



Winter Weekends (delivered July to September 2020) on easing of COVID-19 related restrictions to welcome people back to the city. An initiative of City of Adelaide, with funding from the Government of South Australia, June 2020. Image courtesy of City of Adelaide.

ANNUAL REPORT 2019-2020

This annual report is to be presented to Parliament and the City of Adelaide to meet the statutory reporting requirements of the *City of Adelaide Act 1998 (Part 2 – Collaborative arrangements for the strategic development of the City of Adelaide)*.

While not strictly deemed to be a Government agency or entity, the Capital City Committee is an intergovernmental body established by and reporting to the Parliament of South Australia. As such, the broad requirements of the Premier and Cabinet Circular PC013 Annual Reporting have been adopted in the preparation of this report.

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OVERVIEW: ABOUT THE CAPITAL CITY COMMITTEE

Purpose

Established by the Government of South Australia under the *City of Adelaide Act, 1998* (City of Adelaide Act), the Capital City Committee is an intergovernmental body of the Government and City of Adelaide with a legislated mandate to enhance and promote the development of the City of Adelaide as the capital city of the State.



Hindmarsh Square, Adelaide. Image courtesy of City of Adelaide.

Objectives

- Identify and promote key strategic requirements for the economic, social, physical and environmental development and growth of the City of Adelaide as the primary focus for the cultural, educational, tourism, retail and commercial activities of South Australia.
- Promote and assist in the maximisation of opportunities for the effective coordination of public and private resources to meet the key strategic requirements identified by the Committee, and recommend priorities for joint action by the State Government and the City of Adelaide.
- Monitor the implementation of programs designed to promote the development of the City of Adelaide.
- Make provision for the publication of key strategies, goals and commitments relevant to the development and growth of the City of Adelaide.
- Collect, analyse and disseminate information about the economic, social, physical and environmental development of the City of Adelaide, with particular emphasis on assessing outcomes and identifying factors that will encourage or facilitate future development within the City of Adelaide.

Membership of the Capital City Committee

The Capital City Committee operates under the City of Adelaide Act. As at 30 June 2020, the Committee had the following membership:

State Government Members:

- The Hon Steven Marshall MP, Premier (Chair)
- The Hon Stephan Knoll MP, Minister for Transport, Infrastructure and Local Government; Minister for Planning
- The Hon Rachel Sanderson MP, Minister for Child Protection

City of Adelaide Members:

- Lord Mayor Sandy Verschoor
- Deputy Lord Mayor Houssam Abiad (1 July 2019 – 30 November 2019)
- Councillor Houssam Abiad (1 December 2019 – 29 January 2020)
- Councillor Alexander Hyde (1 July 2019 – 30 November 2019)
- Deputy Lord Mayor Alexander Hyde (1 December 2019 – 30 June 2020)
- Councillor Simon Hou (10 March 2020 – 30 June 2020)
- Councillor Dr Helen Donovan (Proxy)

Committee Operations

The Committee met four times over the reporting year (November, February, May and June), as is legislatively required, and is supported by an Executive Group of senior officials from the Government and the City of Adelaide.

Both the Committee and the Executive Group are supported by staff situated within the Department of the Premier and Cabinet. The Committee's activities and administration are jointly and equally funded by the Government of South Australia and the City of Adelaide.

Legislation Administered by the Agency

The Capital City Committee administers no legislation.



Adelaide Central Market, Adelaide. Image courtesy of Julian Cebo.

Other Related Agencies

As a strategic intergovernmental body bringing together the Government of South Australia and the City of Adelaide, key partners and agencies related to the Committee for 2019-2020 include:

- **Department of the Premier and Cabinet (DPC):** The Premier chairs the Committee and the Chief Executive of DPC is a member of the Committee's Executive Group. The Department also hosts the secretariat and strategic project coordination and support, and contributes half of the funding for the program.
- **City of Adelaide:** Represented on the Committee by the Lord Mayor and Council Members, and at Executive Group by the Chief Executive Officer. The City of Adelaide provides half of the funding for the program.
- **Department of Planning, Transport and Infrastructure (DPTI):** Minister and Chief Executive of DPTI represented on the Committee and Executive Group respectively. DPTI is referred to by its current name: Department of Infrastructure and Transport (DIT) throughout the body of this report.
- **Renewal SA:** Chief Executive represented on the Executive Group.



