

2021-22 Commercial Operations Quarter 3 Review



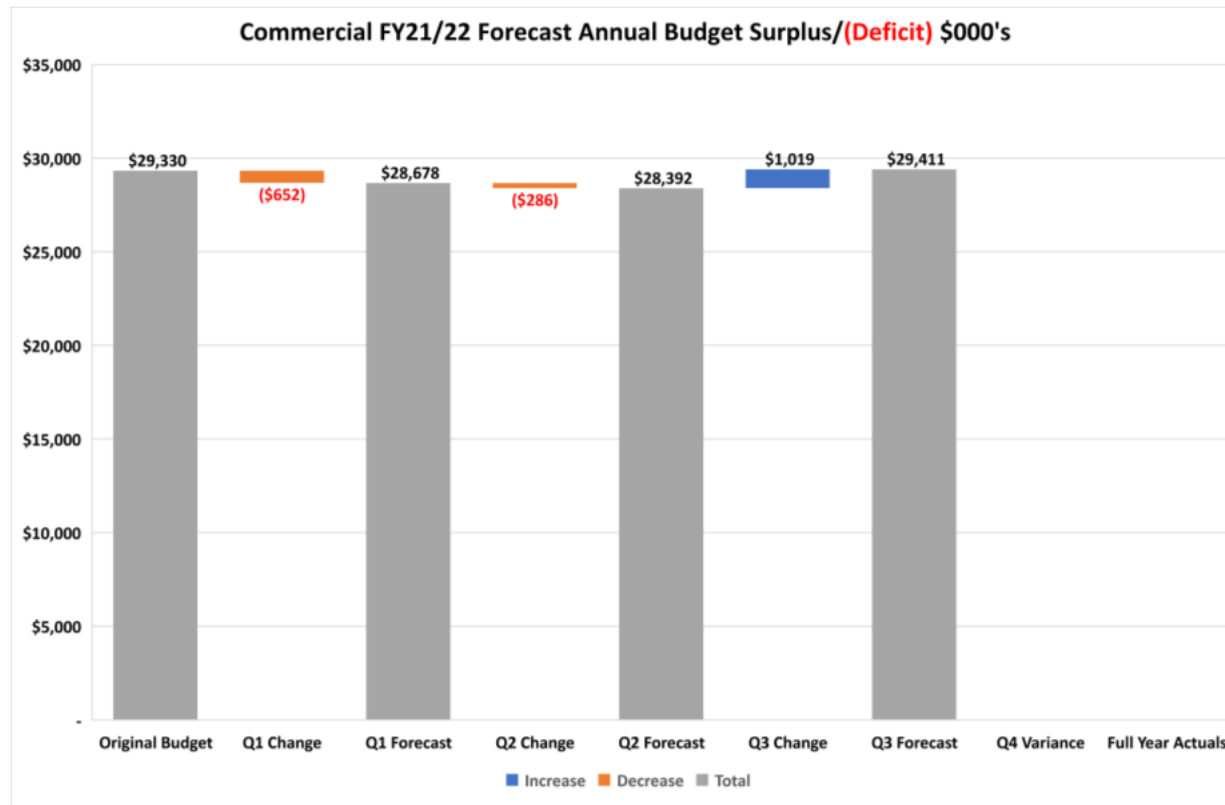
CITY OF
ADELAIDE

Commercial Operations Overview

\$'000	Year To Date			Prior YTD Actuals		Adopted Budget	Full Year Forecast
	Actual	Budget	Variance	2019/20	2020/21		
	Parking	19,366	20,407	(1,041)	19,546	17,814	26,772
Aquatic Centre	(267)	(800)	533	(534)	(641)	(928)	(610)
North Adelaide Golf Course	2	(203)	205	(353)	222	(241)	(45)
Adelaide Town Hall	(104)	(116)	12	171	(233)	(259)	(288)
Property Services	3,482	3,102	380	8,654	7,996	5,083	5,277
Program Teams Net Position	22,478	22,390	88	27,485	25,158	30,428	29,441

YTD \$22.5m Surplus, \$88k favourable to budget.

- Parking revenue during Q3 was significantly impacted by State Government work from home recommendation.
- All other businesses performing better than budget.
- Due to the uncertain outlook full year forecast is (\$1.0m) unfavourable mainly due to not achieving parking revenue targets.



Note: All figures in this report exclude depreciation.

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Parking Highlights

- Acquisition, retention and reactivation campaigns were run concurrently during the Adelaide festival season. Facilitated by UPark Plus promo code functionality as part of Reignite Adelaide the campaigns resulted in significant usage.
- Commencement of parking validation initiative at UPark Central Market based on spend - “Two on Tuesdays”.
- Installation of Electric Vehicle Chargers as part of State Government’s Electric Vehicle Smart Charging Trial in UPark Wyatt

Parking Upcoming

- Commencement of installation of upgraded car park operating system in all UParks, starting with UPark Grote and Andrew.
- Installation of Electric Vehicle Chargers as part of State Government’s Electric Vehicle Smart Charging Trial in UPark Topham.
- Pilot of Next Generation ticketless, cashless on street parking meter to observe performance and obtain customer feedback.
- Leverage of Port Adelaide Football Club sponsorship.

