

Enabling Priorities

**2023/24 Business Plan and Budget
Workshop - Fees and Charges 2023-24**

**Corporate Services
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City of Adelaide

2023/24 Business Plan and Budget

Approach to Fees and Charges

21 March 2023

Workshop Focus

- Recap on related financials
- Principles for Fees and Charges
- Considerations for setting Fees and Charges

COUNCIL ROLE:

- Define preferred fees and charges approach

Purpose

Fees & Charges will be presented to Council for adoption in April 2023.

To ensure that Administration recommends fees in line with Council's intent, Council Member feedback is sought on the following questions:

KEY QUESTION

Do Council Members support the proposed principles for fees and charges?

Are there additional principles that you want considered?

KEY QUESTION

Are there certain activities that Council Members would like to see approached differently in terms of increases /decreases?

KEY QUESTION

For fees waived in recent years, how would Council Members seek to approach this in 2023/24?

Continue to waive; reinstate previous fee rate; gradual return to previous fee rate; other

Agenda

1. Recap on Financials
2. Principles for Fees and Charges
3. Considerations for setting Fees and Charges
4. Next steps

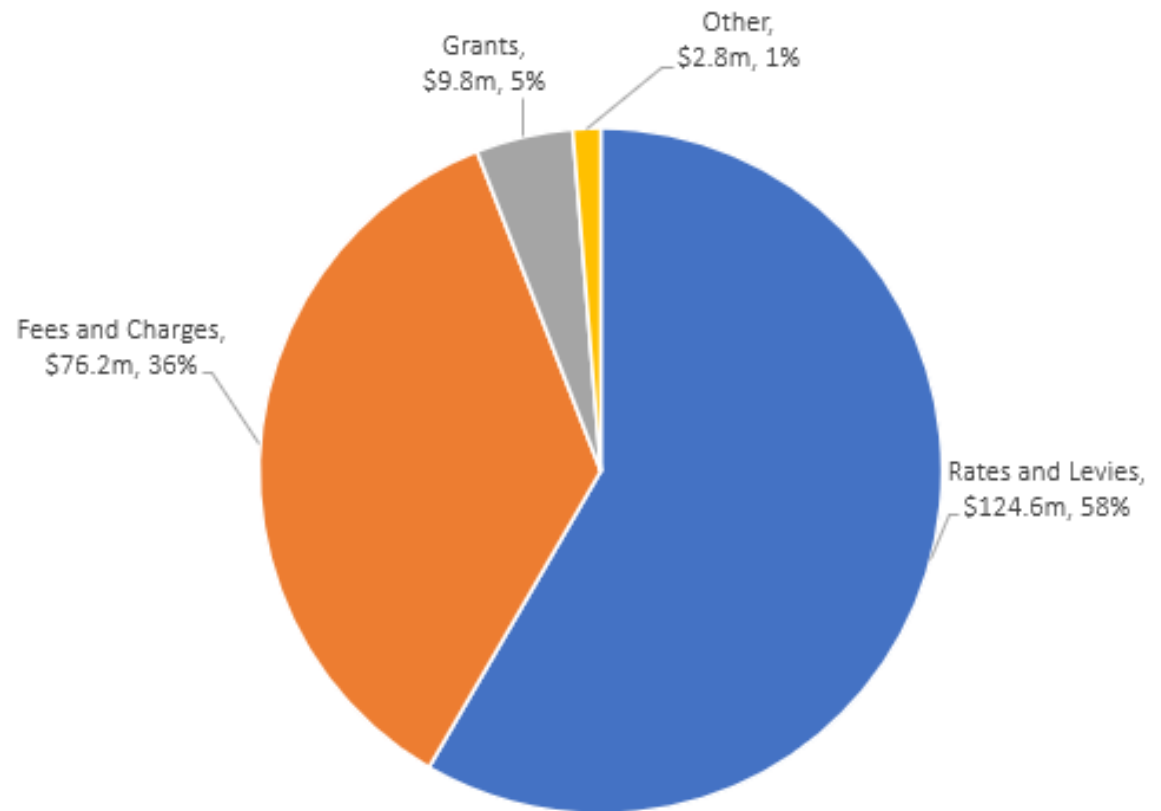
Recap on financials

REVIEW

1. Statutory Fees
 - Historical trends
 - Implications
2. Users Charges
 - Historical trends
 - Implications

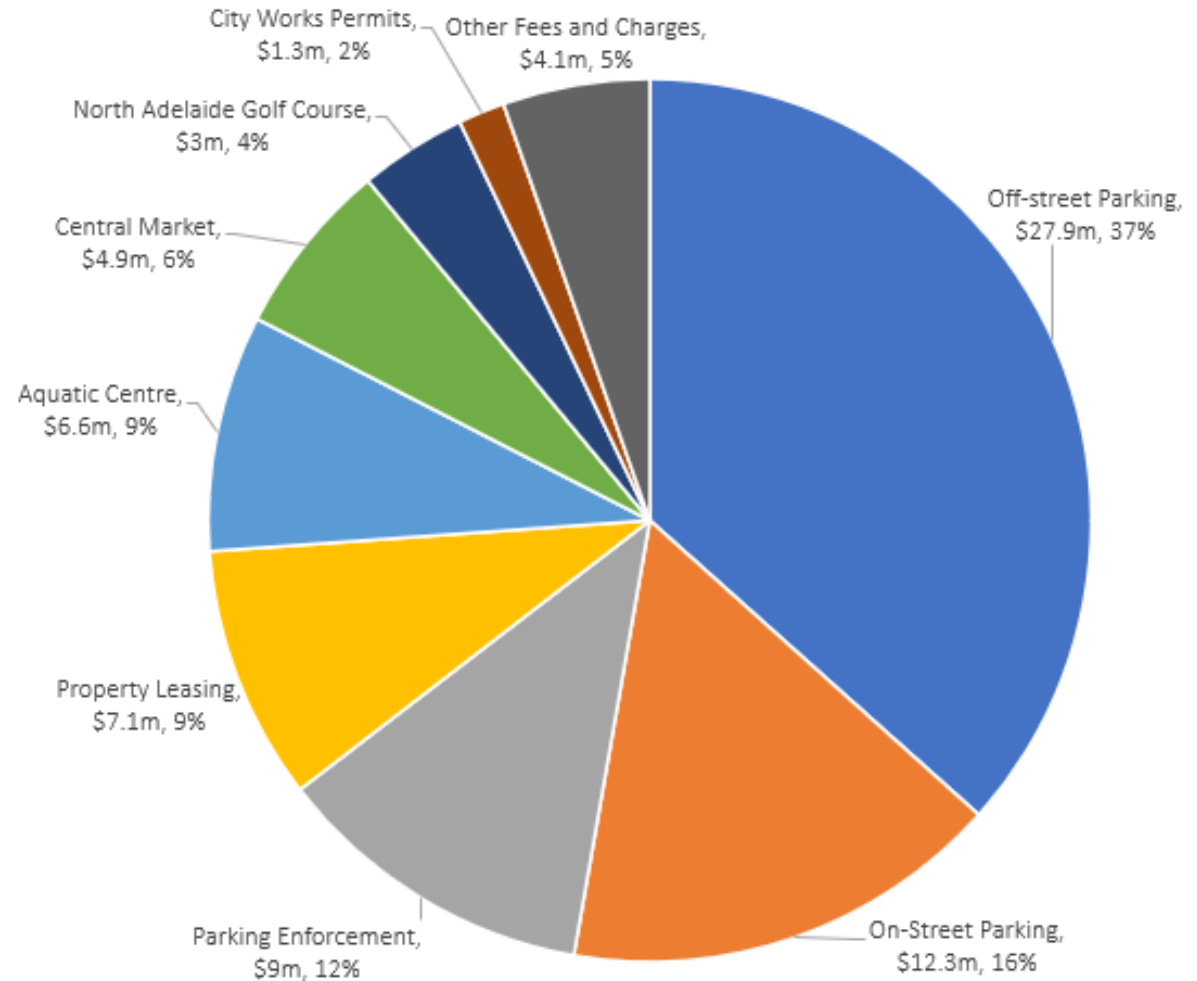
Fees and Charges and Total Revenue

- Fees and Charges of \$76.2m make up a large proportion (36%) of total revenue
- Rates 58%, compared to 79% average all other metro councils



