



# Enabling Priorities

**2022-2023**

**Business Plan and Budget:**

- How we are planning for delivery
- How we are building the budget



CITY OF  
ADELAIDE

# Purpose - session overview



## Future Proofing our **Business Plan and Budget**

### **Background**

Why we plan and Budget

Subsidiary Overview

ACMA Draft BP&B

AEDA Draft BP&B

### **Projects**

How proposed projects are determined

Proposed projects considerations and approach

Strategic Projects

Capital Projects

### **Budget Scenario**

Options for 2022 – 2023

Bridging 2021/22 – 2022/23

Budget Options

### **Community Consultation**

### **Next Steps**

# Key Message

The Business Plan and Budget (BP&B) outlines the key actions, services, and projects we will deliver for our community and how we plan to allocate the budget.

The BP&B articulates the delivery approach for the third year of our 2020-2024 Strategic Plan

The focus of the 22/23 BP&B will be to help our city to get moving again and continuing to support our community and businesses to recover from the impacts of COVID-19.

**Last month we provided Council with information on:**

- **How Strategic Planning informs our BP&B**
- **how we plan and budget**
- **what we are currently doing**
- **what we will be doing differently**
- **challenges and opportunities moving forward**

**This workshop will focus on:**

- **The next layer of our Strategic Planning that informs the BP&B**
- **Capital projects proposed for 22/23**
- **Strategic projects proposed for 22/23**
- **Integrated plan and budget view of our subsidiaries**
- **Budget scenarios**

# Key Questions and discussion

## KEY QUESTION

### Proposed Projects

What are Council Members' views on the Draft Projects and how we will deliver on our Future Proofing focus?

## KEY QUESTION

### Scenario Budget

What are Council Members' views on the budget scenarios presented?

## KEY QUESTION

### Consultation

What are Council Members' views on the proposed consultation approach?

# Implications

Implication	Comment
Policy	Not as a result of this workshop.
Consultation	Consultation is required on Council's Business Plan and Budget.
Resource	The development of the BP&B is delivered using current resources.
Risk / Legal / Legislative	Council is required to adopt annual priorities, an Annual Plan and budget as per the <i>Local Government Act 1999 (SA)</i> .
Opportunities	Opportunity to articulate priorities which support the City, to realign levels of service as guided by community expectations, in a financially sustainable manner

# Budget / Financial Implications

Implication	Comment
21/22 Budget Allocation	Not as a result of this workshop.
21/22 Budget Reconsideration (if applicable)	Not as a result of this workshop.
Proposed 22/23 Budget Allocation	Within the parameters agreed by Council to deliver the 22-23 Business Plan and Budget.
Ongoing Costs (eg maintenance cost)	Any changes to existing Levels of Service would have budget implications
Other Funding Sources	Not as a result of this workshop.

# Background

## Subsidiary Overview

Further to the services we deliver on, the City of Adelaide also has an interest, or direct relationship to the below subsidiaries:

### **Adelaide Central Market Authority**

*Mission: Operate sustainably and successfully as a group of prosperous Traders, Board and management team that provides a diverse and exciting cultural shopping experience that enhances our precinct, city and state.*

### **Adelaide Economic Development Agency**

*Mission: To accelerate economic growth in the city by attracting investment and supporting businesses, growing the visitor economy, supporting residential growth, growing an annual events calendar and marketing the city as a whole including Rundle Mall.*

### **Adelaide Park Lands Authority**

*Strategic Priorities: Promote the cultural values of the Park Lands including Kaurna culture, heritage and wellbeing; Improve community connection with the natural and cultural landscape of the Park Lands; Treat the Park Lands holistically with long term vision; Function as the peak advisory body for policy, development, heritage & management of the Park Lands*

### **Brown Hill and Keswick Creeks Stormwater Board:**

The Board coordinates the delivery of the Brown Hill Keswick Creek Stormwater Project, which is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens.



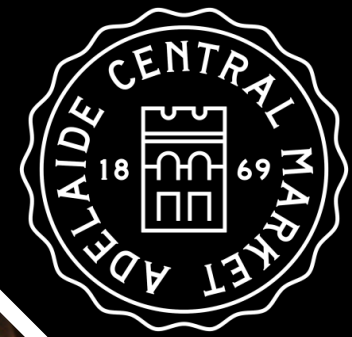
# Adelaide Central Market Authority

Draft 2022 – 2023 Business Plan and Budget

*Our* **MARKET.**



# Adelaide Central Market Authority



New foundation documents established in July 2021, including ACMA Head Lease and Operating Agreement with CoA.

**Strategic Plan :** This is the fifth and final year of the 2018 -22 Adelaide Central Market Authority Strategic Plan. A new strategy will be developed in consultation with stakeholders in 2022.

**The vision of the Adelaide Central Market is to:** “Create enduring customer connection as the world’s leading food and produce market”.

**Business Plan:** ACMA board endorsed the Strategic Map for 2022 and the Business Plan outlines actions to deliver it.

**Budget:** All actions have been considered, costed and reflected within the relevant period.



# Draft Business Plan 2022 / 2023



## Strategic Plan and Draft Business Plan 2022 / 2023

As per new Charter (July 2021), ACMA is to:

- Oversee the management and operation of the Market.
- Be responsible for maintaining and enhancing the iconic standing of the Market for the benefit of all stakeholders.
- Be responsible for the Market being recognised locally and internationally as a vibrant, diverse and unique fresh produce market community that is commercially sustainable for traders and the City of Adelaide.
- Contribute to the development of the wider market district.
- Be financially self sufficient in terms of its operations.



