increasing the distance from Barton Terrace West to the southern side of the new centre from 40m to 70m subject to final design. It will also shorten the construction program, provide a safer environment during construction, and reduce the financial impacts to the CoA to maintain and operate the existing centre by a year.
- 1.1.14 The Park 2 site on which the State Government will construct the new AAC includes land vested in or under the care, control and management of the CoA and directly impacts land that CoA licences to Blackfriars Priory School as sporting ovals.
- 1.1.15 DIT has prepared a draft Project Agreement for the new AAC between the Minister for Infrastructure and Transport and the CoA providing key guiding principles for an agreement between the Council and the State, this includes (but is not limited to):
- 1.1.15.1 a commitment by the CoA that only extends to funding the demolition of the existing venue and the provision of a new playing field;
 - 1.1.15.2 negotiation of a long-term lease that does not exceed 42 years and meets the Lease and Licence Policy requirements of Council;
 - 1.1.15.3 a commitment by the State to make good on any areas impacted outside of the Redevelopment site that were required or damaged during construction;
 - 1.1.15.4 the design of the Return to Park Lands Zone to be undertaken in consultation with the Council and in accordance with the Planning, Development and Infrastructure Act 2016 (PDI Act);
 - 1.1.15.5 the demolition of the Original AAC and the Return to Park Lands Works of the Return to Park Lands Zone are to be undertaken by DIT;
 - 1.1.15.6 agreement on a licence for the purpose of commencing construction that is in line with Council policy; and



1.1.15.7 the Redevelopment site being confirmed at 70 metres from the northern side of Barton Terrace West.

1.1.16 At the meeting on 27 June 2023 Council resolved to authorise the Lord Mayor, CEO or delegate to negotiate and execute the final Project Agreement for the New Adelaide Aquatic Centre between the Minister for Infrastructure and Transport and the CoA subject to various conditions.

1.2 The Project

1.2.1 The Project is the contractual commitment to a Project Agreement with the Minister for Infrastructure and Transport for the redevelopment of the Adelaide Aquatic Centre to be undertaken on the Adelaide Parklands by the State Government (the Project).

1.2.2 Under the terms of the Project Agreement the CoA will:

1.2.2.1 grant the DIT a short term licence to being preliminary works and a 42 year lease over the Land, and

1.2.2.2 commit up to \$20 million towards demolition of the existing facility and the redevelopment of the Park Lands.

1.3 Project Rationale

1.3.1 The CoA has previously undertaken a detailed feasibility study for a new Regional Community Aquatic and Recreation facility, this study identified that given the significant upfront capital cost and on-going subsidy required a comprehensive shared funding model would be required.

1.3.2 The State Government has now agreed to construct and operate a new world-class health and aquatic wellness centre in the northern Park Lands facility.

1.3.3 There will be wide-ranging social, economic, and environmental benefits from the new health and aquatic wellness centre together with the strong strategic alignment with State and Federal Government policies and plans relating to health and wellbeing.

1.4 Legal Framework and Prudential Issues

1.4.1 The Local Government Act 1999 (Act) Section 48 states that a council must develop and maintain prudential management policies, practices and procedures for the assessment of projects to ensure that the council—

(a) acts with due care, diligence and foresight; and

(b) identifies and manages risks associated with a project; and

(c) makes informed decisions; and

(d) is accountable for the use of council and other public resources.



1.4.2 The CoA adopted a Prudential Management Policy on 14 December 2021 (Decision ID#18298) which satisfies the requirements of the Act. The Prudential Management Policy and the Act 1999 require Council to consider a report addressing the prudential issues set out in subsection 2 of Section 48 when a project meets certain criteria, specified in (1) (b), namely where a council:

(b) *engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body)—*

(i) *where the expected operating expenses calculated on an accrual basis of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or*

(ii) *where the expected capital cost of the project over the ensuing five years is likely to exceed \$4 000 000 (indexed); or.*

(iii) *where the council considers that it is necessary or appropriate.*

1.4.3 The CoA Prudential Management Policy defines a project as:

"a new and discrete undertaking or activity that would involve the expenditure of money, deployment of resources, incurring or assuming a liability, or accepting an asset."

1.4.4 The Project meets the criteria specified in Section 48 (1) (b) (ii) of the Act and the Prudential Management Policy. The prudential issues set out in Section 48 of the Act are reproduced in full as Attachment One.

1.4.5 Under the provision of the Act and the Policy the Prudential Report must be prepared by a person whom the Council reasonably believes to be qualified to address the prudential issues section 48(4) and must not be a person who has an interest in the relevant project as defined in section 48(6a) - (6c).

1.4.6 BRM Advisory was engaged to prepare a report to satisfy the requirements of Section 48 and the Prudential Management Policy. We confirm we do not have an interest in the Project, as defined in section 48(6a) - (6c) of the Act.

1.5 Presentation of Report

1.5.1 A report under subsection (1) must be available for public inspection at the principal office of the council once the council has made a decision on the relevant project (and may be available at an earlier time unless the council orders that the report be kept confidential until that time).