Acknowledgements

The Capital City Committee extends its sincere gratitude to all who have contributed towards the implementation of initiatives of the development plan throughout the reporting period. Employees of the State Government and the City of Adelaide have underpinned the work of the Committee.

In addition, staff and volunteers who have contributed to the growth and development of Adelaide's diverse strengths are also acknowledged and appreciated.

THE COMMITTEE'S PRIORITIES

Capital City Committee Development Program Priorities

The Capital City Committee is required by legislation to develop, endorse and review an annual Capital City Development Program.

In 2019-20, the Committee endorsed five key strategic themes under the Development Program – City Governance; City Deal Implementation; City Economic Development and Growth; City Access Strategy, and Homelessness in the City.

Impact of COVID-19 (as at 30 June 2020)

As at 30 June, 2020, the impact of COVID-19 on the city economy and population is estimated to have been significant. Businesses, hotels, cafes and restaurants have experienced significant declines in trade as the

number of workers in the city reduced. The visitor economy and numbers of international students living and studying in the city has also declined, with aviation ceased and major events cancelled.

As at 30 June, 2020, the forecast for City of Adelaide's Gross Regional Product (GRP) for the June 2019-20 quarter compared to the 2018-19 4-quarter average is that it is down by 10.2% (National Institute of Economic and Industry Research, Version 1.1, May 2020, presented in economy.id).

The following indicators together provide a snapshot of the impact of COVID-19 on the City of Adelaide as at 30 June, 2020.

Employment



The number of jobs available in the City of Adelaide was forecast to fall by 7.6% in June 2020, with an even greater impact (9.5% fall in jobs) anticipated for residents of the City of Adelaide, compared to the 2018-19 4-quarter average.

Source: National Institute of Economic and Industry Research , Version 1.1, May 2020, presented in economy.id.

Residential Vacancy Rates



The vacancy rate for residential properties in the Adelaide CBD in June 2020 was 7.15%, up from 2.6% in June 2019 and at a 15-year high.

Source: SQM Research, July 2020

Office Vacancy Rates



The vacancy rate for office accommodation in the Adelaide CBD in June 2020 was 14.2%, up from 12.8% in June 2019 but under the six year average of 14.5%.

Source: Property Council, M3 Property

Visitor Economy



The accommodation and food services sector was forecast to experience a 67.2% reduction in turnover for the June 2020 quarter.

Source: National Institute of Economic and Industry Research , Version 1.1, May 2020, presented in economy.id.



Winter Weekends welcomed people back to the city with easing of COVID-19 restrictions. City of Adelaide initiative, supported by the Government of South Australia. Image courtesy of City of Adelaide.

The City of Adelaide Led the local government pandemic response, committing in the first week of the pandemic to a \$4m City Support Package that included rent holidays/deferrals for tenants, rates hardship relief options, and waiving of Park Lands leases/licence fees. Other Council support included price-leading UPark Plus touchless parking services, new and expanded grants, rebates and incentives. Council's Small Business Task Force also provided advice to city businesses, and in June 2020, City of Adelaide partnered with Business SA to launch the City Business Support Package to provide city business with access to specialised Business SA advice and support services.

The City of Adelaide also launched a Recover + Reimagine project to support the city's recovery from the effects of COVID-19. The project crowdsourced ideas from the community, Council members and staff. With support of a \$24,000 grant from the South Australia Tourism Commission, 140 outdoor heaters were distributed to city hospitality businesses to improve the outdoor dining experience for customers.

Council ceased discretionary expenditure, retimed capital works, reduced casual staff and contracting in order to reduce operating expenditure, due to significant impacts on revenue in 2019-20 as a result of COVID-19. It remains committed to major projects including 88 O'Connell Street, Central Market Arcade Redevelopment and Ten Gigabit Adelaide.

The State's emergency response across South Australia saw a package of social, health and economic initiatives implemented that were ultimately successful in reducing the spread of COVID-19 and ameliorating its impacts. Initiatives included a \$650m Jobs Rescue Package and a \$13.8m package to ensure that South Australia remains a destination of choice for overseas students.

In the City of Adelaide specifically, the State response has included short and longer term rehousing of almost 500 people sleeping rough and funding to City of Adelaide for reactivation of the city's streets and city business support. This included funding to support Council's Music in the Streets program as well as the City of Adelaide Outdoor Activation Grants to assist and encourage investment by small businesses in infrastructure including outdoor furniture, heating, lighting and the like.

