

THE CORPORATION OF

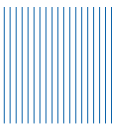
THE CITY OF ADELAIDE

# BUDGET

2000-2001

8203 7203

Customer Centre



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# BUDGET

## 2000-2001



*Alfred Huang*  
The Right  
Honourable The  
Lord Mayor

## Alfred HUANG

*In framing the budget for the year 2000/2001, the Adelaide City Council faced the challenge of improving services to residents, rate-payers and businesses in the City without increasing rates.*

*I am pleased to say that Council has produced a balanced budget in which increased outlays totalling \$101 million have been achieved by cost savings and modest increases in revenue without having to resort to raising general rates in the City.*

*Meeting this challenge has been made possible by adhering to the longer term strategy to apply disciplined cost reductions of 2.5% a year over a seven year period to account for declining revenues from the operations of the Wingfield Waste Management Centre. The emphasis has been on containing costs and increasing productivity so that services are not curtailed. Savings have so far exceeded this target.*

*Even as it has taken this prudent approach to City finances and spending, Council has been able to commit significant funds, totalling \$4 million in this financial year, to the landmark City project involving North Terrace and the Riverbank precincts redevelopment.*

*This major commitment is being undertaken in partnership with the State Government. It reflects Council's willingness to shoulder its responsibilities as the Capital City Council and to work harmoniously with the State Government through the Capital City Committee.*

*Council is also acutely aware of the need to maintain and improve the City's infrastructure and capital assets. This year's budget sees a commitment of almost \$23 million allocated to capital works and city projects involving some of the City's most important thoroughfares, such as Pulteney and Halifax streets and War Memorial Drive, as well as some of our favourite City locations such as the Adelaide Central Markets. These, too, will be treated to significant refurbishment throughout the coming year.*

*The guiding principle behind all of the initiatives contained in the budget for 2000/2001 is the continuing commitment of Council to generate City prosperity, to promote City development, to contribute to City vitality and diversity, to enhance the quality of City life and protect City Heritage and the environment.*

*In presenting this first budget of the newly-elected Council at the start of a new Century, I would like to personally commend the spirit of cooperation and the diligence shown by my Council colleagues and staff during the rigorous process of preparation and review of the City's finances to ensure that residents and rate-payers truly get responsible service and value for their money.*

*A 5.6 % growth in the Adelaide City Council's Capital Works program to a record \$22.8 million in the face of only a 2.2 % improvement in revenue to \$101.21 million in 2000-01 reflects the benefits of tighter cost control and improved work practices.*

*Budget 2000-2001*

## **Efficiency Savings**

*A rigorous program of review during the past year enabled the Council to define a number of 'real' operating efficiency savings – Material costs down 8.2%, contractual service costs cut by 6.7% and employee costs reduced by 3.1% – and reap revenue increases.*

*The Council achieved an overall 2.5% operating efficiency savings in 1999-2000 and a further real 5.5% will be achieved in 2000-01.*

*These savings, which were made after allowing for CPI, additional/amended programs and uncontrollable costs such as the new Environment Protection Authority levy at Wingfield, were largely achieved by analysing business processes and implementing improved work practices.*

*This has resulted in :*

- \$500,000 in real savings over two years in the Horticulture Department by establishing service standards, planning maintenance tasks, reducing overtime, limiting use of contract staff and reducing the workforce by attrition.*
- The Adelaide Aquatic Centre lifting pool programs revenue by \$145,000.*
- The revenue from On-street Parking increasing in 1999-2000 by around \$500,000 following improved rostering of parking officers and increased activity in the city.*
- Increased external revenue in cleansing of \$100,000 a year.*

*In addition savings and productivity improvements commencing in 2000-01, which will be ongoing, were identified including:*

- Introducing electronic security surveillance at London Road Depot and ceasing 24 hour staffing, saving \$150,000 a year.*



### *Productivity gains achieved at the Aquatic Centre*

- *Additional revenue from the nursery from compost and mulch sales of \$90,000.*
- *External revenue in Horticultural maintenance of \$60,000.*
- *Engineering Operations Department savings in lease of plant of \$120,000 a year.*
- *Further productivity gains at the Aquatic Centre through more flexible rostering, a new organisational structure, less use of casual labour and focused team level Key Performance Indicators.*
- *A new arrangement with Telstra, resulting in net savings of \$48,000 for 2000-01.*
- *Increased revenue in on-street parking of \$300,000.*