1.5.2 It would be appropriate for this report to be made publicly available.



2. RELATIONSHIP WITH STRATEGIC MANAGEMENT PLANS

Section 48 (2) (a) the relationship between the project and relevant strategic management plans;

Elements	Relevant Documents	Prudential Review Comments
<p>Council Plans</p>	<p>Strategic Plan 2020 – 2024 Adelaide Park Lands Management Strategy 2015 – 2025 January 2018 2023-24 Annual Business Plan and Budget (ABPB) 2022-32 Long Term Financial Plan (LTFP) Strategic Asset Management Plan (SAMP)</p>	<p>To deliver on Council’s vision to be the world’s most liveable city over the four year period of the Strategic Plan, four outcomes were identified which are supported by enabling priorities. The four outcomes were:</p> <ul style="list-style-type: none"> • Thriving Communities • Strong Economies • Dynamic City Culture • Environmental Leadership <p>The Plan identifies that one of the ways it will progress the ‘Thriving Communities’ outcome, is to “Leverage the Adelaide Park Lands to promote health, wellbeing and lifestyle experiences.” The Project will return an area of approximately 1,000 square metres to Park Lands.</p> <p>The Adelaide Park Lands Strategy identifies that the AAC in Pardipardinyilla (Park 2) attracts 780,000 visits per annum and enhancements to recreation and sporting facilities will ensure this park remains a key destination in the North Park Lands Precinct. In terms of the future moves contemplated for Pardipardinyilla, the Park Lands Management Strategy states that Pardipardinyilla will be enhanced by a number of initiatives aimed at creating a high quality multi-use destination serving the sporting, active and passive recreational needs of surrounding communities. The development of a new AAC is consistent with this.</p> <p>The ABPB contains the following statement regarding the Project.</p> <p>Aquatic Centre Opportunity – delivered within City Culture <i>It should be noted that Council expects to be required to make a contribution for the demolition and remediation of the Aquatic Centre. Timeframes and funding are not confirmed, however should works occur in the 2023/24 year, Council recognises that it will need to make a provision for the demolition of the existing facility. Future savings derived from no longer operating the Centre or providing for its renewal and maintenance has been determined as sufficient to service and fund the repayment of any borrowings required.</i></p>



Elements	Relevant Documents	Prudential Review Comments
		<p>The CoA will incur legal and professional services costs in the current year in progressing the Project, these will be met from within existing budget provisions.</p> <p>Following a decision of Council on 13 April 2021 (Item 17.14 Motion on Notice – Adelaide Aquatic Centre Capital Works [2021/006000]) the LTFP was amended to contain provisions for the forecast operating deficit of the AAC for the period FY2024 through to FT2026, and to contain provisions for the forecast depreciation expense of \$1.144 million per annum for the remainder of the LTFP. These provisions will need to be removed and replaced with the financial impact of the Project, i.e. the on-going maintenance of the Park Lands and new playing field in a future revision of the LTFP.</p> <p>The SAMP provide a high-level integrated framework to deliver on the infrastructure needs and objectives identified in the CoA Strategic Plan 2020–2024. This is delivered through asset category specific Asset Management Plans (AMP’s). The Council has previously resolved to remove all capital works for the existing AAC from the ongoing works programs for the years after the 2023-24 Financial Year and amend the relevant Asset Management Plan (Buildings) accordingly (part of the Council Decision 13 April 2021). The SAMP and relevant asset category AMP will need to be updated to account for the works that will be returned to Park Land as part of the Return to Park Lands works once they are constructed.</p>
Regional Plans		None identified.
State Plans		The Project is a State Government initiative.
National Plans	Sport 2030: National Sport Plan	The Project is aligned with the National Sport and Active Recreation Framework which sets out Commonwealth, State and Territory Government expectations of other stakeholders (including local government) to provide sporting and recreation infrastructure and the 2030 National Sports Plan by providing facilities which encourage Australians to be more active, more often.
<p>Findings: Requirements of Section 48 (2) (a) have been met. The acquisition of the Land is consistent with CoA strategic plan and relevant state and national plans.</p>		



3. OBJECTIVES OF THE DEVELOPMENT PLAN

Section 48 (2) (b) the objectives of the Development Plan in the area where the project is to occur;

Elements	Relevant Documents	Prudential Review Comments
Development Plan	Planning, Development and Infrastructure Act 2016 (PDI Act) Planning and Design Code (Code)	<p>The CoA is not responsible for obtaining approval for the Project works, this is the responsibility of DIT.</p> <p>The Project will result in development under the PDI Act which will require approval under the PDI Act.</p> <p>The Code is the key instrument under the PDI Act for the purposes of development in South Australia. The Code is a set of planning rules and policies which planning decision makers use to assess development proposals.</p> <p>DIT is required to obtain development approval for the redevelopment of the AAC and will lodge a Development Application to be assessed against the Code to determine whether what is proposed is consistent with the policies, rules or mapping within the Code. DIT has previously obtained a Code Amendment to amend the Adelaide Park Lands Zone within which the AAC is located to ensure the right planning policies are in place to enable the new AAC to be designed and built, as well as return the existing AAC site to Park Lands following construction of the new AAC.</p> <p>The new Sub Zone created by the Code Amendment is the Adelaide Aquatic Centre Sub Zone. Given the process undertaken by DIT the proposed development is expected to be consistent with the applicable zone.</p>
Approving Authority	Planning, Development and Infrastructure Act 2016 (PDI Act)	<p>On 12 July 2023 DIT lodged a Development Application with the State Commission Assessment Panel (SCAP) for assessment.</p> <p>The Development Application will be subject to a further period of community consultation.</p>
<p>Findings: Requirements of Section 48 (2) (b) have been met. The Project is consistent with the polices of the Adelaide Aquatic Centre Sub Zone.</p>		






4. CONTRIBUTION TO ECONOMIC DEVELOPMENT

Section 48 (2) (c) the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;