# Strategic Map 2021 - 2024



<b>VISION</b>	<b>Create enduring customer connection as the world's leading food and produce market</b>				
<b>KEY OBJECTIVES</b>	<b>OUR CUSTOMERS</b>  To connect with our customers through an authentic, unique, and memorable shopping experience that puts them first.	<b>OUR TRADERS</b>  To create a <u>modern, relevant &amp; sustainable</u> environment in which our market family and fresh food and produce entrepreneurs can thrive.	<b>OUR BUSINESS</b>  To grow the business in a financially, <u>environmentally</u> sustainable manner, that supports best-practice governance.	<b>OUR COMMUNITY</b>  To make a valuable contribution to the economic, social & cultural wellbeing of our community, in alignment with the Council and State Government's strategic priorities.	<b>OUR INFRASTRUCTURE</b>  To deliver an infrastructure program that addresses the current and emerging needs of the consumers and traders.
<b>STRATEGIES</b>	<ul style="list-style-type: none"> <li>• Desktop review and gap analysis of customer survey data, customer survey</li> <li>• Ease of access &amp; mobility strategy</li> <li>• Develop ongoing communication, marketing and engagement strategy</li> <li>• Activation program to engage new customers</li> <li>• Understanding who our non-customers are</li> </ul>	<ul style="list-style-type: none"> <li>• Define strategy for renewal and regeneration of traders</li> <li>• Share customer trends and service proposition &amp; upskill around this</li> <li>• Develop a trader engagement and communication strategy</li> <li>• Invite appropriate leasing agents to sense check retail plan</li> </ul>	<ul style="list-style-type: none"> <li>• Finalise fit for purpose Foundation documents (charter, operating agreement and head lease)</li> <li>• Development of Workforce plan</li> <li>• OH&amp;S &amp; Security management plan</li> <li>• Clearly articulate, measure and promote sustainability/environmental policy</li> <li>• Ensure financial viability &amp; sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Review and align community engagement plan to strategy</li> <li>• Strategy for precinct engagement (market district advisory group)</li> <li>• Strategy for ongoing engagement with key stakeholders including <u>SATC</u>, <u>AEDA</u>.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop E-platform solution, including data infrastructure</li> <li>• Asset &amp; Accessibility review</li> <li>• 10 year capital works program</li> <li>• Car Park Plan</li> <li>• Integration of services and facilities as one market</li> <li>• Future proofing the asset</li> </ul>
<b>CORE VALUES</b>	<b>ENJOYABLE, PROFESSIONAL, INNOVATIVE, UNIQUE, SUSTAINABLE</b>				

# Our Customers

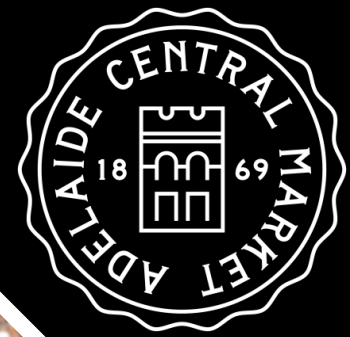
To put our Customers at the centre of all that we do to provide them with an authentic, unique & memorable shopping experience.

## Strategic direction:

- Establish the best produce market offering in the world.
- Develop and maintain a strong understanding of existing and potential customer service needs, relating to customer engagement and experience.
- Create unique food and entertainment experiences for our customers.

## Strategic Priorities 22/23

- Desktop review and gap analysis of customer survey data, customer survey.
- Ease of access and mobility strategy.
- Develop ongoing communication, marketing and engagement strategy.
- Activation program to engage new customers.
- Understanding who our customers are.



# Our Traders

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

## Strategic direction:

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

## Strategic Priorities 22/23

- Define strategy for renewal and regeneration of traders
- Share customer trends and service proposition and upskill traders around this
- Develop a trader engagement and communication strategy
- Invite appropriate leasing agents to sense check retail plan.



# Our Business



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

## Strategic direction:

- Represent the interests of the City of Adelaide as Landlord.
- Ensure the Market remains a safe environment for customers and visitors.
- Provide opportunities for Traders to strengthen their skills and access high quality business support and advice.
- Improved communication between Market Traders and ACMA staff.
- Encourage new investment.
- Ensure the Market and carpark are accessible for customers and Traders.

## Strategic Priorities 22/23

- Development of workforce plan
- OH&S & Security Management Plans
- Clearly articulate, measure and promote sustainability/environmental policy
- Ensure financial viability and sustainability



# Our Infrastructure

To deliver an infrastructure program that addresses the current and emerging needs of the consumers and traders.

## Strategic direction:

ACMA and CoA will work closely to deliver an infrastructure program that addresses the current and emerging needs of the consumers and traders, based on Lucid Property and Services Audit 2021.

## Strategic Priorities 22/23

- Develop-platform solutions including data infrastructure
- Asset and accessibility review
- Update 10 year capital works program
- Car park experience plan
- Integration of services and facilities as one market
- Future proofing the asset



# Our Market Expansion



ACMA and CoA collaborating to deliver best outcomes for:

- Ground Floor Retail Design
- Integration of new and existing Market
- Risk management during constructions works
- Retail leasing strategy and delivery process

Advocate for ACMA and Market Traders on the primary outcomes sought for the Market Expansion including minimising Trader disruption

Communication strategy for Market Expansion, ensuring our customers know it's business as usual for our stalls during construction.





# 2022 – 2023 Budget



The proposed ACMA 2022-2023 Operating Budget will ensure efficient operation of the Market in an increasingly competitive environment, through the road to recovery and the redevelopment of the adjoining Arcade.

ACMA Board approved it on 17 February 2022 for submission to Council as a draft budget, for public consultation purposes.

The review of the ACMA Charter (including ACMA Head Lease and Operating Agreement with CoA) has resulted in the following changes:

- Budgets returned to CoA:
  - Infrastructure and capital works program
  - Car Park (operational costs/revenue)
  - CMAR Redevelopment costs
- No headlease rent paid to CoA

## **Budget Assumptions**

### **ACMA Administration**

- Customer Experience Attendants to enhance customer experience during all trading hours.

### **ACMA Market Complex**

- ACMA continues to adapt to Covid conditions, but with easing restrictions
- Rent escalations with fixed percentage or CPI at 2%
- E-Market (multi trade online platform) expands to click and collect and delivers 3 days per week funded within ACMA
- Market Expansion development commences in June 2022.

# 2022 – 2023 Budget



Budget \$'000	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-2022 Budget	2022-23 Budget
ACMA Administration Income	129	39	35	21	24
ACMA Administration Expenditure	(1,519)	(1,276)	(1,210)	(1,275)	(1,389)
ACMA Car Park Income	4,841	4,213	4,996		
ACMA Car Park Expenditure	(1,351)	(1,492)	(1,360)		
ACMA Market Complex Income	4,391	4,456	4,101	4,087	4,268
ACMA Market Complex Expenditure	(2,996)	(3,041)	(2,998)	(3,125)	(3,083)
<b>Operating (Cash) Prior to CoA Rental</b>	<b>3,495</b>	<b>2,898</b>	<b>3,564</b>	<b>(292)</b>	<b>(180)</b>
CoA Head Lease	(2,834)	(2,334)	(2,724)		
CoA Upark Management Fee	(446)	(490)	(508)		
Market redevelopment priorities	-	-	(123)	(203)	(113)*
<b>Operating Budget (Cash)</b>	<b>215</b>	<b>71</b>	<b>209</b>	<b>(495)</b>	<b>(293)</b>

# Capital Works 2022 - 2023



## \$1.5m Capital Expenditure including over 20 projects

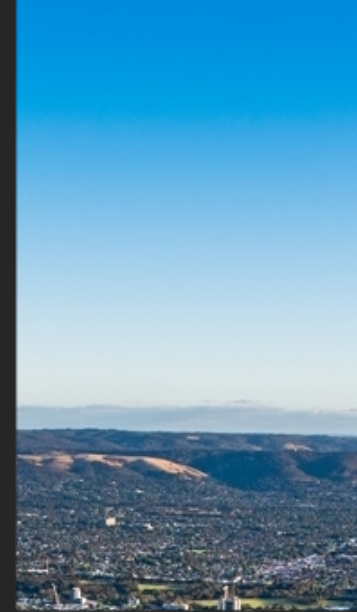
Developed in line with ACMA 10-Year Capital works Program, based on audited risk and taking into consideration the CMAR project.