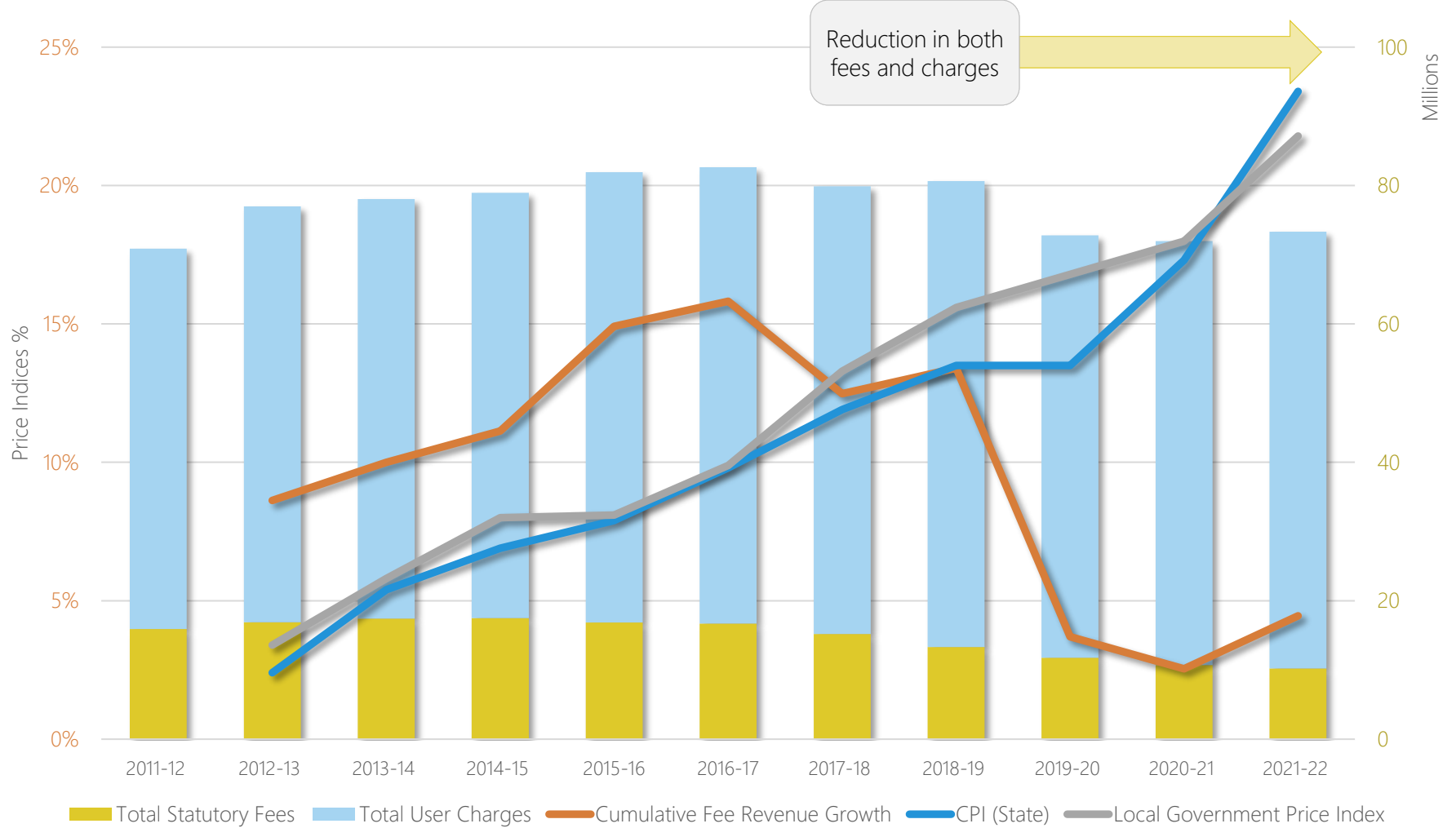
Fees and Charges breakdown

- Statutory Charges set by State Government [Parking Enforcement, Development Fees, Animal Management, Environmental Health](#)
- User Charges set by Council and/or administration [Aquatic Centre, Parking, EV Charging, Golf Fees, EScooter Permit Fees](#)
- Total parking & related (\$49.2m or 65%) = high exposure - \$25m reduced revenue 2019/20-2020/21
- Aquatic Centre revenue offset by costs/expenses = \$1.8m loss



