

2021-22 Commercial Operations Quarter 4 Review



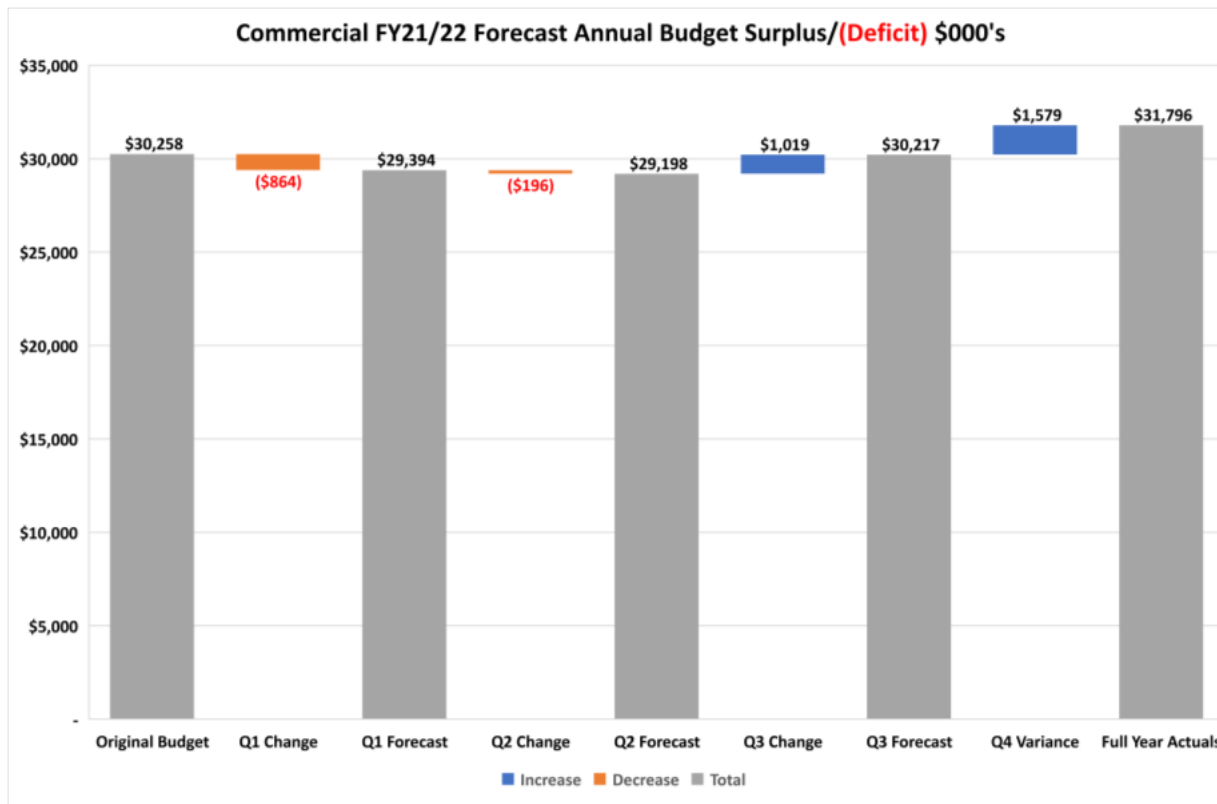
CITY OF
ADELAIDE

Commercial Operations Overview

\$'000	Year To Date			Prior YTD Actuals	
	Actual	Budget	Variance	2019/20	2020/21
Parking	26,782	26,772	10	20,638	22,627
North Adelaide Golf Course	(73)	(241)	168	(535)	(14)
Adelaide Town Hall	(139)	(259)	120	141	(343)
Property Services	5,226	5,277	(51)	9,154	10,250
Program Teams Net Position	31,796	31,549	247	29,399	32,519

Full Year Surplus \$31.8m, \$247k favourable to budget.

- Parking revenue during Q3 was significantly impacted by State Government work from home recommendation but recovered in Q4 to finish on budget.
- All other businesses performed better than budget except Property Services.



Note: All figures in this report exclude depreciation.