### Main projects include:

- |  |        |
|--|--------|
| ▪ Market floor Stall upgrades                      | \$750k |
| ▪ Distribution Boards                              | \$250k |
| ▪ Automatic Sprinkler System Valves                | \$115k |
| ▪ Sewer infrastructure update to code              | \$130k |
| ▪ Fire Extinguishers, Fire and Life safety systems | \$180k |
| ▪ IT Infrastructure                                | \$40k  |

# Adelaide Economic Development Agency

Draft 2022 – 2023 Business Plan and Budget



Adelaide  
Economic  
Development  
Agency

**Adelaide.  
Designed  
for Life.**

# AEDA Introduction

- The Adelaide Economic Development Agency (AEDA) is a subsidiary of the City of Adelaide under Section 42 of the *Local Government Act 1999 (SA)*.
- AEDA commenced operating on 18 January 2021
- AEDA will support city, residential, student business and visitor growth; and promote Rundle Mall
- AEDA is governed by a Charter with a skills-based Board appointed by Council
- The AEDA Charter can be accessed via this [link](#).

# AEDA Overview

## CoA 2020-2024 Strategic Plan - Vision

Adelaide. The most liveable city in the world.

## AEDA Purpose

To accelerate growth in the city by attracting investment and supporting businesses, growing the visitor economy, supporting residential growth, growing an annual events calendar and marketing the city as a whole including Rundle Mall.

## Business Plan

This Business Plan outlines deliverables within Focus Areas and key performance indicators for FY 2022/23.

## Budget

All actions have been budgeted for.



# Objects & Purposes

## The objects and purposes as outlined in the AEDA Charter are:

- To accelerate economic growth in the City of Adelaide by attracting investment and supporting businesses, festivals and events, as well as visitor, student and residential growth
- To promote the City of Adelaide as destination and 'magnet city' and increase its visitation and use by residents, workers, visitors and the community in general
- To position the Rundle Mall as the State's premier retail and commercial shopping precinct in order to sustain retail, business and economic viability; and
- To ensure that the Agency operates within the terms of the Charter and Council's Strategic Plan



# Business, Investment & Residential Growth

**Attract investment, support new businesses to start, existing businesses to grow and increase the city's population.**

## Outcomes

- Increase the number of people working and living in the city including students
- Support new workers to integrate into the life of the city
- Support existing businesses to grow and attract new firms, including retailers
- Leverage investment in the city's innovation assets to drive greater economic benefit for the CBD
- Partner with the State Government, private investors and industry groups to stimulate residential and commercial development
- Optimise outcomes from precinct group funding program





# Business, Investment & Residential Growth

## 2022/23 Planned Actions

- Support workforce attraction and engage new city workers into the life of the city
- Review and redesign approach to business support and growth
- Activate vacant shop fronts/premises
- Implement an approach to Investment Attraction including:
  - Supporting the State Govt to build its Growth Sectors (space, defence, health, hi tech (VFX, Gaming))
  - Directly target firms in industries that are large occupiers of commercial office space but not SG priorities (business services, finance etc)
  - Identifying and targeting appropriate retail brands
  - Tourism infrastructure and unique visitor experiences
  - Attract new retail brands into the CBD
- Deliver targeted approach to corporate and industry engagement to obtain information about opportunities, threats and their experience of operating in the city



# Business, Investment & Residential Growth

## 2022/23 Planned Actions (continued)

- Progress residential growth initiatives including engaging with property owners, developers and government agencies to identify opportunities for large or strategic sites, build to rent initiatives and community housing opportunities
- Provide high quality, current information and data by developing a research & thought leadership function
- Deliver AEDA Summit
- Progress opportunities to deliver a contemporary approach to local economic development
- Identify and progress partnership activities with entities including Lot 14 and Biomed City
- Maintain up to date information and data on the economic performance of the city through mechanisms such as an online economic dashboard



# Business, Investment & Residential Growth

## Measurement

- 500+ businesses participate in business support & growth initiatives
- 20+ vacant shopfronts/premises activated
- At least 15 inward investment proposals supported (collectively employing 1,000+ staff)
- 3 significant retail brands & at least one AAA Visual Effects (VFX) company committed to Adelaide
- Deliver a strengthened/reshaped precinct model
- CoA residential population target forecast at 2030 of 40,994\*\*

*\*\* Current forecast for the CoA based on assumptions of growth. This forecast was last updated in April 2019 however it does not currently account for COVID-19 impacts.*



# Visitor Growth

**Create an enjoyable, vibrant and dynamic city experience.**

## Outcomes

- Deliver new events, activations and experiences that bring people into the city
- Position Adelaide as a world class events city
- Drive tourism initiatives that attract regional, national and international visitors
- Manage AEDA Strategic Partnership Program



# Visitor Growth

## 2022/23 Planned Actions

- Develop a 12-month event and activation calendar that supports bed nights and city businesses
- Leverage and expand event and festival industry partnerships
- Grow capability of the events sector
- Deliver the Events & Festivals Sponsorship program
- Deliver the Event Recovery Fund
- Develop an Event Strategy for the city
- Operate the Visitor Information Centre, Visitor Services program and provide ongoing support to the volunteer program
- Deliver a new innovative Experience Adelaide Visitor Centre and city-wide digital visitor experience
- Develop the Adelaide Tourism Alliance to support tourism operators, hotels and experiences
- Work with tourism distribution partners to drive promotion and sales for city tourism businesses
- Create initiatives and programs for Visitor Economy sector partners that grow the knowledge of Adelaide nationally and internationally



# Visitor Growth

## Measurement

- Grow intrastate and interstate visitors and spend in line with South Australian Tourism Commission's Visitor Economy Plan 2030\*.
  - 2025 State target \$10b
  - 2025 Adelaide metro region target \$5.9b
- Launch of the Adelaide Tourism Alliance with 20 partners
- Collaborate with trade partners to deliver 4 intrastate / interstate campaigns
- Delivery of new Experience Adelaide Visitor Centre on time and within budget