Elements	Relevant Documents	Prudential Review Comments
<p>Contribution economic development</p>	<p>to Economic Impact Assessment Model</p>	<p>Economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base.</p> <p>The contribution to economic development in the CoA will come primarily from the following sources:</p> <ul style="list-style-type: none"> • demolition and construction activity directly related to the future development of the new AAC and the works in the Return to Park Lands Zone; and • future economic activity from the operation and patronage of the new AAC; and • enhanced quality of life through community access to a state-of-the-art aquatic centre and an increase in the area returned to Park Lands. <p>The new AAC has an estimated construction cost of more than \$135 million over three years, this activity will have positive economic and employment multiplier benefits to the broader economy from the construction activity and the related procurement of goods and services.</p> <p>The CoA has used the "Economy.id" economic impact assessment function to assess the economic impact on the CoA economy and the broader South Australia and national economies, of the \$135.000 million construction phase of the Project which has been modelled to occur over a two-year timeframe.</p> <p>The economic impact assessment is based on an input-output model derived from the local economy microsimulation model by National Economics (NIEIR) to model the flow-on effects across different industries of a new project.</p>



Elements	Relevant Documents	Prudential Review Comments												
		<p>Construction Phase Impact</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>\$ 159.72 m Output</p> <p>(\$ 135.00 m direct + \$ 24.72 m Indirect)</p> </div> <div style="text-align: center;">  <p>\$ 48.25 m Value added</p> <p>(\$ 37.76 m Direct + \$ 10.50 m Indirect)</p> </div> <div style="text-align: center;">  <p>219 Local jobs (per year)</p> <p>(169 Direct + 50 Indirect)</p> </div> </div> <p>As shown below the Project construction activity will have broader economic benefit on the South Australian and Australian economies.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th></th> <th>Output (\$m)</th> <th>Value added (\$m)</th> <th>Local Jobs (per year)</th> </tr> </thead> <tbody> <tr> <td>South Australian economy</td> <td style="text-align: center;">210.96</td> <td style="text-align: center;">71.79</td> <td style="text-align: center;">323</td> </tr> <tr> <td>Australian economy</td> <td style="text-align: center;">269.43</td> <td style="text-align: center;">97.32</td> <td style="text-align: center;">421</td> </tr> </tbody> </table> <p>Further positive economic benefit from the expenditures associated with the operations of the new ACC will be derived from direct economic effects, indirect effects of related purchases in the broader economy and induced effects of spending on goods and services by the employees of those businesses providing goods and services to the new AAC, along with an expected increase in visitations to the CoA.</p>		Output (\$m)	Value added (\$m)	Local Jobs (per year)	South Australian economy	210.96	71.79	323	Australian economy	269.43	97.32	421
	Output (\$m)	Value added (\$m)	Local Jobs (per year)											
South Australian economy	210.96	71.79	323											
Australian economy	269.43	97.32	421											
Impact on businesses in the proximity	None	The Project is to be undertaken on Park Lands is not expected to impact businesses in the proximity.												
Fair competition	None	The Project does not involve the CoA undertaking a 'Significant Business Activity' as defined by National Competition Principles and therefore the principles of Fair Competition are unlikely to apply.												
<p>Findings: Requirements of Section 48 (2) (c) have been met. The demolition and construction activity will positively impact economic development in the CoA. The future operation of the new AAC is also expected to increase visitations to the CoA further enhancing economic development.</p>														



5. COMMUNITY CONSULTATION

Section 48 (2) (d) the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;”

Elements	Relevant Documents	Prudential Review Comments
<p>Level of consultation</p>	<p>Community Consultation Policy (Adopted 16 July 2019) Community Engagement Strategy City of Adelaide Act 1998 (CoA Act) Local Government Act 1999 (SA) (Act) Draft Community Land Management Plan Consultation Summary Report 2 August 2023 Adelaide Aquatic Centre Redevelopment Construction Licence and Lease Agreement Consultation Summary Report 4 August 2023</p>	<p>The CoA Community Consultation Policy, prepared pursuant to Section 50 of the Act, sets out the steps that Council intends to take to deliver effective community consultation, whilst fulfilling Council’s requirements under the Act. The Policy should be read in conjunction with the Community Engagement Strategy and only applies to matters that require public consultation as per the Act.</p> <p>The Policy states that Council will undertake to, where the Act prescribes that public consultation is required, obtain and consider community contributions and relevant information to ensure that any decision made is in the best interests of the community.</p> <p>Under the Act the CoA must adopt a Community Land Management Plan (CLMP) for those areas of the Park Lands under its care and control. This document identifies how this land will be used and managed.</p> <p>The current Community Land Management Plan (CLMP) (Chapter 9) does not envisage the relocation of the AAC or any additional leasing (alienation) of the Park Lands (which is community land).</p> <p>In July 2023 the CoA undertook a consultation process on a new draft CLMP which consolidates the existing separate ‘chapters’ of the current CLMP’s into a single document for the 30 parks and six squares. Under the new draft CLMP the relocation of the AAC and the associated alienation will be permissible.</p> <p>This consultation process concluded on 31 July 2023 and the outcomes of the consultation process are expected to be reported to Council on 28 September 2023.</p> <p>The Council is to separately consider the ‘chapter’ of the CLMP which relates to the relocation of the AAC on 22 August 2023. Based on the draft CLMP Community Consultation Report the consultation process identified strong community feedback against development of the Park Lands by the State Government, including both the new AAC and the new Women’s and Children’s Hospital in Park 27.</p>