Commercial Operations Overview

Overview

Parking Highlights

- Commencement of roll out of upgraded car park operating system, with installations complete at UPark Grote, Andrew and Light Square. Includes new License Plate Recognition technology.
- Installation of Electric Vehicle Chargers as part of State Government's Electric Vehicle Smart Charging Trial in UPark Wyatt and Topham.
- Leverage of Port Adelaide Football club sponsorship

Parking Upcoming

- Ongoing installation of upgraded car park operating system at remaining car parks.
- Pilot of Next Generation ticketless, cashless on street parking meter to observe performance and obtain customer feedback.
- Provision of web based validation solution at UPark Central Market.
- Integration of UPark Plus platform with new License Plate Recognition technology to provide customers a windows up frictionless parking experience.
- Installation of up to 54 Electric Vehicle chargers in UParks as part of the state charging network, in collaboration with RAA.
- Collaboration with ACMA to prepare for reduction in spaces at UPark Central Market for the Central Market Arcade Development, including customer communication.

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North Adelaide Golf Course Highlights - Quarter 4

- Hosted Blitz Golf which attracted excellent promotion for the course including screening of a highlights package on Foxtel
- Hosted the Lord Mayors Corporate Golf Day which raised almost \$10,000 for local charity and exposed the course to new corporate groups
- Refurbished the Par 3 public toilets
- Replaced outdated on course toilets on North Course with an Exceloo
- Finalised North Course irrigation so all 18 holes are again open to the public
- 17th tee on South Course resurfaced
- Introduced a weekday Season Pass option on North Course to maximise accessibility
- Finalised business plan and initial concept for development of Mini Golf

Commercial Operations Overview

North Adelaide Golf Course Highlights - Over 2021/22

The course has made significant progress in facility and service improvements over the last few years. This has enabled it to attract and retain a broader range of participants. This is in line with its role as the manager of a significant portion of parklands and ensuring it meets Council priorities particularly in providing a high level of environmental stewardship while encouraging an active healthy population as well as improving the financial performance of the Course. Maintaining such a large portion (over 80Ha) of the parklands would cost the Council in the order of \$800,000pa if not utilised as a golf course.

Customer Service:

- Ongoing customer reviews are carried out with online surveys with ratings for Customer Service, Course Quality, Food & Beverage and Support Facilities consistently achieving over 4 out of 5
- Ongoing daily staff engagement surveys are undertaken and usually achieve greater than 4 out of 5

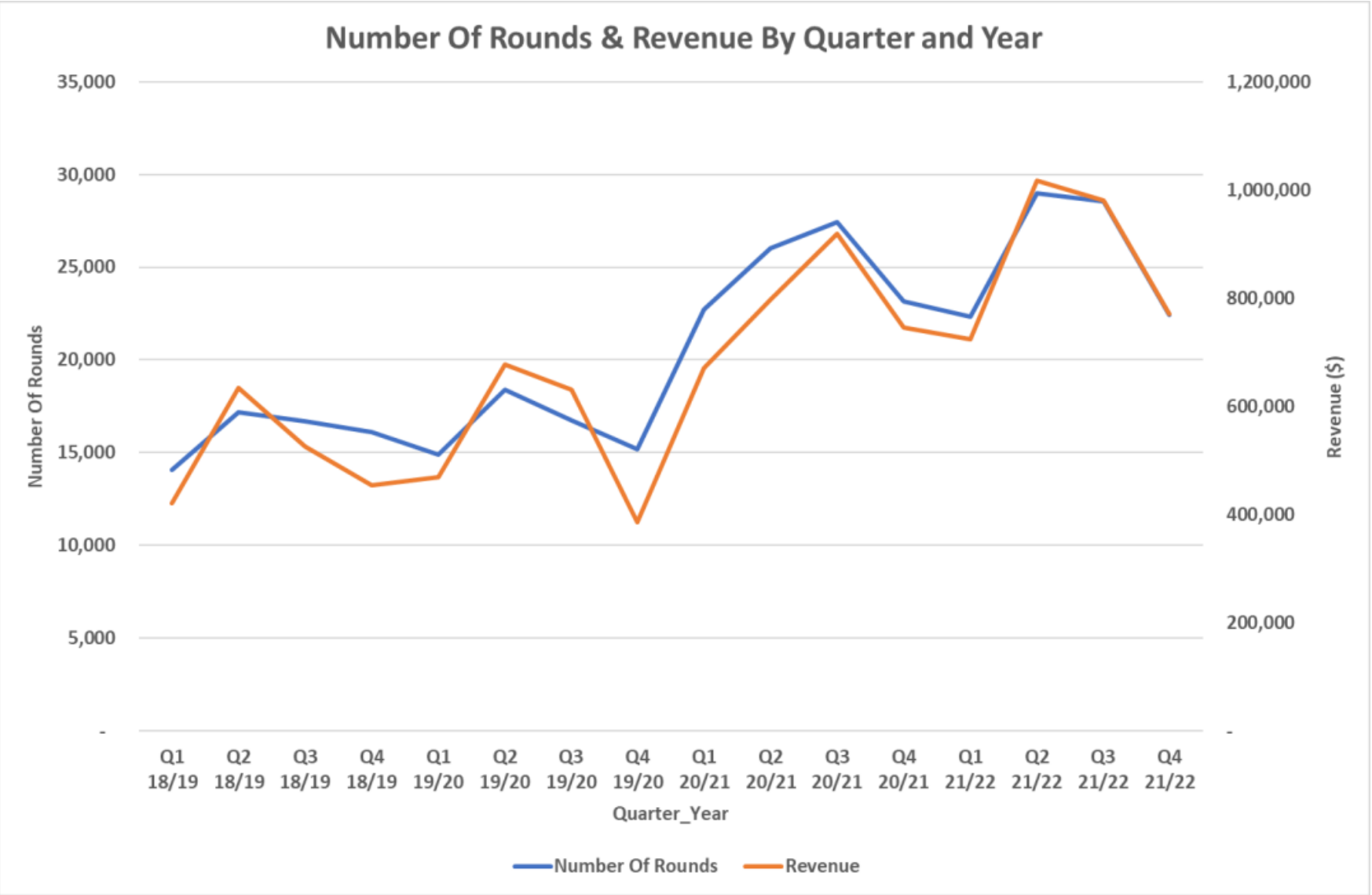
Outcomes:

- Over 100,000 rounds played across the courses in 21/22 up from an average 65,000 pre 2020
- Compared to 18/19
 - Course income up from \$2million to \$3.5million
 - Season Pass sales have almost doubled, increasing particularly in beginner areas which has seen Season Passes increase from:
 - Juniors 9 to 83
 - Par 3 5 to 46
 - North (now Short Course Combo) 7 to 95
 - Growth in course run competition rounds from 0 to 1,800 (including a targeted womens competition)
 - Online public bookings up from 9.4% to 28.3%
 - Driving Range bucket sales up from 3,100 to 6,700
 - Coaching lesson up from 1,250 to 1,700 with new clinics focussed largely on juniors and entry level golfers

Facilities & Services:

- Ongoing improvements and attention to maintenance have provided the course with a growing reputation among golfers ensuring the course can attract and retain new and experienced golfers
- Increased numbers of coaching clinics offered to new and inexperienced golfers combined with special times set aside and activities to encourage people to meet other like minded people will be used to grow the game and build a 'Golf Family' at the course.
- Ongoing attention to facility improvements, staff training, technology and service innovations to maximise customers experience will continue
- Smart investment in facility improvements will add to the attractiveness and viability of the Course.

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North Adelaide Golf Course Upcoming

- Launch a *Course App* to allow easy dissemination of information to visitors/patrons as well as providing digital Loyalty ID cards saving set up fees for new Season Pass holders and improving efficiency and customer experience
- To host a **Vardon** in September, which is a premium golf event attracting the best players in SA, for the first time at North Adelaide in almost 50 years
- Open new short course tees on the North Course making the course more accessible and attractive to all
- Further develop the 'North Adelaide Golf Family' through promotion of special tee times and activities to encourage patrons to meet like minded people and engage more often with the course.
- As the spring comes on maintenance works will focus on those areas worn out or upgraded over winter to maximise presentation and playability especially on paths across all courses, the resurfaced practice putting green and on the North Course where irrigation works have impacted turf quality.