*Note: \*(2025 target is 59% of state target - the Adelaide metro region is currently tracking at 40%).*



# Rundle Mall

**Position Rundle Mall as the vibrant heart and premier shopping and entertainment destination in Adelaide.**

## Outcomes

- Position Rundle Mall as the premier retail destination in South Australia
- Be the hub of Precinct data and information and support retail and businesses
- Support a safe, enjoyable and vibrant customer experience and public space
- Advocate for future Council and State Government funding and influence projects for Precinct growth
- Deliver event, activations and experiences that bring visitors into the Precinct to spend



# Rundle Mall

## 2022/23 Planned Actions

- Deliver on the KPMG Performance Review recommendations
- Deliver a 12-month events and activations calendar to attract visitors
- Deliver campaigns linked to key retail and public holiday trading periods which create a vibrant and dynamic city
- Update the operating agreement with City of Adelaide and define service levels to the Precinct
- Leverage the Economic Dashboard to include datasets relevant for the Rundle Mall Precinct
- Commission external expertise to identify and target new retail brands
- Improve stakeholder engagement with levy payers through information sessions, roundtables and workshops to feed into the wider Rundle Mall strategy





# Rundle Mall

## 2022/23 Planned Actions (continued)

- Review Rundle Mall brand context by conducting competitor research
- Conduct brand reputation consumer research into activations and incentives to drive visitation and improve customer experience
- Produce content to increase visitation and engagement across digital channels
- Revisit the Rundle Mall masterplan and advocate for future development
- Engage with Renew Adelaide to activate retail vacancies
- Deliver a proactive public relations strategy based on campaigns and industry positioning
- Build relationships with property owners to understand experiences and challenges in attracting new business at street and upper levels and support new developments e.g – 60KW, City Cross and Myer Centre
- Advocate for upgrade of sound system in Rundle Mall



# Rundle Mall

## Measurement

- Passer-by traffic at least 90% of 2021
- Market share Moving Annual Total (MAT) maintained above 5.5% for main trade area
- Deliver 1 x brand reputation (consumer) research and share with stakeholders
- Deliver 1 x brand context (competitor) research and share with stakeholders
- Website:
  - Increase average monthly users to 35K (2.4% increase on 2021)
  - Increase average monthly pageviews to 71K (4% increase on 2021)
- Social media:
  - Increase Instagram followers +12% to 32.5K and engagement rate of 4%
  - Increase Facebook followers +10% to 65K and engagement rate of 1%
- Welcome packs provided to 750+ new city workers which include Rundle Mall vouchers
- 3 significant retail brands committed to Adelaide



# Brand & Marketing

## Position Adelaide as the most liveable city in the world

### Outcomes

- Promote Adelaide as a destination to work, invest, live, study, visit
- Enhance and grow AEDA communication channels, platforms and tools to communicate directly with consumers and businesses
- Deliver ongoing marketing, communication and engagement strategies that support the growth of the city in partnership with each AEDA program
- Partner with State Government and industry on joint marketing initiatives (e.g. SATC, DTI, DPC, Property Council)



# Brand & Marketing

## 2022/23 Planned Actions

- Create and deliver campaigns that promote Adelaide as a destination to work, invest, live, study, visit
- Raise awareness and profile of AEDA in the Adelaide business community
- Develop brand Adelaide with clear Unique Selling Propositions (USPs) for invest and visit, underpinned by Adelaide Designed for Life philosophy. Investigate collaboration with SATC and DTI
- Establish a digital marketplace for all city businesses to sell products / services online
- Collaborate with precincts to improve promotion of different districts and their unique personality / offering
- Complete website rollout, to fully reflect AEDA offering (and all focus areas) and transition remaining destination or business content that didn't come over from City of Adelaide in first phase



# Brand & Marketing

## 2022/23 Planned Actions (continued)

- Consolidate and increase utilisation of existing city assets and develop new methods or technology for communication purposes (screens, audio systems, public places)
- Consolidate brand platform for AEDA to ensure consistent communication and identity across business to business (B2B), business to consumer (B2C) and campaigns
- Establish benchmarks for future KPI measurement. e.g. awareness levels of AEDA, social engagement



# Brand & Marketing

## Measurement

- Define and implement success measures for all marketing campaigns
- Media coverage of at least four thought leadership pieces
- Grow social channels following
  - Facebook 25%
  - Instagram to 30%
  - Twitter 40%
  - LinkedIn 40%
- Grow electronic direct marketing database
  - What's On by 10%
  - City Business by 20%
- Increase Experience Adelaide website metrics
  - Page views by 10%
  - Time on site by 10%
- Digital Marketplace, onboard 300 businesses



# Budget

The AEDA Budget has been prepared to ensure efficient delivery of all actions outlined in the AEDA Business Plan and received AEDA Board approval on 8 March 2022 for submission to Council as a draft budget for public consultation purposes.

- \$11m annual budget including Rundle Mall levy equating to 5% of the City of Adelaide’s annual budget
- \$7.2m is CoA appropriation which is approximately 3.3% of City of Adelaide’s total budget
- AEDA has 31.6 FTE including vacancies, equating to 4.3% of the City of Adelaide’s total FTE count

## Rundle Mall Levy

- Differential rate in the dollar frozen
- Levy income is based on average property valuations and a vacancy provision

# Budget Summary

AEDA Income Summary	AEDA Draft FY 2022/23 Budget
Contribution from City of Adelaide	\$7,188,619
Rundle Mall Levy	\$3,817,218
<b>Total Income</b>	<b>\$11,005,837</b>

# AEDA Expenditure

AEDA Expenditure Summary	AEDA Draft FY 2022/23 Budget
Business, Investment & Residential Growth	\$2,426,591
Visitor Growth	\$3,113,439
Brand and Marketing	\$1,664,828
Rundle Mall Marketing and Events*	\$1,977,617
Rundle Mall Operations*	\$1,823,363
<b>Total Expenditure</b>	<b>\$11,005,837</b>



# Rundle Mall

<b>Rundle Mall Finance Summary</b>	<b>Draft FY 2022/23 Budget</b>
Rundle Mall Levy Income	(\$3,817,218)
Admin   Operations Expenditure	\$1,831,016
Marketing   Activations	\$1,986,202

<b>Rundle Mall Admin   Operations Expenditure</b>	<b>Draft FY 2022/23 Budget</b>
Security Retainer	\$270,566
Employee Costs	\$1,183,323
Cleaning, Business & Investment support, Horticulture	\$267,213
Utilities, Storage Rent, Licenses, Insurance	\$109,914
Total Admin   Operations Expenditure	\$1,831,016