North Adelaide Golf Course Highlights

- Main practice putting green had to be reconstructed as the grass died due to a combination of several factors including irrigation pump breakdown that took several weeks to repair. While the pumps were being repaired the south course had to use GAP water. The main putting green, being relatively new, was badly affected by the different water composition
- Construction of a ‘Function Pad’ providing a flat area for marquees to host functions overlooking the course and City. To be used initially at Blitz and Lord Mayors Corporate Golf Day
- New bent grass nursery constructed on the North Course to allow improved and more efficient management of South Course greens
- Upgrade to paths on the North Course
- Commencement of irrigation of the remaining holes on the North Course

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Overview

North Adelaide Golf Course Upcoming

- Final of the Blitz Golf expected to attract over 2,000 spectators on Monday 18th April
- Lord Mayors Corporate Golf Day raising funds for Adelaide42 and showcasing the course on Friday 22 April.
- Improved Season Pass renewal and purchasing process to be implemented which will provide a better customer experience and more efficient back of house operations
- Irrigation of the remaining holes on North Course to be completed.
- Introduction of welcome discount for new female Season Pass Holders who complete a training program with the course

Aquatic Centre Highlights

- After a difficult start to the year with COVID, Swim School returned strongly with current enrolments exceeding 2600 participants. Budgeted enrolments 2500 students
- Memberships numbers have held at approximately 1300 members, which is below budgeted expectations but likely attributed to COVID restrictions over the summer. Typically the Centre would see a boost in member acquisition during this period
- School carnival season has been greatly impacted by COVID cases and restrictions in the Education sector, with larger carnivals either cancelled or rescheduled. This has had a flow on effect on secondary spending in the Kiosk
- New pin-loaded gym equipment has been installed in line with the asset renewal schedule. Floor tiles in the Health Club have been replenished.

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Aquatic Centre Upcoming

- Point of sale system upgrade has commenced with benefits to be realised through greater operational and online functionality. Project completion date is scheduled for late July 2022.
- Previous Swim Shop space to be converted to a dual purpose Customer Service Office and retail area. Aim is to provide a welcoming experience for customers with the inclusion of retail assistance.
- Post the State Government election result, community consultation to be scheduled onsite within the first 100 days of newly formed Government.

Town Hall Achievements

- The Adelaide Festival performance 'Haydn's Solar poetics: Morning, Noon & Night' was held across 3 x concerts – morning, afternoon and evening on Saturday, 5th March 2022. In addition, the Adelaide Festival performance 'Chineke! Chamber Ensemble' was held across 2 nights in March.
- Australian Chamber Orchestra (ACO) returned for the first time since 2019. ACO have more concerts booked at Adelaide Town Hall for 2022.
- The venue experienced 11 cancelled events due to the capacity restrictions announced by State Government after Christmas. Encouragingly the venue experienced an increase in short lead bookings. March was a busy month with the Auditorium utilisation at 42 per cent, compared with only 32 per cent for March 2021.

Town Hall Upcoming

- The Adelaide Symphony Orchestra commences its 2022 season at Adelaide Town Hall on 8th April with more than 30 bookings in 2022.
- The State Government has eased restrictions and removed density caps, enabling greater certainty for the venue and its customers and therefore it is hoped there will be a full return to pre-covid conditions in the near future, strengthening the Town Hall offering and revenues.

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Property Update

Central Market Arcade

- Redevelopment notice provided in Dec 2021 to CMA traders
- Working with tenants to support during transition ensuring arcade is vibrant and maintained
- Offering relocation support, business support packages as offered by AEDA and in conjunction with Business SA
- 13 businesses have successfully relocated and stayed within the CBD
- Currently 17 vacancies out of 62

Commercial Portfolio

- We have received a high number of lease renewal requests and acceptance of offers to lease notwithstanding the hardships that Covid-19 have caused and fear of the unknown
- Vacancies remain surprisingly low given the steady communication from the commercial tenants of hardship and lack of customers because people are still working from home. Currently 3 vacancies in balance of portfolio
- Within the last 6 months we have filled vacancies with brand new tenants at Pirie Street, Rundle Street and Topham Mall which shows a growing confidence in the rebuilding market following the effects of Covid-19 and snap lockdowns, isolating and more people working from home
- Bus Station Lease renewals with some service providers, restrictions are easing resulting in increased services
- Bus Station – Restaurant lease renewed for a further 5 years
- Former Bus Station site now occupied as Andrew Street U-park is in operation

Residential/Community

- 100% occupancy in ERGO Apartments & Sydney Place Apartments
- 6 vacant apartments in Whitmore Square Complex undergoing refurbishment and preparation for sale