

Enabling Priorities

**2022-2023
Business Plan and Budget:**

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



CITY OF
ADELAIDE

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?

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.**

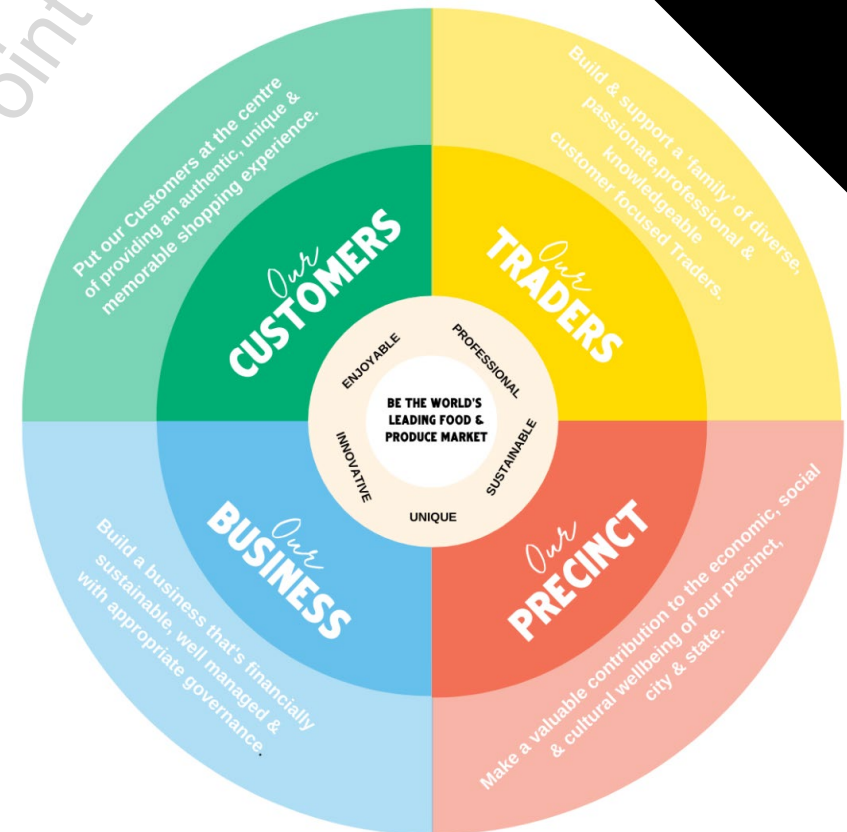
Draft Business Plan 2022 / 2023



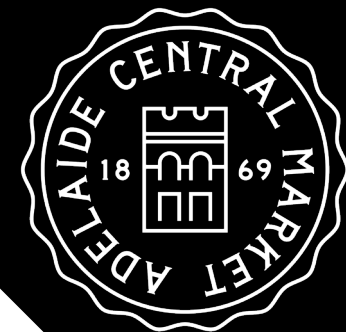
Strategic Plan and Draft Business Plan 2022 / 2023

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.



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)
Operating (Cash) Prior to CoA Rental	3,495	2,898	3,564	(292)	(180)
CoA Head Lease	(2,834)	(2,334)	(2,724)		
CoA Upark Management Fee	(446)	(490)	(508)		
Market redevelopment priorities	-	-	(123)	(203)	(113)*
Operating Budget (Cash)	215	71	209	(495)	(293)

Adelaide Economic Development Agency

Draft 2022 – 2023 Business Plan and Budget



Adelaide
Economic
Development
Agency

**Adelaide.
Designed
for Life.**



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.