# Rundle Mall

<b>Rundle Mall Marketing   Activations Expenditure</b>	<b>Draft FY 2022/23 Budget</b>
Major Events & Activations (eg Christmas, Vogue, Lunar New Year)	\$1,496,660
Marketing Services & Subscriptions	\$283,200
On Mall Assets Branding	\$74,310
Research & Insights	\$81,350
Digital Retail Calendar Support	\$50,682
<b>Total Marketing   Activations Expenditure</b>	<b>\$1,986,202</b>

# Projects

## How we determine proposed projects

- The SDP's and AMP's provide a list of the projects already committed by Council for the year
- Council resolutions seeking new projects are identified
- Project brief's are developed in the Project Management System
- Council staff nominate any potential new opportunities as project briefs
- Each project brief is verified for its alignment to Council's strategies and outcomes for the community
- Each project is categorised and assessed based on predetermine criteria – **including through Council's Prioritisation Framework**
- Project risks are identified and verified by Governance
- Elected Members are provided project information via their intranet for feedback
- Elected Member feedback is considered and project updates made
- Internal committees assess projects and consider the capacity and ability to deliver
- Any new projects arising from grant opportunities, Council resolutions, or carryover are added to the list in February and undergo the same process
- Executive make a recommendation to Council



# Projects

## Proposed projects consideration and approach

### Strategic Projects - assessment and funding

To ensure optimum efficiency and to compliment the existing services, Strategic Projects are assessed, prioritised and are recommended to be a maximum of \$5.4m expenditure (consistent with 21/22).

### Capital Projects – assessment and funding

To ensure existing assets are maintained, renewed and upgraded, and that we identify appropriate opportunities for new assets, the Capital Projects are assessed, prioritised and are recommended with the intention of addressing a responsible level of Asset Sustainability and reflect the organisations capacity to deliver and market considerations.

Whilst capital projects can be funded by borrowings, the recommendations consider the asset depreciation, cost of the life of the asset (via Councils LTFP) and responsible borrowing capacity.

### Shared approach and categories for consideration

This years proposed projects provide further opportunity to help Future Proof the City and support our Community Outcomes.

To be considered suitable projects, they are categorised in the following ways:

- Business Critical (safety / contract / legislative)
- Reignite Program
- Council Adopted
- Contractual obligations / projects commenced
- Grant funding – received
- Grant funding – proposed (advocacy)
- Other Opportunities
- Potential Future Fund income / expenditure

# Projects

## Recommended Draft Projects (Strategic):

Project Name	Service Alignment	Total CoA Expenditure
<b>Business Critical (safety / contracted / legislative)</b>		
2022 Local Government General Elections	Governance	\$341,000
	<b>TOTAL:</b>	<b>\$341,000</b>
<b>Council Adopted</b>		
Implement recommendations of State Gov. Safety & Wellbeing Taskforce	Social and Economic Planning	\$45,000
Implement SA Homelessness Sector Reforms / Adelaide Zero Project	Social and Economic Planning	\$30,000
Delivery of the 88 O'Connell project	Property Management and Development	\$50,000
City Activation (Splash)	Arts, Culture and Events	\$710,000
Implementation of Resource Recovery (Organics, Recycling, Waste) Strategy & Action Plan 2020-2028 <i>(has a Capital Funding Component)</i>	Resource Recovery & Waste Management	\$694,000
	<b>TOTAL:</b>	<b>\$1,529,000</b>
<b>Grant funding - received</b>		
Deliver next generation Adelaide Free Wi-Fi network (City Deal)	Information Management	\$597,000
Develop the City Plan <i>(fully funded by State Government Grant)</i>	Social and Economic Planning	\$0
Mainstreet Revitalisation	Arts, Culture and Events	\$50,000
	<b>TOTAL:</b>	<b>\$647,000</b>

# Projects

## Recommended Draft Projects (Strategic):

Project Name	Service Alignment	Total CoA Expenditure
<b>Other opportunities</b>		
Implement Climate Risk Infrastructure Exposure Actions	Environmental Sustainability	\$605,000
Cycling strategy implementation	Streets and Transportation	\$60,000
Implement site redevelopment, disposal and acquisition investigations associated with the Strategic Property Review including the 211 Pirie Street site, former Bus Station site and Dunn Street car park.	Property Management and Development	\$150,000
Make bid for World Heritage listing of the City and Park Lands layout	Planning, Building and Heritage	\$50,000
Conservation and Restoration of historical and cultural significant archival and civic collection items	Arts, Culture and Events	\$15,000
Cultural Mapping of the Adelaide Park Lands	Community Development	\$50,000
Heritage Strategy 2021 - 2036 - Develop Conservation Management Plans for Council's Heritage Assets	Planning, Building and Heritage	\$200,000
Community Civic Education Program - Trial	Arts, Culture and Events	\$83,000
Carbon Neutral UPark Project	Parking	\$30,000
Elected Member training	Governance	\$40,000
Increase voter turn-out and candidate diversity for Council elections	Governance	\$120,000
Review Adelaide Oval Event Parking	Parking	\$30,000
<b>TOTAL:</b>		<b>\$1,433,000</b>

# Projects

**KEY QUESTION**

## Recommended Draft Projects (Strategic):

Project Name	Service Alignment	Total CoA Expenditure
Subsidiary Projects		
Sponsorship for new major events in the City	AEDA	\$500,000
Sponsorship to expand city based events	AEDA	\$500,000
Sponsorship to expand city based events - City Stimulus	AEDA	\$330,000
Sponsorship for new city events unspent funding from 2021/22	AEDA	\$240,000
Destination Adelaide promotion	AEDA	\$300,000
Interstate and Intrastate Visitor attraction campaigns	AEDA	\$250,000
Welcome Adelaide	AEDA	\$150,000
	<b>TOTAL:</b>	<b>\$2,270,000</b>
	<b>TOTAL OF ALL DRAFT PROJECTS:</b>	<b>\$6,220,000</b>

*During consultation we will seek community views on the Draft Projects and proposed funding and provide back to Council for Adoption in June a list of projects which aligns with Community and Council Member feedback and within the Project Funding parameter provided.*