Elements	Relevant Documents	Prudential Review Comments
		<p>From the consultation process the following three predominant themes were identified:</p> <ul style="list-style-type: none"> • Valuable community and environmental asset <ul style="list-style-type: none"> ○ The Park Lands provide valuable open space and environmental landscapes to the city community and adjoining council areas and should be preserved from major developments. • Enhancement and protection of environmental landscapes <ul style="list-style-type: none"> ○ The community want the Park Lands enhanced with more green space and biodiversity and protected from development, commercialisation and privatisation. • Protection of cultural and heritage values <ul style="list-style-type: none"> ○ State Agencies and Local Government outlined the need for greater identification and protection of culturally and historically significant landscapes and built form. <p>In addition, the CoA undertook a consultation process on the AAC Redevelopment: Construction Licence and Lease Agreement to facilitate the provision of a construction licence (draft Licence), and a long-term lease agreement (draft Lease Agreement) to DIT to enable the redevelopment of the new AAC.</p> <p>The consultation provides information on the Essential Terms of the Proposed Draft Lease Agreement and the Draft Construction Licence, it does not however specifically mention the quantum of the CoA financial contribution to the Project.</p> <p>The consultation concluded on 3 August 2023 and the outcomes of the consultation process are to be considered by Council on 22 August 2023. Based on the draft Community Consultation report the feedback received through this consultation process is summarised as follows.</p> <p>Most of the feedback did not relate to the draft licence or draft lease agreement rather, the feedback related to the State Government proposal and Council’s decision to proceed with this development in Park 2 and not dedicating more time to investigate alternative brownfield sites.</p>



Elements	Relevant Documents	Prudential Review Comments
		<p>However, based on the consultation process there is a strong sense that a new aquatic centre is warranted, but the Park Lands should be protected. The view was that a new facility should be located on a brownfield site (preferably not on Park Lands or on the site of the current AAC). Concerns were also raised during the consultation that related to the protection of the Park Lands, current bid for world heritage listing, environmental impacts, commercialisation of Park Lands, lack of public transport options to access the new facility and the early closure of the AAC.</p> <p>The State Government also undertook a range of consultation processes on the proposed new AAC during 2022, this included seeking feedback on the preferred location in Park 2 via a survey (available on-line or paper based) and meeting face to face with the State government project team at the pop-up booth at the existing AAC or at one of the drop-in information sessions. Community members were also invited to express their interest in joining a Community Reference Group (CRG) to review and consider the feedback received during this engagement period. The 12 person CRG were selected to represent a range of key community interests including local residents, businesses, the Adelaide Parklands Association and other entities affiliated with the existing AAC. Further consultation was held in November and December 2022 to inform the concept design process, this multi-lingual engagement included distribution of a project update and survey (online and hard copy) to addresses within a 1-kilometre radius of the existing AAC and over 900 people on the Aquatic Centre project mailing list, meetings with aquatic sporting clubs, service and training providers, door knocking residences along Barton Terrace West, a local resident meeting, a staffed pop-up information stand at the existing AAC, targeted children’s activities and social media.</p> <p>In decision making it is also relevant to consider the objectives of the CoA Act (s29), the following are considered to be relevant.</p> <p>“The Council must, in the performance of its roles and functions:</p> <ol style="list-style-type: none"> a. provide open, responsive and accountable government; b. be sensitive to the needs, interests, and aspirations of individuals and groups within the City of Adelaide community;



Elements	Relevant Documents	Prudential Review Comments
		<p>d. give due weight, in all its plans, policies and activities, to regional, State and national objectives and strategies concerning the economic, social, physical and environmental development and management of the City of Adelaide;</p> <p>f. seek to ensure a proper balance within the community between economic, social, environmental and cultural considerations.”</p> <p>Council should be mindful of the feedback received during the consultation processes and its obligations under the CoA Act before entering into the Project Agreement.</p>
<p>Community influence or contribution to the Project</p>	<p>Draft Community Land Management Plan Consultation Summary Report 2 August 2023</p> <p>Adelaide Aquatic Centre Redevelopment Construction Licence and Lease Agreement Consultation Summary Report 4 August 2023</p>	<p>The State Government has undertaken extensive consultation and engagement processes on the proposed new AAC through which it is evident the Council and the community have been able to influence the final location and design of the Project.</p> <p>The community has also been afforded the opportunity of further consultation on the Project through two consultation processes conducted by the CoA. The first was on the new draft CLMP and the second related to the Adelaide Aquatic Centre Redevelopment: Construction Licence and Lease Agreement. The extent to which the community has influenced the Project through these processes will not be known until Council has considered the Consultation reports.</p>
<p>Findings:</p> <p>Requirements of Section 48 (2) (d) have been met.</p> <p>The State Government has undertaken extensive community consultation and engagement on the proposal to develop and operate an aquatic centre on the Park Lands. The CoA has also undertaken consultation consistent with its Policy in relation to proposed changes to the CLMP and the essential terms of the AAC Redevelopment: Construction Licence and Lease Agreement. In accordance with the CoA Act and its Community Consultation Policy Council will need to give due consideration to the feedback received through the consultation processes before entering into the Project Agreement.</p>		



6. FINANCIAL ASSESSMENT

6.1 Revenue, Revenue Projections and Potential Financial Risks

Section 48 (2) (e) if the project is intended to produce revenue, revenue projections and potential financial risks”