Commercial Operations Overview – Golf Recent Major Achievements

Project	Details	Outcomes
Par 3 Kitchen and Toilet Upgrades	<ul style="list-style-type: none"> Renovated kitchen and toilet areas 	<ul style="list-style-type: none"> Enhance customer experience Increased secondary spend (commercial viability) Improved staff OH&S
South Course 6 th Tee & Green upgrade	<ul style="list-style-type: none"> Renovated hole that attracted most customer concern 	<ul style="list-style-type: none"> Feature hole commented on positively by customers
North Course <ul style="list-style-type: none"> Automated irrigation New short course tees installation Replaced old toilets 	<ul style="list-style-type: none"> Install automated irrigation across whole course Install short tee option on long holes Replaced rundown toilets with Exceloo 	<ul style="list-style-type: none"> Enhance course quality Reduce on course player disruption – no more hoses and sprinklers Broaden attraction of course to all levels of play Increase rounds and income
1 st tee area including new Practice Putting green and decking	<ul style="list-style-type: none"> Moved 1st tee, Built out deck area Developed practice putting green Resurfaced driving range 	<ul style="list-style-type: none"> Enhanced customer experience Improved practice facilities Broaden function opportunities
Ongoing replacement/ improvements to the worst tees & greens	<ul style="list-style-type: none"> Respond to customers identified priorities Upgrade tees, greens, fairways and roughs across all 3 courses 	<ul style="list-style-type: none"> Improve player experience & speed of play
Updated POS and Membership systems	<ul style="list-style-type: none"> SwiftPOS MiMembership Course App Tee time display in pro Shop & on first tee 	<ul style="list-style-type: none"> Enhance user experience More efficient operations
Introduced New Events	<ul style="list-style-type: none"> Weekly Course Competition Lord Mayors Corporate Golf Day Blitz Golf Vardon (Sept. 2022) Course Championship (Nov. 2022) 	<ul style="list-style-type: none"> Attract new users to the course & promote the high quality of course/s

Commercial Operations Overview – Golf Key Projects Future Plans

Enhanced Car Parking - Main Pro Shop area	\$TBC plan Implement	2022/23 2023/24	<ul style="list-style-type: none"> • Help address the biggest barrier to ongoing course attraction. • Update the existing parking to meet Australian Standards • provision of park numbers closer to benchmark standards, Presently the biggest barrier to ongoing course attraction.
Mini Golf	\$2.2million	2022/23	<ul style="list-style-type: none"> • Increase economic viability of Course, • enhance participation • encourage a more active healthy community
Driving Range	\$5million (est)	2025/26	<ul style="list-style-type: none"> • Increase economic viability of Course, • enhance participation • encourage more active healthy community
Horticulture Upgrade	\$0.3million	2022/23	Ensure the Horticultural area meets WHS & Environmental standards
Clubhouse Upgrade	\$3million (est)	2022/23/24	Provide facility that meets expectations such as: <ul style="list-style-type: none"> • disabled toilets; • appropriate women’s change facilities; • Kitchen; • takes advantage of location to attract secondary spend from patrons
18 th Green Replacement	\$25,000	2022/23	Update weed infested green.
11 th Green Replacement	\$60,000	2024/25	Update weed infested green.
Path Upgrades	\$15,000 annually	Ongoing	Existing paths are very prone to washing away and a focus on enhancing their long term presentation will enhance presentation & customer experience.
Putting/Chipping practice area	\$80,000	2023/24	Provide an appropriate training area to enhance attractiveness of course.

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Town Hall Achievements

- The Adelaide Symphony Orchestra (ASO) held their annual Festival of Learning, led by internationally acclaimed educator and ASO Creative Partner Paul Rissmann. Approximately 1500 primary and high school students from various South Australian Schools attended over three days of the Festival in June 2022.
- The 'Stand with Ukraine' fundraising concert was held on 29th April 2022, with more than 700 attendees and over \$70,000 raised for the Ukrainian community. This event was proudly supported by the City of Adelaide.
- The Adelaide Youth Orchestra returned to Adelaide Town Hall, performing their first concert in the Auditorium since COVID.
- The Auditorium hosted its largest catered event since pre-COVID, with 360 attendees for the Family & Relationships Gala Dinner.
- Blanco Horner Catering were awarded the Adelaide Town Hall catering contract.
- The venue experienced an increase in enquiries and bookings. For Quarter 4, the Auditorium was utilised at 55 per cent, up from the busy period in March 2022 of 42 per cent.

Town Hall Upcoming

- Increased bookings in the lead up to Christmas. November is set to be the busiest month for 2022 for Adelaide Town Hall bookings.

Commercial Operations Overview

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Property Update

Central Market Arcade

- Tenants have vacated on 27 June 2022
- Final inspections completed and tenants have left the premises in a safe and secure condition
- 19 businesses have remained in CBD

Commercial Portfolio

- We continue to receive a high number of lease renewal requests and acceptance of offers to lease.
- Vacancies remain low. Currently we have 1 vacancy at Pirie Street. We have an offer on Shop 9 at Rundle Street (currently the only vacancy). Topham Mall is now fully leased. Wyatt Street continues to remain fully leased.

Residential/Community

- 100% occupancy in ERGO Apartments & Sydney Place Apartments