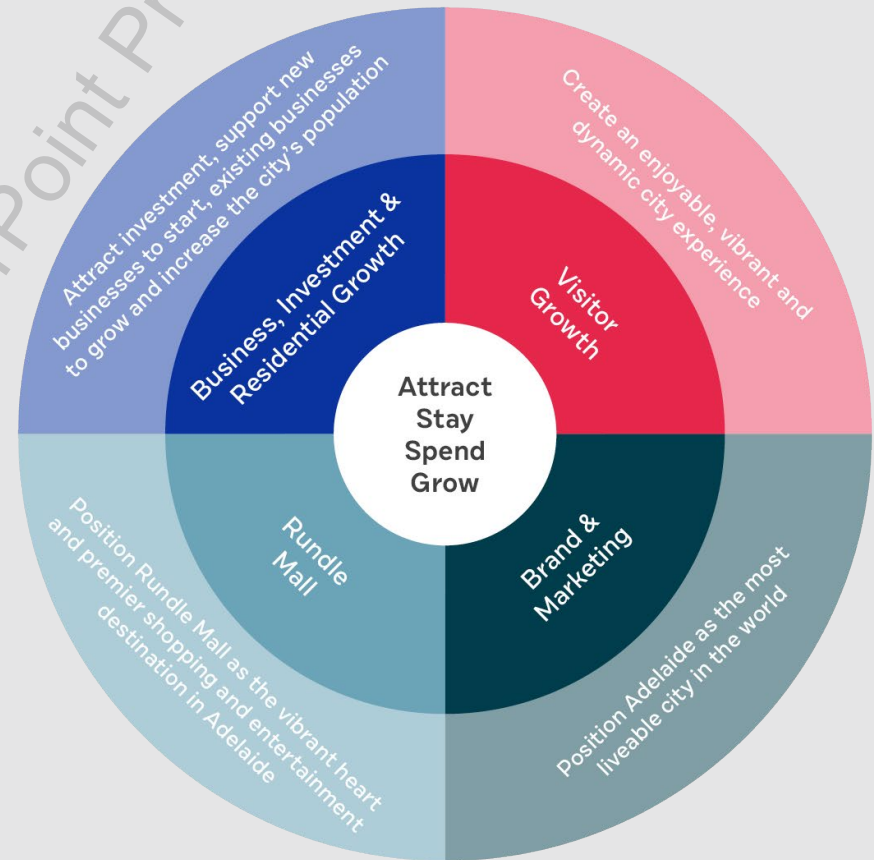


Minutes - Item 4.1 - PowerPoint

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



Budget Summary

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

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

AEDA <u>Expenditure</u> 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
Total Expenditure	\$11,005,837

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
Business Critical (safety / contracted / legislative)		
2022 Local Government General Elections	Governance	\$341,000
	TOTAL:	\$341,000
Council Adopted		
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
	TOTAL:	\$1,529,000
Grant funding - received		
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
	TOTAL:	\$647,000

Projects

Recommended Draft Projects (Strategic):

Project Name	Service Alignment	Total CoA Expenditure
Other opportunities		
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
TOTAL:		\$1,433,000

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
	TOTAL:	\$2,270,000
	TOTAL OF ALL DRAFT PROJECTS:	\$6,220,000

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	-
Total:	1,655	-
Confirmed Grant Funding	\$'000	\$'000
City Safe CCTV Network Upgrade	1,450	1,450
Rymill Park Lake	2,262	2,181
Total:	3,712	3,631
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	-
Total:	956	-

Projects

Priority - Capital Projects

Project Name	Budget for CoA	Grant
Future Fund	\$'000	\$'000
Development of Mini Golf within NAGC	2,000	-
Total:	2,000	-
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	-	-
Total:	-	-
Grant Application	\$'000	\$'000
Preparing Australian Communities Grant application	-	-
Total:	-	-
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	
Total:	3,510	2,510

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	-
Total:	3,016	-

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
Total:	2,095	100
Grand Total:	16,944	6,241

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	
Grand Total:	24,896	5,673

**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	
Total:	230	-
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	
Total:	5,071	875

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
Total:	5,320	3,500
Grand Total:	10,731	4,375

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

Budget Scenario

Bridging Budget 2021/22 to 2022/23

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

Next Steps

KEY QUESTION

Timeframes

● Planning (service delivery)
 ● Projects
 ● Budget Build
 ● Capital / Infrastructure
 ● Subsidiary
 ● Engagement