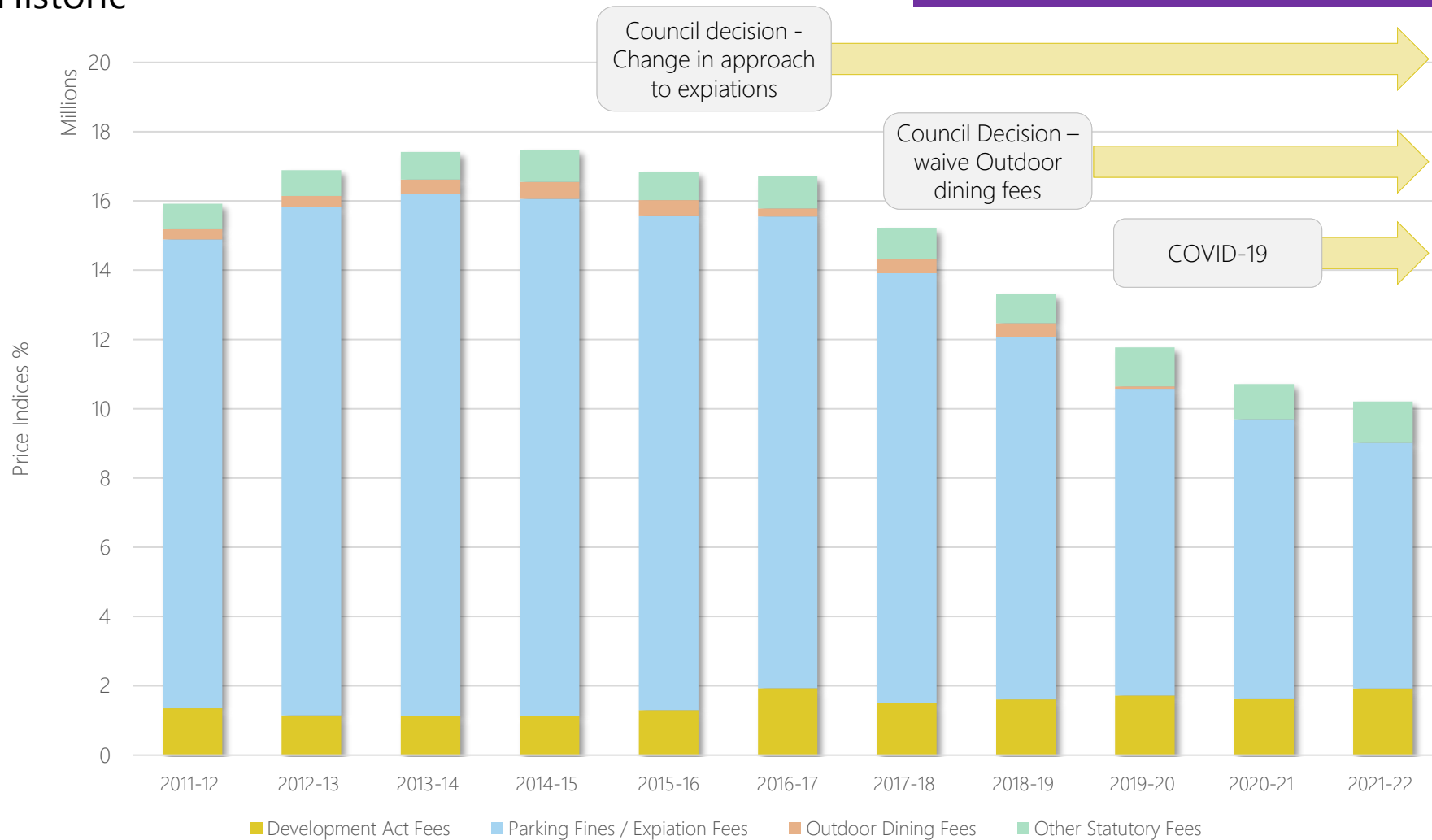
REVIEW

Fee Revenue Historic



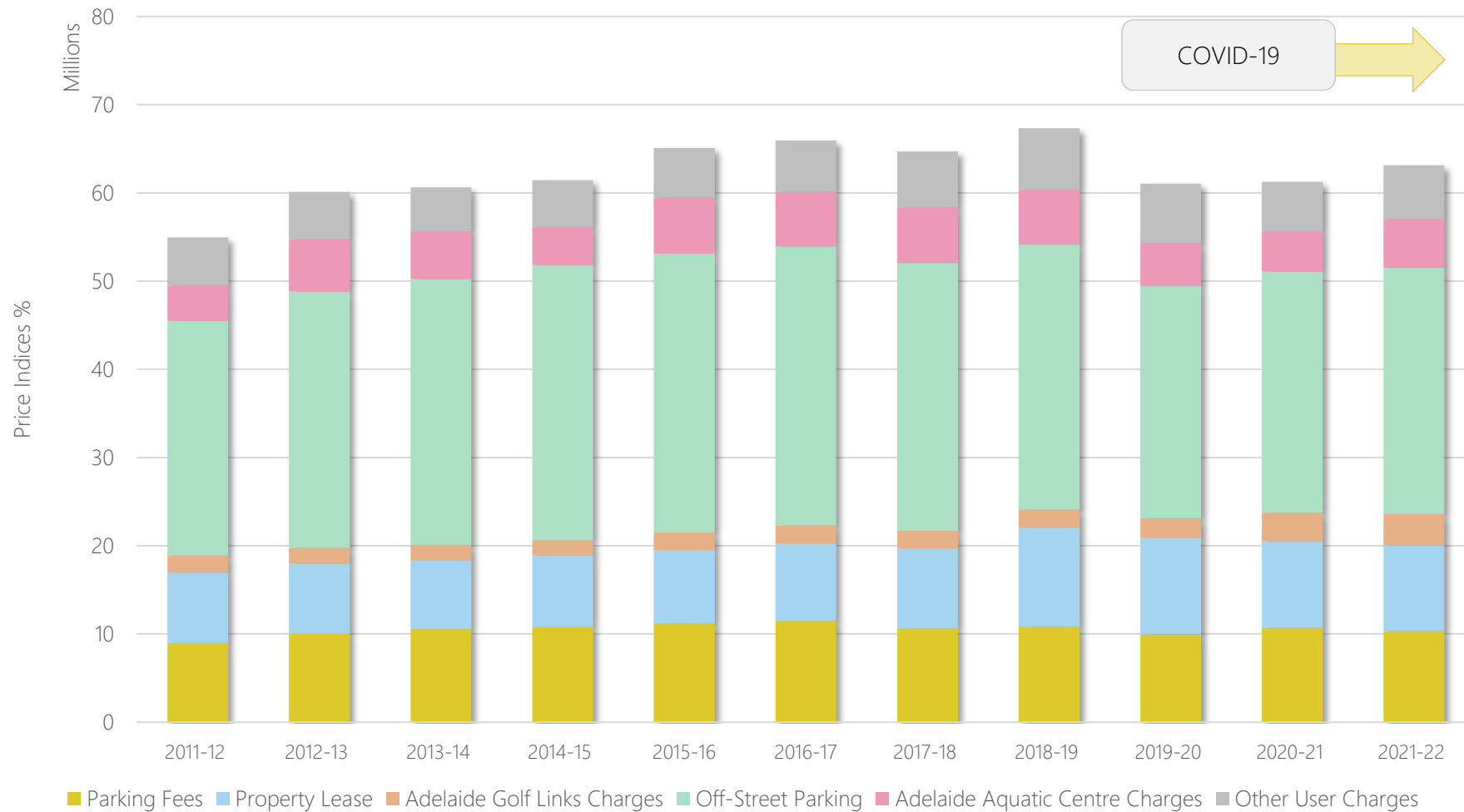
IMPLICATIONS

**Statutory Fee Revenue
Historic**



IMPLICATIONS

User Charges Revenue Historic



Impact of Historic Fee Waives

- Following COVID-19, Reignite Adelaide campaigns waived fees for certain activities to encourage safe & socially distanced city visitation through greater use of open space and activities on-street
- These decisions generated positive feedback from the community during this difficult time for businesses, and sparked a number of new activations still in place today, such as numerous Parklets
- Many of the fees waived following COVID-19 continue to be waived, in addition to Outdoor Dining fees being waived prior to COVID-19
- Some Councils that waived fees during COVID-19 are now reinstating, such as City of Melbourne: [Melbourne outdoor dining: Council reintroduces fees in unanimous vote \(theage.com.au\)](https://www.theage.com.au/news/melbourne-outdoor-dining-council-reintroduces-fees-in-unanimous-vote-2022-01-12).
- Council's investment in these segments had financial impacts, most notably in Outdoor Dining (approx. \$500k per annum revenue), Events on Park Lands (approx. \$650k per annum), and Parklets (approx. \$250k per annum)
- For the waived fees, a more detailed analysis of volumes, comparisons to other Councils, and the financial impact to individual businesses is shown in **Attachment A**