*These savings have made it possible for the Council to hold its general residential rate in the dollar levy at an unchanged 12.3c for the third consecutive year, and to maintain the residential rate rebate at 40%, and not introduce a minimum rate.*

JUDE MUNRO Chief Executive Officer

*Budget 2000-2001*

## **North Terrace Redevelopment**

*Council has committed a total of \$4 million this financial year to the redevelopment of the North Terrace and the Riverbank Precinct.*



*Council recognises the importance of the North Terrace and Riverbank precincts to the City as a civic and cultural boulevard, a tourist magnet, a recreation destination and an education, health and business hub.*

*Council is seeking matching funding from the State Government, of:*

- *\$2 million on North Terrace over the next 12 months for the Concept Design Plan and Development Framework and on capital works on North Terrace from King William Street to Frome Street.*
- *\$2 million Capital works in the Riverbank precinct and adjoining areas to bring life to the Torrens Lake and River.*

*Rather than a simple streetscaping exercise the North Terrace Concept Design, which has been provisionally endorsed, is intended to respond to the history and the future needs of this important area. Our research indicates that this project will increase State Gross Product by as much as \$20 million a year due to improved export earnings in three key areas – education, health and tourism.*

*This project will help change the face of the City and ensure our prosperity will continue to grow by enhancing City vitality, vibrancy, and attractiveness.*

Budget 2000-2001

## **Building Prosperity**

*Adelaide has the potential to grow and prosper dramatically in the next few years, not only economically but also culturally.*



*If we persuade more overseas businesses and people to consider Adelaide as a partner and a destination we will substantially bolster our employment numbers.*

*Recognising this, the Council has allocated a substantial portion of this year's budget to building prosperity. As education is one of the driving forces of our economic prosperity the Council will provide Education Adelaide with a further \$400,000.*

*Education Adelaide coordinates the strategic development of the industry, including international marketing, trade delegations and educational events in SA. Education Adelaide aims to attract an additional 2000 international students to South Australia, with 50% of these residing in the City Centre by second semester 2001.*

*In addition it will create a demand for 2000 additional living spaces, attract more relatives and friends of students as tourists to Adelaide, establish another 2000 links with likely future overseas leaders in commerce and industry, and attract significant amounts of foreign investment in areas like real estate. The success of this program will boost the State's economy by an estimated \$300 million.*

*To help promote the City's advantages the Council has also allocated \$300,000 to the development of a co-ordinated marketing strategy among government agencies and private sector representative bodies. This is in addition to the \$150,000 contribution to the Adelaide Convention and Tourism Authority to help in the effective marketing of the City for conventions and other niche sectors.*

*In response to a recent survey of Adelaide business leaders that showed their primary concern was the need for more effort at both State and Local Government level to attract more business to the City the Council has also allocated \$270,000 to enable the Lord Mayor to encourage overseas investment in Adelaide and to assist local business to export.*

*Helping local business is a high priority in this year's budget with \$230,000 allocated to electronic business networks and joint marketing initiatives to be developed for small businesses in growth sectors including a website, listing businesses, training for businesses and marketing of the website.*

*A further \$70,000 was set aside for the City Centre Vital Fund which provides grants to businesses to achieve economic development goals including increased employment while \$45,000 was earmarked for financial assistance to a City South economic development initiative which is to be established in the City and a further \$45,000 will fund support to the new Adelaide City Business incubator in Hindley Street.*

Budget 2000-2001

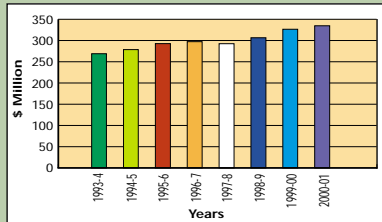
# Your RATES

The Council has for the third consecutive year held its general residential rate in the dollar levy at an unchanged 12.3c.

The decision to maintain this rate was despite steady growth in Capital Works, an increase in recent years in exempt properties, and a looming gap in revenue after the closure of the Wingfield Waste Management Centre's landfill in December 2004.

It reflects the Councillors' commitment to not increase the general rate level, the ability of the Council to find cost savings within the administration, and a continued recovery in the value of Adelaide's rateable property.

