

Councillor Couros - QoN - Revenue Generating Projects

Tuesday, 13 May 2025
Council

Council Member
Councillor Mary Couros

Public

Contact Officer:
Tom McCready, Director City
Infrastructure

QUESTION ON NOTICE

Councillor Mary Couros will ask the following Question on Notice:

'Can the administration please advise:

What new revenue-generating projects involving Council property have been initiated or delivered in the past 3 years (including the budget that is out for consultation) that have increased the revenue for the City of Adelaide within that time? If any, can the administration detail the revenue raised by each initiative?

Has the Council set targets for increasing the proportion of its revenue from property-related or commercial activities? If so, what are these targets?

Besides increasing the car park fee for UParks, what initiatives have been undertaken to leverage increased revenue that supports the business community within the City of Adelaide?'

REPLY

1. The following initiatives and transactions continue to derive revenue both current and into the future. These are built into Council budgets and Long-Term Financial Plan (LTFP).
2. Property related activities include:
 - 2.1. 211 Pirie Street land sale
 - 2.2. Eighty-Eight O'Connell land sale
 - 2.3. Whitmore Square apartment and commercial sales
 - 2.4. Former bus station land sale on Franklin Street
 - 2.5. Other ancillary transactions.
3. Non-property related activities include:
 - 3.1. Hilton Hotel ground lease extension
 - 3.2. Central Market Arcade Redevelopment forecast lease revenue
 - 3.3. Digital advertising, include more than 100 locations for digital advertising at bus shelters
 - 3.4. Periodic sale of gambling licences
 - 3.5. Two new management agreements on existing open-lot car parks, deriving an ongoing revenue stream.

4. Given the commercial nature of the agreements and contracts, Council's commercial and property transactions were considered and remain 'In Confidence'. In some cases, the commitment timing and receipt of funds spans more than three years.
5. In determining property transactions, targets and returns are set using current valuations. This is supported by the Administration undertaking a full review of each transaction, incorporating Council's desired outcomes (guiding principles), due diligence reporting and market testing supported by independent commercial advice. This information is provided to Council with the support of a Prudential Issues Report (as required) which provides details and data that assist Council in its deliberations.
6. Commercial fees and charges are presented to Council for consideration as part of its annual Business Plan and Budget process. Fees and charges are tested against current market conditions and support City visitation.
7. The initiatives listed above have resulted in the following:
 - 7.1. Over \$90m in property proceeds
 - 7.2. Redevelopment outcomes that will generate \$1.3 billion of City investment providing over 800 apartments, over 2,000 jobs and approximately \$3.9 million in additional rates revenue per annum (in perpetuity)
 - 7.3. Commercial (non-property) related activities derive \$2.2m in new annual revenue.
8. Property and non-property related activities will see significant new housing outcomes with a large uplift in residents, new retail businesses, hotels, commercial office space reflecting an increased residents and city workers, who shop, dine and utilise services within the City of Adelaide.
9. In addition, revenues generated from property and non-property related activities are invested into supporting the extensive and ongoing capital works program undertaken by Council, including revitalising main streets and precincts, and supporting services and event activation to the benefit of businesses and the residential community.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 5.5 hours.
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