Elements	Relevant Documents	Prudential Review Comments
Revenue projections	2023-24 Annual Business Plan and Budget (ABPB) 2022-32 Long Term Financial Plan (LTFP) Adelaide Park Lands Leasing and Licencing Policy (Adopted 27 January 2016) Park Lands Leasing and Licensing Operating Guidelines.	<p>The Adelaide Park Lands Leasing and Licencing Policy supports, through the granting of leases and licenses, undertaking sporting and commercial activities on the Park Lands underpinning their use and activation for both formal and informal recreation. It also provides a consistent framework for the establishment and management of leasing and licensing arrangements for the Park Lands. The Policy states that ‘fair and reasonable lease and license fees will be applied, whilst taking into consideration the level of priority use for sporting facilities or the commercial nature of the activity.’</p> <p>The CoA is to lease the land on which the new AAC will be constructed to the State Government at a peppercorn rental, accordingly the Project will not produce revenue. In agreeing to the lease Council is in effect determining that the investment being made by the State Government warrants a peppercorn rental.</p>
Potential financial risks	Project Agreement (Draft 24.07.2023)	<p>The Project requires the CoA to contribute \$20.000 million to be applied to the demolition of the existing AAC and the ‘Return to Park Lands’ works.</p> <p>The CoA has identified a number of key financial risks which have been addressed these through the draft Project Agreement, including:</p> <ul style="list-style-type: none"> • Limiting Council’s contribution to \$20.000 million (exc. GST). • Good faith negotiations regarding a Handover Deed regarding the transfer of ownership of assets and infrastructure and providing access to Contractors warranties and securities. • Specifying certain works to be funded by the Minister including for the Return to Park Lands Zone. • Requiring the Minister to share the Contractor’s costings and estimates for the CoA’s review and approval in respect to the Council Funded Works. The CoA



Elements	Relevant Documents	Prudential Review Comments
		<p>is also able to request further information from the Minister to make an assessment of value.</p> <ul style="list-style-type: none"> • An acknowledgement from the Minister that unless otherwise agreed the Council is only liable to pay the amounts that reflect the final Contractor’s costings (in the final Project Contracts); and the Minister is responsible for the final costs for all works undertaken on the Return to Park Lands Zone including all costs overruns in respect of the Council Funded Works. • Incorporating a clause that provides that the Lease will contain an obligation to have the new AAC decommissioned and returned to unimproved Park Lands at the end of the term of the Lease. <p>In addition, the following are identified as potential financial risks.</p> <ul style="list-style-type: none"> • Under the Handover Deed (the terms of which are to be agreed) the CoA will have access to the contractor warranties and securities. <ul style="list-style-type: none"> ○ The CoA should ensure the warranties and securities provide adequate protection. • Personnel: the cost of redundancies, outplacement, redeployment and re-training. <ul style="list-style-type: none"> ○ These are issues the CoA will need to manage in accordance with its obligations under Enterprise Agreements. • Debt and interest rate risk. <ul style="list-style-type: none"> ○ This will be mitigated through the application of the CoA’s Treasury Policy. <p>These risks should be recorded, assessed, evaluated and treated in accordance with the Risk Management Operating Guideline.</p>

Findings:

Requirements of Section 48 (2) (e) **have been met.**

The Project is not forecast to produce revenue. Financial risks are to be mitigated through the draft Project Agreement and the Lease, the terms of which have yet to be finalised.



6.2 Recurrent and Whole of Life Costs

Section 48 (2) (f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;

Elements	Relevant Documents	Prudential Review Comments
Recurrent costs	Project Agreement (Draft 24.07.2023) 2022-32 Long Term Financial Plan (LTFP)	<p>The CoA has recurrent costs for the existing AAC in the LTFP, these will no longer be incurred after the closure of the Centre.</p> <p>Funding of the CoA \$20.000 million contribution to the Project will be undertaken in accordance with the Treasury Policy, while there is not a direct recurrent financing cost that can therefore be attributed to the Project, there is a recurrent opportunity cost, from the application of CoA funds towards the Project.</p> <p>The CoA will incur maintenance costs for the 'Return to Park Lands' works. These works are to include a new playing field, landscaping elements and pathways, along with utilities costs for lighting and irrigation. The on-going maintenance costs are not able to be quantified until the 'Return to Park Lands' works have been designed. However, they are not expected to be material in the context of the CoA's Annual Budget.</p>
Whole of life costs	Project Agreement (Draft 24.07.2023)	<p>The CoA has not prepared whole of life costs for the Project and is unable to do so at this time as the recurrent maintenance costs will not be known until the 'Return to Park Lands' works have been designed. These costs are not expected to be material in the context of the CoA Annual Budget.</p> <p>Assuming the CoA contribution to the Project is the full \$20.000 million, and after accounting for the operational savings from FY2025 onwards, there is an average opportunity cost of ~\$0.922 million per annum from the use of these funds (calculated using the current LGFA CAD rate of 6.05% for the 42 year life of the lease). The estimated opportunity cost of the CoA financial contribution (net of the operational savings from FY2025) is \$38.711 million over the 42 year life of the Project. This means that funds which are directed towards servicing the financial contribution will not be available for other uses unless the CoA implements other specific measures to repay this financial contribution over an earlier timeframe.</p>