The general residential rate is charged on the assessed annual rental potential of your property as defined by the Valuer General and this is the third successive year that the value of Adelaide property has increased – edging ahead 2.5 % or \$8.2 million to \$334.7 million. This improvement reflects:

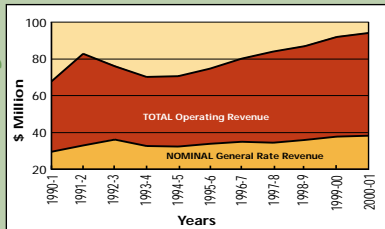


- Legislative changes under the Local Government Act which resulted in some previously exempt property now being assessed and rebated – accounting for \$3.6 million of the total increase this year.
- the completion of new properties such as Adelaide Central Plaza in Rundle Mall, the Adelaide Ritz in Frome Street, Boulevard Apartments (Cardwell and Wakefield Streets), The Square (East End), Grand Apartments (Melbourne Street), Oxford Terrace Apartments (Hutt Street).
- an increase in the real value of some of the assessed annual values.

This year the Council has also decided to maintain the Owner/Occupier residential rate rebate at 40%, and not introduce a minimum rate. The rebate, which is applied to a maximum of \$1000 an assessment, is to be eliminated in accordance with the Capital City legislation by 2003-04.

Overall general rate revenue inched ahead 1.3% from \$37.7 million to

\$38.2 million but the contribution general rate revenue makes to total operating revenue continues to slip. In the past 10 years it has dropped from nearly 44% to just over 40%.



Annual Valuation of Assessable Property

Revenue Analysis





*The success of the marketing campaign for Rundle Mall over the past 12 months encouraged the Council to approve an expansion in the promotional budget for this shopping and tourism hub.*

*The Council has injected an extra \$100,000 into its direct contribution to the Rundle Mall marketing initiatives lifting it to \$600,000.*

*In addition the Council made a series of adjustments to the Rundle Mall levy which will lift the total funds available from \$1.39 million to \$1.86 million even though the general rate in the dollar has remained unchanged. These adjustments involve the removal of the 35% rebate and the extension of the levy to all businesses in the Rundle Mall precinct. Last year the rate was lifted for the first time in 13 years by 1c to 2.64c in the dollar of annual assessed value for traders fronting the Mall. Traders located off the Mall will this year also be required to pay the 2.64c levy (previously 1.72c) reflecting the removal of the 35% in the rebate.*

*The 894 properties previously exempt from the marketing levy will over the next three years have the full levy phased in with the properties paying 33% this year, 66% in year two and 100% in the third year. In addition the Council has adopted a minimum payment of \$100 from all assessed properties. These modifications will raise an additional \$121,722 this year.*

*According to the Rundle Mall Manager, Mr David West, the marketing campaign has been very successful with the number of visitors to the Mall rising and retailers reporting an improvement in business.*

*Budget 2000-2001*

## ***City Street Pride***

*One of the City's major thoroughfares is to be treated to a comprehensive upgrade following Council's endorsement of a \$22.85 million capital works program for 2000-01.*

*The Council has committed \$1.3 million to the refurbishment of Pulteney Street from the Park Lands to North Terrace.*

*This follows extensive consultation for the work and recognises that the street is a vital north-south link through the City for motor vehicles, cycles and pedestrians. The project to be commenced in the current financial year aims to improve the appearance, safety and amenity of the street, as part of a three year, \$6 million program that will also take in Hurtle and Hindmarsh Squares.*

*A similar works program with a CityPride focus, totalling \$625,000, involves the refurbishment of Halifax and Gilles Streets between Pulteney and King William Streets. This work is again intended to deliver refurbished streetscapes which will address issues of traffic flow, parking, pedestrian safety and accessibility in a high priority residential area. This is to be complemented by the second stage of capital works for the refurbishment of Angas Street between Pulteney Street and King William Street, costed at \$500,000 in this financial year. A further \$240,000 has been allocated to upgrading street lighting in Rundle Street East to enhance its appearance and safety.*

*In North Adelaide, CityPride streetscape works costing \$400,000 are to be completed around the new residential developments bounded by Centenary, Stephens and Watson Streets at the rear of the former Le Cornu's site. Council has also allocated \$50,000 to create a temporary car park for North Adelaide shoppers on the vacant Le Cornu's site. The other major development aimed at improving traffic flows through North Adelaide involves a \$750,000 upgrade of War Memorial Drive around the North Adelaide Golf Course from Montefiore Road and Park Terrace.*

Budget 2000-2001

# Community Commitment

*The community and cultural life of the people of Adelaide and South Australia continues to be a focus of the Council in this year's budget.*

*The Corporate Plan recognises that to be a healthy vibrant and prosperous City the Council must play a role in strengthening community life and developing the cultural heart of the State.*