Financial Impact of Fee Waives
(as at end of 31 December 2022)

Permit/ Activity Type	Period of Fee Waive	Forgone revenue
Outdoor Dining	1/7/19 to current	\$1,500,000
Parklets	1/9/21 to current	\$770,000
On Street Activities	1/8/21 to 30/9/21	\$17,840
Objects on Footpath	1/8/21 to 30/9/21	\$690
City Works	1/8/21 to 30/9/21	\$52,400
Event fees on Park Lands	1/8/21 to current	\$670,000
Total		\$3,010,930

Benchmarking fees

Outdoor Dining

REVIEW

Council	Rate – per m ² per year	Admin Fees	Notes
Capital City A	\$72.20	\$200	Waived during COVID returned in Nov. 22. 'Outside City' is \$16.60 per m ²
Capital City B	\$150 - \$700	\$335 - \$500	Waived during COVID (ends June 23). Admin fee is for a security deposit
Capital City C	\$146 - \$509	\$127.70	Additional fee of \$779.10 for design assessment
Capital City D	\$76-\$168	\$0	
Capital City E	\$0	\$0	Waived since 2019. Previous rate was \$150 per m ² with \$125 application fee
Capital City F	\$68 - \$188	\$0	
Adelaide Metro A	\$41 / \$69	\$0	Unlicensed / Licensed. Cost per table with four chairs
Adelaide Metro B	\$25-\$80 / \$80-\$121	\$0	Unlicensed / Licensed. Cost per chair.
Adelaide Metro C	\$23 - \$31 / \$39-\$52	\$0	Unlicensed / Licensed.
Adelaide Metro D	\$21	\$0	Cost per chair.
City of Adelaide	\$0	\$0	Waived fully since 2019, discounted since 16/17. Previously \$39-\$44.

City of Adelaide examples – individual costs to businesses:

- Standard outdoor dining permit 11m² Cost per annum: \$429 Cost per week: \$8.25
- Smallest outdoor dining permit 2.8m² Cost per annum: \$109 Cost per week: \$2.10
- Largest outdoor dining permit 154.8m² Cost per annum: \$6,192 Cost per week: \$119

Benchmarking fees

Parklets

REVIEW

Council	Rate – per m ² per year	Admin Fees	Notes
Capital City A	\$278	\$600	Central City rate. Outside City is \$64
Capital City B	\$0	\$0	Currently on trial to June 2023
Capital City C	N/A	-	Does not offer Parklets
Capital City D	\$350 (max)	\$0	Cost per week and depends on location and final construction.
Capital City E	N/A	-	Does not offer Parklets – however has been used for events.
Capital City F	PoA	\$1,400	Annual fee of 13% of the construction cost is charged.
Adelaide Metro A	N/A	-	
Adelaide Metro B	N/A	-	
Adelaide Metro C	N/A	-	
Adelaide Metro D	N/A	-	
City of Adelaide	\$0	\$0	Fees currently waived. Previous charge is at \$1.60 per m ² per day (\$584 per annum) plus any lost parking revenue

City of Adelaide examples – individual costs to businesses:

- | | | | |
|-------------------------------|------------------|--------------------------|----------------------|
| Cheapest parklet permit | 10m ² | Cost per annum: \$5,840 | Cost per week: \$112 |
| Most expensive parklet permit | 25m ² | Cost per annum: \$25,656 | Cost per week: \$493 |

Benchmarking fees

Objects on Footpath

REVIEW

Council	Rate	Admin Fees	Notes
Capital City A	\$680	\$225	Annual Fee
Capital City B	\$350	\$0	Per hour Fee, Per location
Capital City C	\$649-\$1300	\$0	Per m ² per year fee
Capital City D	\$64	\$0	Per m ² per year fee (\$154 minimum)
Capital City E	\$100 - \$1212	\$99	Annual Fee, dependent on activity type
Capital City F	\$30	\$0	Per month fee (max \$155 per year)
City of Adelaide	\$60	\$0	Per m ² per year fee