Elements	Relevant Documents	Prudential Review Comments
<p>Financial arrangements</p>	<p>2022-32 Long Term Financial Plan (LTFP) Treasury Policy (Adopted 27 January 2022 / decision ID 21513)</p>	<p>The Treasury Policy will apply to finance the CoA contribution to the Project. The CoA manages its finances holistically in accordance with the adopted Treasury Policy, which seeks to manage financial risks centrally to ensure there is alignment with Council's Strategic objectives. This enables Council to optimise access to debt capital and ensure that Treasury operates within a controlled environment.</p> <p>In assessing and addressing financial risk the Policy requires that the following must be considered: Council's 'risk appetite'; 'User pays' and inter-generational equity principles; the ability to service debt and it prohibits speculative transactions.</p> <p>Based on the LTFP and the application of the Treasury Policy, there is inter-generational equity in the application of the Treasury Policy to the opportunity cost associated with the contribution as future generations are not funding future losses, the Project contribution is able to be serviced from forecast cash flows and the contribution is not considered to be speculative.</p> <p>The CoA contribution to the Project has been assumed to occur in equal proportion in FY2025 and FY2026.</p> <p>The maximum level of debt is prescribed by Council by way of prudential limits. The Policy prescribes that Council will not borrow funds when such borrowing would result in any of the following financial ratios being exceeded:</p> <ul style="list-style-type: none"> • Interest Expense Ratio: Maximum: 10% of general rates revenue • Leverage Test Ratio: Maximum: 1.5 years of general rates revenue • Asset Test Ratio: Maximum: 50% of saleable assets <p>The CoA is not forecast to exceed any of these financial ratios in funding the \$20.000 million contribution to the Project.</p>
<p>Findings: Requirements of Section 48 (2) (f) have been partially met.</p> <p>The recurrent costs of the Project have been identified but are unable to be quantified until the 'Return to Park Lands' works have been designed.</p> <p>A whole of life cost estimate has not been prepared as the future recurrent costs of maintaining the 'Return to Park Lands' works is not known.</p> <p>The Project will be financed in accordance with the provisions of the Treasury Policy and the CoA is forecast to remain within its Prudential Limits.</p>		



6.3 Financial Viability

Section 48 (2) (g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;

Elements	Relevant Documents	Prudential Review Comments
<p>Financial viability</p>	<p>2022-32 Long Term Financial Plan (LTFP)</p>	<p>The LTFP contains provisions for operating losses for the AAC of \$1.813 million (cash) in FY2025 and FY2026 and depreciation expenditure of \$10.296 million for the life of the LTFP (non-cash). These provisions totalling \$12.09 million will no longer be required, however this is more than offset by the \$20.000 million contribution to Project resulting in a negative impact on the CoA financial indicators.</p> <p>The CoA has forecast the impact of the contribution on the Council’s key financial indicators.</p> <p>The Operating Surplus ratio, which has a target range of between 0% and 20%, is forecast to fall into deficit in FY2025 and FY2026, with deficits of ~\$6.915 million (3.2%) and ~\$8.831 million (3.8%) respectively. However, the ratio returns to within the target range for the balance of the LTFP (other than FY2032 which is a deficit of \$0.099 million).</p> <p>The CoA has taken a conservative view that the full \$20.000 million contribution will be treated in the financial statement as an operational expense (although it may be that a portion of the expenditure is capital in nature and would therefore have less of a negative impact on the Operating Surplus).</p> <p>The remainder of the Council’s key financial indicators are forecast to stay within the target range.</p>
<p>Findings: Requirements of Section 48 (2) (g) have been met. The Project will have a negative impact on the CoA’s key financial indicators. In FY2025 and FY2026 the contribution to the Project is forecast to result in the CoA recording Operating Deficits.</p>		



7. RISK MANAGEMENT

Section 48 (2) (h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);”

Elements	Relevant Documents	Prudential Review Comments
<p>Risk assessment</p>	<p>Risk Management Operating Guideline (Approved 12 April 2023) Project Agreement (Draft 24.07.2023)</p>	<p>The CoA has a Risk Management Operating Guideline which sets the foundation for people who create and protect value in Council by managing risks, making decisions, setting and achieving objectives and improving performance. Under the Guideline the CoA has a low risk appetite for financial decisions that could have a negative impact on the organisation’s financial sustainability.</p> <p>Over the life of the current LTFP the Project will have a negative impact on the CoA’s financial sustainability. However, as a result of the Project there will be an additional 1,000 square metres of land returned to Park Lands and over the 42 year term of the Lease there will be an aquatic centre operating in the CoA providing a valuable community facility and service at no operating cost to Council.</p> <p>The CoA is seeking to manage risk through the draft Project Agreement and through a Lease, which has not yet been finalised.</p> <p>The Project Agreement provides Council with representation on the Return to Park Land sub-committee which has been established by the Minister on terms of reference to be agreed with the CoA. Under the Project Agreement the Minister has agreed to consult and engage with Council on the detail of the design of the Return to Park Lands Zone and incorporate relevant Council specifications, standards and construction requirements in the design of Return to Park Land Zone.</p> <p>The Project Agreement also requires the Minister to ensure the Council is kept updated and regularly informed regarding the status of the Project including:</p> <p>“(a) updates regarding changes in Project deadlines and timeframes; (b) progress of the works under the Project Contract; and (c) any other matter that may be material to the Council.”</p>



Elements	Relevant Documents	Prudential Review Comments
		The CoA has undertaken a high level risk assessment which identified five remaining risks i.e. not addressed by the Project Agreement. These risks have not yet been evaluated and treated in a Project Risk Register.
Risk mitigation	Project Agreement (Draft 24.07.2023)	The Chief Executive Officer should be kept apprised of Project progression and any areas of risks through monthly meetings with the Director – City Shaping. The Chief Executive Officer should update Council and the Audit and Risk Committee on Project progression, and any change in the risk profile of the Project as required.
<p>Findings: Requirements of Section 48 (2) (h) have been met. The CoA is managing risk through the Project Agreement and a Lease. The detailed terms of the Lease are yet to be agreed but the essential terms have been agreed between the parties. The remaining identified risks should be evaluated and treated in a Project Risk Register.</p>		



8. PROJECT DELIVERY

Section 48 (2) (i) the most appropriate mechanisms or arrangements for carrying out the project;