# Projects

## Priority - Capital Projects

Project Name	Budget for CoA	Grant
Business Critical (Safety/ Contracted)	\$'000	\$'000
Brown Hill Keswick Creek	355	-
Earth Retaining Structures - Torrens Lake - Uni Footbridge CONSTRUCT	1,300	-
<b>Total:</b>	<b>1,655</b>	<b>-</b>
Confirmed Grant Funding	\$'000	\$'000
City Safe CCTV Network Upgrade	1,450	1,450
Rymill Park Lake	2,262	2,181
<b>Total:</b>	<b>3,712</b>	<b>3,631</b>
Council Adopted Program	\$'000	\$'000
Climate Change Action Initiative Fund (CCAIF)	120	-
Illuminate Adelaide Public Artwork	300	-
Implementation of Resource Recovery (Organics, Recycling, Waste) Strategy & Action Plan 2020-2028	306	-
Kingston Terrace	10	-
Public Art Action Plan / Capital Projects - 1.3%	150	-
Stephens Street	20	-
Hutt Street/South Terrace Project	50	-
<b>Total:</b>	<b>956</b>	<b>-</b>



# Projects

## Priority - Capital Projects

Project Name	Budget for CoA	Grant
Future Fund	\$'000	\$'000
Development of Mini Golf within NAGC	2,000	-
<b>Total:</b>	<b>2,000</b>	<b>-</b>
Gifted Assets/ Development Support	\$'000	\$'000
Chesser Arbour	-	-
New sports clubroom in Park 21W – Adelaide Community Sports and Recreation Association – \$1,550,700	-	-
New sports clubroom in Park 9 – Prince Alfred Old Collegians Football Club – \$750,000	-	-
Park 25 Karen Wrolton Oval Terraces	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>
Grant Application	\$'000	\$'000
Preparing Australian Communities Grant application	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>
Other Opportunities - Grant	\$'000	\$'000
Cool Corridor Program	1,000	1,000
Greener City Streets Program	2,000	1,000
Karrawira Pari / River Torrens Restoration and Nature Space project	510	510
Business Critical (Safety/ Contracted)	1,655	
<b>Total:</b>	<b>3,510</b>	<b>2,510</b>

# Projects

## Priority - Capital Projects

Project Name	Budget for CoA	Grant
Other Opportunities - Other	\$'000	\$'000
Botanic Catchment Water Courses (in conjunction with Rymil Park Lake)	250	-
Christmas Festival Capital Budget	200	-
City Activation (Festoon Lighting)	100	-
Events and Festivals Cultural Infrastructure	50	-
Flinders Street Indented Accessible Car Park (HenderCare)	25	-
Flinders Street Streetscape Improvements and Greening	30	-
Frome Street Footpath Upgrades	550	-
Golf Carpark Upgrade - Design	50	-
Installation of compliant handrailing to Weir 2 and 3 Footbridges	150	-
Minor Works Building Lift Upgrade	150	-
North Adelaide SW Improvement	50	-
Replacement of UPark Car Park Management System (CPMS)	1,091	-
Smart Irrigation (Park Lands) Project	50	-
Smart Streetscape Irrigation Project	50	-
Town Hall Complex MON - Entrance Foyer & Members areas	50	-
Wakefield Street Streetscape Improvements and Greening	170	-
<b>Total:</b>	<b>3,016</b>	<b>-</b>

# Projects

**KEY QUESTION**

## Priority - Capital Projects

Project Name	Budget for CoA	Grant
Reignite 2.0 - Grant Advocacy	\$'000	\$'000
Events Infrastructure Upgrade - Rymill Park	1,995	
Replace and upgrade the Rundle Mall sound system (Reignite 2.0)	100	100
<b>Total:</b>	<b>2,095</b>	<b>100</b>
<b>Grand Total:</b>	<b>16,944</b>	<b>6,241</b>

# Projects

## KEY QUESTION

### Works in Progress - Capital

Project Name	Budget for CoA	Grant
Works in Progress	\$'000	\$'000
'Greening Mistletoe Park/Tainmuntilla (P11) Park Lands biodiverse & water sensitive gateway & urban address project'	32	32
Central Market Arcade Redevelopment	11,437	
Greening Sturt Street West' project	500	200
Illuminate 21/22	300	
Market To River Bank - Pitt Street	2,281	1,141
Market to Riverbank - Bentham	2,200	1,100
Paxton's Walk Revitalisation	1,950	1,950
Place of Courage	100	
Place of Reflection	100	
Cycling Infrastructure	1,000	500
North South Bikeways	1,500	750
Chirstmas in the City	200	
Southwest Community Centre	1,500	
Renewal Works	1796	
<b>Grand Total:</b>	<b>24,896</b>	<b>5,673</b>

*\*Interim Project List Only - Data will be updated as part of BR3*

# Projects

## Project Opportunities - Capital

Project Name	Budget for CoA	Grant
Future Fund	\$'000	\$'000
Bus Station Concourse commercialisation	30	
Commercial tenancy base build requirements to meet market demand across multiple tenancies	200	
<b>Total:</b>	<b>230</b>	<b>-</b>
Other Opportunities - Other		
Active City Infrastructure Initiatives	50	
Adelaide Town Hall - Technical Equipment Up-grade	400	
Bonython Park Project (Path leading to DIT bridge)	5	
CCTV - Public Realm - CCTV cameras	100	
City Dirt Master Plan - Park 20	750	750
Co-deliver Park 21W Concept Plan	250	
Customer Request for New Urban Elements Assets	10	
Design and Implementation of Parking Guidance System in UPark Central Market to trial technology.	555	
Develop wayfinding strategy/design to drive visitation to UPark	50	
Expansion of Paid Parking Zones	300	
Flinders Street Pedestrian Crossing Improvements	160	
Future Driving Range - North Adelaide Golf Course	100	

# Projects

## Project Opportunities - Capital

Project Name	Budget for CoA	Grant
Other Opportunities – Other (continued)	\$'000	\$'000
Gilbert Street Corssing (March 2022 Motion on Notice) (Budget TBC)	0	
Integration of UPP Payments into On-Street Terminals	50	
Investigate the expansion of access to recycled water (GARWS) for irrigating streetscapes.	110	
Kingston Terrace Bus Stop DDA Compliance Works	56	
Main Street Revitalisation Projects - Improvement plans and Activation plan	500	
Mary Street - Public Lighting	50	
Melbourne Street Wombat Crossing (Ronald McDonald House)	30	
North Terrace Public Realm Upgrade	50	
Ongoing Golf Course Capital Improvements	150	
Street Lighting Renewal and City Safety - Hutt Street	250	
Street Lighting Renewal and City Safety - Stafford Street and Lanes	85	
Sturt Street Improvements (King William to Whitmore Square)	100	
Topham Façade and Commercial augmentation of existing shops to improve connectivity and commercial offering	600	
Upgrade of Park 15 skate and basketball facility	250	125
Vincent Street & Vincent Place Upgrade	20	
West Pallant Street Project	150	
<b>Total:</b>	<b>5,071</b>	<b>875</b>