City of Adelaide examples – individual costs to businesses:

- Average retail display permit 2.3m² Cost per annum: \$142 Cost per week: \$2.7

Principles for Fees and Charges

FOR DISCUSSION

1. Charge for the use of public space
 - Where appropriate/possible, commercial rates for commercial uses; discounted fees for community (not for profit) uses
2. Recover costs
3. Set at market rates
4. Consider competitive neutrality
5. For fees waived in recent years: Reinstate at previous rate OR Gradually reinstate to previous rate OR Continue to waive

Do Council Members support the proposed principles for fees and charges?

Are there additional principles that you want considered?

Considerations

DISCUSSION

1. Parking in the City
2. Facilitate/support new and existing businesses
3. Facilitate/support events
4. Enable access to facilities/encourage wellbeing

Are there certain activities that Council Members would like to see approached differently in terms of increases /decreases?

Recap on Questions

KEY QUESTION

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Next Steps

March Priorities and Projects 21-Mar	March Rates, Fees and Charges 21-Mar	March Principles 21-Mar	March Projects and Budget Scenarios 28-Mar	April Fees and Charges and Draft Document 18-Apr / 26-Apr	June Community Engagement 13-Jun	June Final Document 20-Jun / 27-Jun
CEO Briefing Discuss	Committee - Workshop Discuss	Committee - Report Adopt	CEO Briefing	Committee / Council	Council Decision	Committee / Council
Training Focus	Training Focus	Training Focus	Training Focus	Training Focus	Training Focus	Training Focus
<ul style="list-style-type: none"> • Prioritisation Framework • Project categories 	<ul style="list-style-type: none"> • Review previous workshops on Rates, Fees and Charges 	N/A	<ul style="list-style-type: none"> • Review previous workshops on how we build a budget • Understanding Services 	<ul style="list-style-type: none"> • Community Engagement 	N/A	N/A
Workshop Focus	Workshop Focus	Meeting Focus	Workshop Focus	Meeting Focus	Meeting Focus	Meeting Focus
<ul style="list-style-type: none"> • Introduction to project categories and prioritisation framework • Introduction to Capital Works Schedule 	<ul style="list-style-type: none"> • Council feedback on proposed rates approach • Council feedback on proposed fees and charges approach 	Council adoption on proposed Principles and Parameters for Draft Business Plan and Budget	<ul style="list-style-type: none"> • Introduction to Strategic Projects and Service Changes • Council feedback on business plan and budget scenarios 	Council feedback on: <ul style="list-style-type: none"> • Draft Business Plan and Budget, including Service Plans, Projects and Priorities • Draft subsidiary Business Plan and Budgets • Community engagement Plan • Input on Draft non-statutory Fees and Charges Schedule 	<ul style="list-style-type: none"> • Consider community feedback 	Council feedback on: <ul style="list-style-type: none"> • 2023/24 Business Plan and Budget • Subsidiary Business Plans and Budgets • Updated Long Term Financial Plan
Council Member role	Council Member role	Council Member role	Council Member role	Council Member role	Council Member role	Council Member role
<ul style="list-style-type: none"> • Provide input into Draft projects 	<ul style="list-style-type: none"> • Define preferred rates approach • Define preferred fees and charges approach 	<ul style="list-style-type: none"> • Adopt Principles and Parameters to inform the Draft Business Plan and Budget build 	<ul style="list-style-type: none"> • Provide input into Draft projects • Define preferred Budget Scenarios and Levels of Service to build Draft Business Plan and Budget 	<ul style="list-style-type: none"> • Adopt the Draft 2023/24 BP&B for community engagement • Adopt the Draft 2023/24 non-statutory Fees and Charges • Endorse the proposed community engagement activities 	<ul style="list-style-type: none"> • Receive community submissions and participate in a Public Hearing 	<ul style="list-style-type: none"> • Adopt the Final 2023/24 Business Plan and Budget, Long Term Financial Plan, Subsidiary Business Plans and Budgets, Borrowings, Valuations and Declaration of Rates