Elements	Relevant Documents	Prudential Review Comments
Project Delivery	Project Agreement (Draft 24.07.2023) Local Government Act 1999 (SA)	Under the provisions of the Project Agreement the Minister for Infrastructure and Transport will enter into all contracts associated with the development of the new AAC. Under the Project Agreement the Minister agrees to consult and engage with CoA regarding the details of the design of the Return to Park Land Zone; and incorporate relevant Council specifications, standards and construction requirements in the design of Return to Park Land Zone.
Procurement	Procurement Policy (Adopted 14 December 2021 / decision ID 21480) Procurement and Contract Approvals Operating Guideline 19 November 2021 Local Government Act 1999 (SA)	The CoA Procurement Policy covers CoA's requirements in relation to the procurement of goods, works and services. In addition to meeting legislative requirements the Policy seeks to deliver best value outcomes; ensure ethical conduct, accountability and transparency; manage risk management factors and ensure continuity of supply and deliver its strategic objectives. In progressing the Project the CoA has engaged the following advisors: <ul style="list-style-type: none"> • Norman Waterhouse – Legal. • BRM Advisory – Prudential report. The procurement of professional services to progress the Project have been undertaken consistent with the Procurement Policy. Under the Project Agreement the CoA will pay up to \$20.000 million on the basis of contracts to be entered into by the Minister, this is a contractual commitment to pay the State Government to procure and delivery the demolition of the existing AAC and the redevelopment of the Park Lands works as agreed.
<p>Findings: Requirements of Section 48 (2) (i) have been met. Project delivery will occur through the Minister for Infrastructure and Transport.</p>		



9. SALE OR DISPOSITION OF LAND

Section 48 (2) (j) if the project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the Land Valuers Act 1994;

Elements	Relevant Documents	Prudential Review Comments
<p>Valuation of land</p>	<p>Market Rental Assessment 9 December 2019</p>	<p>The disposition of land includes the grant of a lease. In undertaking the Project the CoA will enter into a long term lease with the State Government for the Land.</p> <p>Colliers International were engaged to provide a market value and market rental value of the existing Adelaide Aquatic Centre Land. The key assumptions on which the valuation was based are set out below.</p> <ul style="list-style-type: none"> • A lease term of 21 years with a 21 year right of renewal • The lease is structured on a net basis with the Lessee responsible for the payment of all relevant outgoings • Permitted use includes an aquatic centre • Annual reviews to CPI with a market review every 5 years. <p>The rental assessment was based on the following definition.</p> <p><i>"Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</i></p> <p>The valuation date was 9 December 2019, the valuation was prepared by a Certified Practising Valuer who is qualified to provide such a valuation.</p> <p>The valuation highlighted the difficulty in determining a market rental on the basis of a comparison with comparable landholdings, generally the primary approach use in such determinations. Other sites within the Park Lands and Adelaide Oval were identified along with the sites such as the State Aquatic Centre at Marion. The observation was that based on that research only a peppercorn rental should be payable based on the occupiers of the identified landholdings being either not-for-profit or community based organisations.</p>



Elements	Relevant Documents	Prudential Review Comments
		<p>To arrive at a commercial valuation the valuer assessed the ground rental on the basis of the level of return an investor would expect on the underlying land value. The rate of return was set at 5% assuming a Park Lands or community use and rental was assessed at \$12.50m².</p> <p>The Land is to be leased to the State Government for a peppercorn rental which is consistent with the views expressed in the valuation for an occupier which is either a not-for-profit or community based organisation.</p> <p>We note the valuation was undertaken in 2019 and has not been updated since, in our view this is reasonable given the views of the valuer that a peppercorn is the appropriate basis for determining market value for an occupier which is either a not-for-profit or community based organisation.</p>
<p>Findings: Requirements of Section 48 (2) (j) have been met.</p> <p>The CoA will lease the land for the new AAC to the State Government for a peppercorn rental. This rental basis is supported by a valuation prepared for the CoA, prepared by a qualified valuer in December 2019, which expressed the view that a peppercorn rental is the appropriate basis for determining market value for an occupier which is either a not-for-profit or community based organisation.</p>		



ATTACHMENT ONE: LOCAL GOVERNMENT ACT, 1999 SECTION 48

Section 48 – Prudential requirements for certain activities

- (aa1) A council must develop and maintain prudential management policies, practices and procedures for the assessment of projects to ensure that the council—
- (a) acts with due care, diligence and foresight; and
 - (b) identifies and manages risks associated with a project; and
 - (c) makes informed decisions; and
 - (d) is accountable for the use of council and other public resources.
- (a1) The prudential management policies, practices and procedures developed by the council for the purposes of subsection (aa1) must be consistent with any regulations made for the purposes of this section.
- (1) Without limiting subsection (aa1), a council must obtain and consider a report that addresses the prudential issues set out in subsection (2) before the council—
- (b) engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body)—
 - (i) where the expected operating expenses calculated on an accrual basis of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or
 - (ii) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4 000 000 (indexed); or
 - (iii) where the council considers that it is necessary or appropriate.
- (2) The following are prudential issues for the purposes of subsection (1):
- (a) the relationship between the project and relevant strategic management plans;
 - (b) the objectives of the Development Plan in the area where the project is to occur;
 - (c) the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;
 - (d) the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;
 - (e) if the project is intended to produce revenue, revenue projections and potential financial risks;
 - (f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;
 - (g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;
 - (h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);
 - (i) the most appropriate mechanisms or arrangements for carrying out the project;
 - (j) if the project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the Land Valuers Act 1994.
- (2a) The fact that a project is to be undertaken in stages does not limit the operation of subsection (1)(b) in relation to the project as a whole.
- (3) A report is not required under subsection (1) in relation to—
- (a) road construction or maintenance; or
 - (b) drainage works.