# Projects

**KEY QUESTION**

## Project Opportunities - Capital

Project Name	Budget for CoA	Grant
Reignite 2.0 - Grant Advocacy	\$'000	\$'000
Field Street Upgrade (Reignite 2.0)	1,520	
Strategic partnership with Guildhouse for matching businesses with artists for public art	300	
Activation Infrastructure for Waymouth St, Gouger St, Wyatt St, Chesser St, Jerningham St	2,000	2,000
Explore feasibility for a live site in the city (costings TBC)	0	
Explore feasibility for a sound shell in the city (costings TBC)	0	
All weather covering and permanent atmospheric lighting for Moonta Street Plaza at Gouger Street entrance	1,500	1,500
<b>Total:</b>	<b>5,320</b>	<b>3,500</b>
<b>Grand Total:</b>	<b>10,731</b>	<b>4,375</b>

# Budget Scenario

## Options for the 2022 – 2023 Budget

### Parameters

The 2022 – 2023 Budget continues to be built within the parameters that Council adopted on the 27 January 2022.

These parameters included areas of focus on:

- Rating valuations
- CPI increase
- Commercial Revenue
- Strategic Project expenditure
- CPI increase for other expenditure
- Surplus position
- Asset Management

### Planning and Budget

The workshop so far has summarised a position for our subsidiaries, our proposed Strategic Projects and provided options for our Capital Works.

**To assist Council in finalising a Draft position on these planning items, we have developed a budget scenarios based on:**

- **Base Budget**
- **Asset Renewal Ratio options**



# Budget Scenario

## Bridging Budget 2021/22 to 2022/23

	2021-22 Quarter 2 Revised Budget	2022/23 Proposed Base Budget	Variance
Operating Income	204.3m	205.8m	1.5m
Operating Expenditure	204.2m	210.4m	6.2m
Operating Position	0.037m	(4.8)m	(4.8)m

### Base Budgeting:

- The budget has been set on the concept of base service delivery i.e. what are the ongoing operations of Council.
- Base budgets are not intended to pick up items that have a short term or temporary affect

### Forecasting:

- Ongoing monitoring of performance against budget is done via monthly forecasting.
- The budgets continue to be reviewed quarterly but only amended for items that have an impact on ongoing base service delivery

### Savings

- The \$4.75m identified and realised in 2021/22 are permanent in nature and have impacted the base budget.
- Savings which are realised throughout the year are of a temporary nature and are managed via forecasting to ensure that those savings are best managed to ensure service delivery.

# Budget Scenario

## Bridging Budget 2021/22 to 2022/23

\$'000	2021/22 Budget <i>Budget Review 2</i>	2022/23 Budget	Variance	Explanation
<b>Rates</b>	122,140	123,661	1,521	Rates Revenue increase via growth only i.e. new developments, alterations and additions
<b>Statutory Charges</b>	11,653	11,896	243	Increase due to estimated increase by CPI 1.8%
<b>User Charges</b>	62,994	63,443	449	Increase due to estimated increase by CPI 1.8%
<b>Grants, Subsidies and Contributions</b>	6,283	5,154	(1,129)	Grants are received for specific items, not expected to receive again in 2022/23
<b>Investment Income</b>	75	70	(5)	
<b>Reimbursement</b>	441	338	(103)	Reimbursement reduction in relation to one off reimbursements.
<b>Commercial Revenue</b>	684	1,267	583	Additional revenue expected from advertising and improved ACMA result.
<b>Income</b>	<b>204,270</b>	<b>205,829</b>	<b>1,559</b>	

# Budget Scenario

## Bridging Budget 2021/22 to 2022/23

\$'000	2021/22 Budget <i>Budget Review 2</i>	2022/23 Budget	Variance	Explanation
<b>Employee Costs</b>	(72,633)	(75,519)	(2,886)	Indexation, 2 year impact for wages EA
<b>Materials, Contracts &amp; Other Expenses</b>	(77,732)	(76,176)	1,556	Cost pressures and indexation where required
<b>Finance Charges</b>	(1,326)	(1,522)	(196)	Increase in relation to borrowing ceiling
<b>Depreciation</b>	(52,541)	(57,264)	(4,723)	Depreciation impact of revaluation
<b>Expenditure</b>	204,270	205,829	1,559	
<b>Net Surplus/ (Deficit)</b>	37	(4,752)	(4,790)	

# Budget Scenario

## Bridging Budget 2021/22 to 2022/23

### Asset Management – value, spending and depreciation

- Our Asset Management Plans provide for the depreciation of our assets over their lifetime and provide our Community an assurance that Council's Assets are being financially managed
- This information is articulated in the financial management plans of Council – including the Long Term Financial Plan
- SRIA provides oversight to how we depreciate our assets and provides the support to ensuring our Asset Management Plans which are currently being reviewed are financially sound

### Proposed Action:

- Continue to utilise SRIA to provide advice and consideration in regards to depreciation and AMPs
- Provide Council an updated to the LTFP and our AMP

### Depreciation

- The monetary value of an asset decreases over time due to use, wear and tear or obsolescence. This decrease is measured as depreciation.

# Budget Scenario

## Budget Options

Discussions regarding delivery capacity at January workshop with Council.

### Considerations:

- Is this the right time to deliver,
- cost of inputs are much higher
- petrol prices increasing due to global issues
- cost and availability of materials and contractors

*Australia is facing its worst materials shortage in 40 years as shipping and haulage delays fan the flames of the construction sector crisis, causing a 20-year record spike in inflation. (the urbandeveloper.com)*

**Important to Note** - Variances in Asset Renewal delivery do not alter Operating Position, they only affect the borrowings

**Future years of the LTFP will retain asset renewal at 90%**, annual assessment regarding market and capacity would be required each year in conjunction with asset condition to determine level of renewal

# Budget Scenario

## Budget Options

### Option 1 – 60% Asset Renewal Delivery + New Capital Items + Base Budget

\$'000	2021-22 Budget Review 2	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Operating Surplus / (Deficit)	37	(4,803)	(1,918)	1,595	9,194	13,465	18,384	20,644	28,945	28,374
Borrowings	37.1	41.3	40.0	20.2	3.5	-	-	-	-	-

### Option 2 – 70% Asset Renewal Delivery + New Capital Items + Base Budget

\$'000	2021-22 Budget Review 2	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Operating Surplus / (Deficit)	37	(4,771)	(1,989)	1,516	9,107	13,421	18,384	20,644	28,945	28,374
Borrowings	37.1	45.5	44.4	24.6	8.0	-	-	-	-	-