*With this in mind it has set aside \$566,000 for community grants more than half of which is contributed annually to homeless agencies and community service projects. Council makes a substantial contribution to homeless projects and programs by supporting the work of the peak homeless agencies organisation, the Inner City Administrators Group. Council also provides two staff for Home and Community Care Services and has recently been provided an extra \$65,000 by State Government to support residents of City boarding houses.*

*In addition the Council has provided \$90,000 to implement a new Affordable Housing Policy by facilitating new housing through a new Smart Living program which is aimed at students and young workers plus a social housing project for higher support frail elderly residents.*

*To improve social and community services in the City the Council has established a partnership with the State Government's Human Services Department and allocated \$31,500 to plan for better homeless services.*

*The Council has also earmarked \$40,000 to its Graduate Scholarship Program to fund two research programs one of which will look at nutrition among homeless people in Adelaide and the other urban management. This year \$260,000 has also been allocated to the establishment and operation for a trial period of a free City bus service connecting the communities of the City and North Adelaide to the main activities of the City. During the past 12 months extensive consultation has been held with the community in relation to the proposed route and it has been decided to trial two small buses with disability access.*

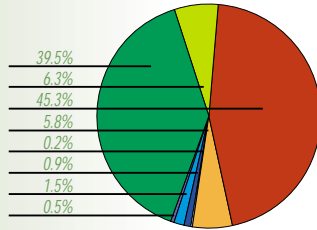
*The Council has set aside \$45,000 to develop and maintain formal links and facilitate improved communication and interaction between itself and the North Adelaide and Gilles Street Primary Schools. One of the aims of this program is to nurture participation of young children and their families in the life of the City.*

# The Budget at a Glance

1999/2000

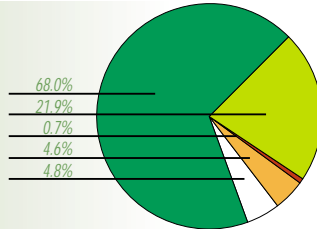
## Where the Money Comes From

INCOME BUDGET	1999-2000 \$m	2000-01 \$m
Rates	38.76	39.94
Parking fines and fees	6.29	6.40
Commercial Business Units	44.87	45.82
Grants & Subsidies	3.26	5.82
Investment Income	.22	.23
Borrowings	4.12	.99
Asset Sales	.89	1.51
Other	.56	.52
<b>Total Income</b>	<b>98.97</b>	<b>101.21</b>



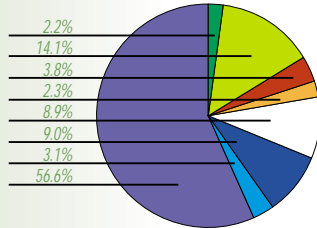
## Where the Money Goes

INCOME BUDGET	1999-2000 \$m	2000-01 \$m
Operating Expenses	68.18	68.85
Capital Expenditure	18.30	22.14
Halifax Remediation	4.12	.71
Strategic Initiatives	4.44	4.60
Loan Redemption	3.93	4.91
<b>Total Expenditure</b>	<b>98.97</b>	<b>101.21</b>



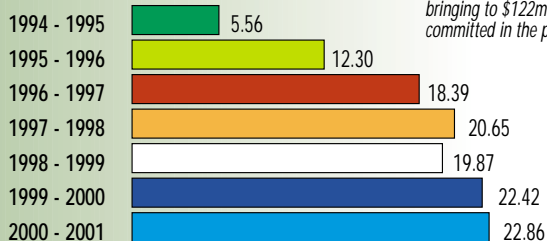
## Capital Works Program

INCOME BUDGET	1999-2000 \$m	2000-01 \$m
Park Lands and Torrens Lake	0.65	0.50
Road & Footpath Network	6.42	3.22
Properties	3.51	0.85
Public Lighting	0.72	0.53
City Businesses	1.63	2.03
Corporate Plant & Equipment	2.48	2.06
Halifax Remediation	3.13	0.71
Corporate Plan	3.11	12.95
<i>City Improvements – Inc. North Tce &amp; Riverbank</i>		
<b>Total</b>	<b>21.65</b>	<b>22.85</b>



## Gross Capital Expenditure Trend

(including remediation)



The Council Works Program will be a record \$22.8m in 2000-01, bringing to \$122m the amount committed in the past seven years.

# City of Adelaide Your Council

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## The Right Honourable The Lord Mayor



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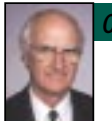
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