- (4) A report under subsection (1) must be prepared by a person whom the council reasonably believes to be qualified to address the prudential issues set out in subsection (2).
- (4a) A report under subsection (1) must not be prepared by a person who has an interest in the relevant project (but may be prepared by a person who is an employee of the council).
- (4b) A council must give reasonable consideration to a report under subsection (1) (and must not delegate the requirement to do so under this subsection).
- (5) A report under subsection (1) must be available for public inspection at the principal office of the council once the council has made a decision on the relevant project (and may be available at an earlier time unless the council orders that the report be kept confidential until that time).
- (6) However, a council may take steps to prevent the disclosure of specific information in order to protect its commercial value or to avoid disclosing the financial affairs of a person (other than the council).
- (6a) For the purposes of subsection (4a), a person has an interest in a project if the person, or a person with whom the person is closely associated, would receive or have a reasonable expectation of receiving a direct or indirect pecuniary benefit or a non-pecuniary benefit or suffer or have a reasonable expectation of suffering a direct or indirect detriment or a non-pecuniary detriment if the project were to proceed.
- (6b) A person is closely associated with another person (the relevant person)—
- (a) if that person is a body corporate of which the relevant person is a director or a member of the governing body; or
 - (b) if that person is a proprietary company in which the relevant person is a shareholder; or
 - (c) if that person is a beneficiary under a trust or an object of a discretionary trust of which the relevant person is a trustee; or
 - (d) if that person is a partner of the relevant person; or
 - (e) if that person is the employer or an employee of the relevant person; or
 - (f) if that person is a person from whom the relevant person has received or might reasonably be expected to receive a fee, commission or other reward for providing professional or other services; or
 - (g) if that person is a relative of the relevant person.
- (6c) However, a person, or a person closely associated with another person, will not be regarded as having an interest in a matter—
- (a) by virtue only of the fact that the person—
 - (i) is a ratepayer, elector or resident in the area of the council; or
 - (ii) is a member of a non-profit association, other than where the person is a member of the governing body of the association or organisation; or
 - (b) in a prescribed circumstance.
- (6d) In this section, \$4 000 000 (indexed) means that that amount is to be adjusted for the purposes of this section on 1 January of each year, starting on 1 January 2011, by multiplying the amount by a proportion obtained by dividing the CPI for the September quarter of the immediately preceding year by the CPI for the September quarter, 2009.
- (6e) In this section—
- employee** of a council includes a person working for the council on a temporary basis;
- non-profit association** means a body (whether corporate or unincorporate)—
- (a) that does not have as its principal object or 1 of its principal objects the carrying on of a trade or the making of a profit; and
 - (b) that is so constituted that its profits (if any) must be applied towards the purposes for which it is established and may not be distributed to its members.
- (7) The provisions of this section extend to subsidiaries as if a subsidiary were a council subject to any modifications, exclusions or additions prescribed by the regulations.

Program Contact:

Alana Martin, Manager
Governance

Public

Approving Officer:

Clare Mockler, Chief Executive
Officer

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit and Risk Committee meeting for the consideration of information and matters contained in the Agenda.

10.1 Strategic Property Matter – Prudential Report [section 90(3) (b) & (d) of the Act]

The Order to Exclude for Item 10.1

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 10.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (b) & (d) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 1 September 2021 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 10.1 [Strategic Property Matter – Prudential Report] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

This item contains certain information of a confidential nature (not being a trade secret) the disclosure of which could reasonably expect to confer a commercial advantage on a person with whom the Council is conducting business, prejudice the commercial position of the Council. This Item provides commercially sensitive information concerning possible negotiation positions and financial negotiation ranges.

The disclosure of information in this report could reasonably prejudice the position of Council as it includes specialist information provided to Council on a confidential basis.

Public Interest

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in release of information prior to the commencement and finalisation of a 'commercial in confidence' negotiation process with the vendor.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 1 September 2021 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 10.1 [Strategic Property Matter – Prudential Report] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (b) & (d) of the Act.
-

DISCUSSION

1. Section 90(1) of the *Local Government Act 1999 (SA)* (the Act), directs that a meeting of a Council Committee must be conducted in a place open to the public.
2. Section 90(2) of the Act, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.
3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.
4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -
 - (a) *cause embarrassment to the council or council committee concerned, or to members or employees of the council; or*
 - (b) *cause a loss of confidence in the council or council committee; or*
 - (c) *involve discussion of a matter that is controversial within the council area; or*
 - (d) *make the council susceptible to adverse criticism.'*
5. Section 90(7) of the Act requires that an order to exclude the public:
 - 5.1 Identify the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
 - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
 - 5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.
6. Section 87(10) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following matter is submitted seeking consideration in confidence.
 - 6.1 Information contained in Item 10.1 – Strategic Property Matter – Prudential Report
 - 6.1.1 Is not subject to an Existing Confidentiality Order
 - 6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (b) & (d) of the Act
 - (b) *information the disclosure of which—*
 - (i) *could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - (ii) *would, on balance, be contrary to the public interest*
 - (d) *commercial information of a confidential nature (not being a trade secret) the disclosure of which—*
 - (i) *could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - (ii) *would, on balance, be contrary to the public interest*

ATTACHMENTS

Nil

- END OF REPORT -

Document is Restricted

Document is Restricted