**NOTE: Variances in Asset Renewal delivery do not alter Operating Position, they only affect the borrowings**

# Budget Scenario

## KEY QUESTION

### Budget Options

#### Option 3 – 80% Asset Renewal Delivery + New Capital Items + Base Budget

\$'000	2021-22 Budget Review 2	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Operating Surplus / (Deficit)	37	(4,798)	(2,046)	1,451	9,032	13,383	18,384	20,644	28,945	28,374
Borrowings	37.1	48.9	47.8	28.1	11.5	-	-	-	-	-

#### Parameter – 90% Asset Renewal Delivery + New Capital Items + Base Budget

\$'000	2021-22 Budget Review 2	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan
Operating Surplus / (Deficit)	37	(4,823)	(2,113)	1,373	8,947	13,341	18,384	20,644	28,945	28,374
Borrowings	37.1	54.2	53.2	33.6	17.1	-	-	-	-	-

**NOTE: Variances in Asset Renewal delivery do not alter Operating Position, they only affect the borrowings**

# Community Consultation

## Community feedback

- Community engagement seeks to inform the community on Council's proposed approach for 22/23 and seek their feedback on opportunities and changes.
- Feedback from related recent consultations was considered and will inform the BP&B.
- Research and Insights on the impact of COVID on our community and businesses has been incorporated into the BP&B.
- There are no proposed changes to the Rating Policy or Long Term Financial Plan – as such no formal consultation is required.
- There are also no major changes to the financial position of Council, or to how we rate and charge.

### Focus:

Consultation on the 2022 – 2023 will focus primarily on the BP&B, seeking community views on – are we proposing the right activities that future proof our City and that support our community.

We will seek community feedback on:

- Strategic Annual Objectives
- Capital Projects – with a focus on Major Projects
- Strategic Projects – with a focus on those that align to our priorities



# Community Consultation

## KEY QUESTION

### Our approach for consultation

- It is proposed to open up consultation for a minimum of 21 days (legislatively required) post adoption of the Draft BP&B in April.
- As part of our consultation and to ensure our community can provide informed feedback, we will also:
- Describe why supporting our City to recover from COVID-19 is important and how we are 'future proofing' the City
- Describing what we already do and will continue to do
- Describing what will be delivered differently in our future proofing ABP&B
- Describe how our plan and budget work together and the services and business activities that underpin our delivery

### Notification of Engagement will include:

- Fact sheets
- YourSay Adelaide (no registration required)
- Hard copy surveys
- Direct email surveys through a variety of databases
- Social media campaign
- Website content
- Offer of face-face meetings.

### Submissions can be:

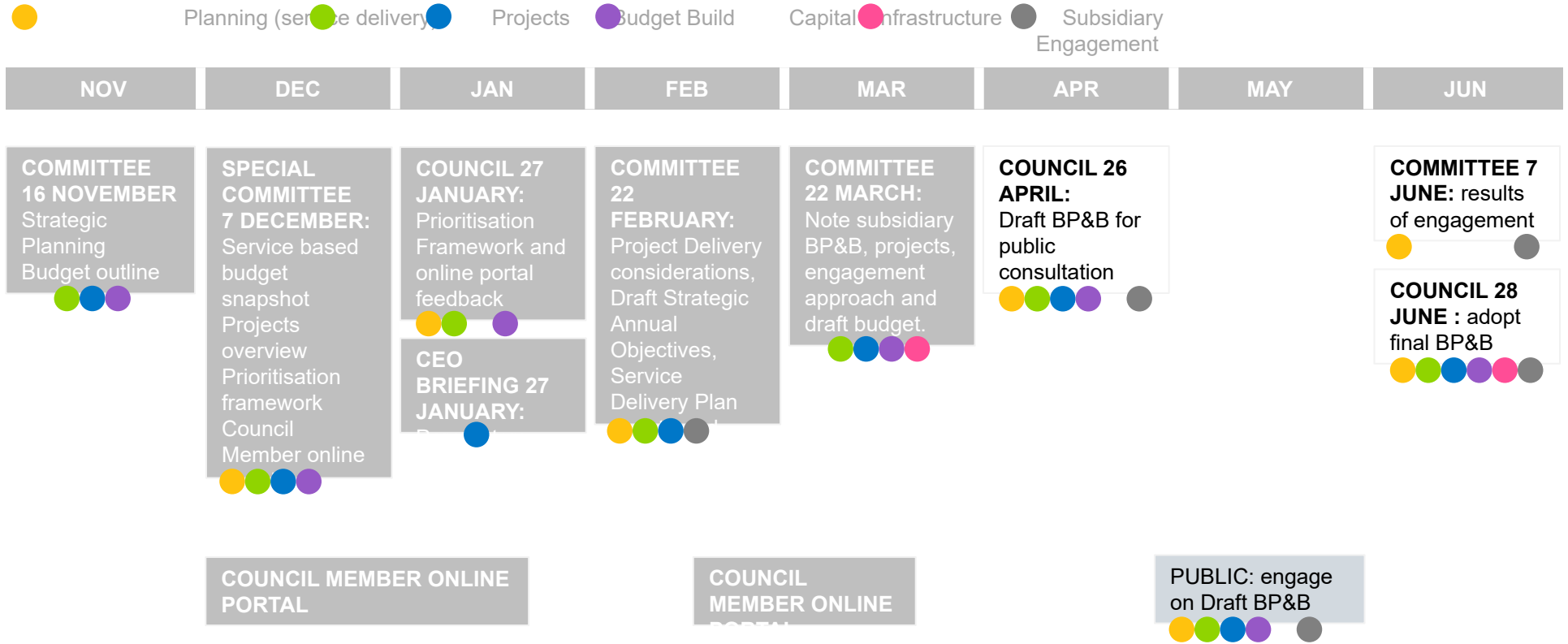
- In writing via email or letter
- Via Your Say Adelaide
- Formal submissions – provided to Council with the collated feedback.
- Deputation to Council

### Key Stakeholders identified include:

Residents (including Resident Groups), Commercial property owners, businesses (including Business/Precinct groups), young people, creative industries, multi-cultural / linguistically diverse groups and Aboriginal and Torres Strait Islander Groups.

# Next Steps

## Timeframes



# Key Questions and discussion

## KEY QUESTION

### Proposed Projects

What are Council Members' views on the Draft Projects and how we will deliver on our Future Proofing focus?

## KEY QUESTION

### Scenario Budget

What are Council Members' views on the budget scenarios presented?

## KEY QUESTION

### Consultation

What are Council Members' views on the proposed consultation approach?