There are strong signs of recovery across the city with the daytime workforce beginning to return, and visitation to shopping, commercial and entertainment precincts on the increase. The focus now for City of Adelaide and the Government of South Australia, including via the Capital City Committee, is coordinated, integrated efforts that continue to reactivate city streets safely, support residents and business, and build the city's residential population.

City Governance

Adelaide Park Lands

The City of Adelaide is custodian of approximately 74% of the Adelaide Park Lands, excluding the Botanic Gardens and Park, and institutional areas along North Terrace which are managed by the State Government.

During 2019-20 the State Government and City of Adelaide partnered to commence creation in the Park Lands of:

- **Quentin Kenihan Inclusive Playspace in Rymill Park / Murlawirrapurka (Park 14)** – an inclusive playspace for people of all ages and abilities integrated with an existing playspace in the same location. The playspace is anticipated to be completed in December 2020.
- **City Skate Park** – a new city skate park on West Terrace developed in consultation with a range of stakeholders including residents and local skate and BMX communities. The new skate park is anticipated to commence development in 2020 for completion by mid-2021.

- **Denise Norton Prk/Pardipardinyilla (Park 2) East Enhancement and Prospect Road Boulevard** – upgrade of the formal 'gateway' to the city with a focus on Prospect Road as the connection between the North of Adelaide and the city, in light of anticipated high density community growth. The upgrade includes pathways, new path lighting and an upgrade to the tennis courts.
- **Park Lands Trail** – City of Adelaide proposed, and the State Planning Commission has recommended as part of the Development Plan Amendment process for the site, inclusion of a section of the Park Lands Trail along the eastern boundary of Lot Fourteen as part of its redevelopment. The aim of this is to achieve greater connectivity through the site for Park Lands users.



Bonython Park, Adelaide. Image courtesy of City of Adelaide.

Adelaide Park Lands Management Strategy

The Adelaide Park Lands Authority has initiated a statutory review of the Adelaide Park Lands Management Strategy this financial year with a view to the development of a revised Strategy for consideration and adoption by Council and State Government during 2020-21. The Strategy is an aspirational document which sets out the shared ambitions for the Park Lands for recreational and community purposes.

Adelaide Aquatic Centre

The Adelaide Aquatic Centre (AAC) is a regional provider of aquatic, leisure and recreation services to the South Australian community.

Research undertaken as part of an independent 'Needs Analysis' commissioned by the City of Adelaide to better understand the community's current and future demand for such services found that upgrading or replacing the existing 50-year old facility would:

- increase health and wellness participation
- accommodate future population demands

The Needs Analysis also noted that more than 92% of visitations to the AAC come from local government areas other than the City of Adelaide. Accordingly, the City of Adelaide raised this matter for consideration by a joint strategic partnership.



Elder Park, Adelaide. Image courtesy of Josh Geelen.

Lot Fourteen

Lot Fourteen is bringing the jobs of the future to Adelaide by creating an innovation precinct to drive investment, research and training in established and emerging industries. It is integral to creating the next generation of businesses and jobs for South Australia.

Already operating on site are some of the world's leading names in emerging technology including the Australian Space Agency, Australian SmartSat CRC, Australian Cyber Collaboration Centre ('A3C'), Myriota, Sitael, Inovor Technologies and Neumann Space. Also, the Australian Institute for Machine Learning through the University of Adelaide with partners including Lockheed Martin, Defence and Space Landing Pad, Stone & Chalk Start Up Hub, MIT bigdata Living Lab in partnership with Bank SA, Optus and DSpark.

In 2019-20 there were a range of achievements including launch of the Stone & Chalk Startup Hub in October 2019 and establishment of the Australian Space Agency headquarters at the precinct in December 2019 followed by its official opening in February 2020. The headquarters supports 20 employees to oversee operations of the Agency, working to transform and grow a globally-recognised space sector in Australia. By June 2020 Stone & Chalk had 43 start-up companies, 78 businesses and a total of 151 residents on site.

Late in the financial year, stage 1 of the North Terrace public realm was completed and open to the public with six of the precinct's heritage buildings refurbished and open for occupation. During this time local Adelaide company Saber Astronautics was awarded a grant of \$8.5 million for the development of the Mission Control Centre associated with the Australian Space Agency. The Mission Control Centre is scheduled to open by quarter four 2021.



Innovation Hub planned for Lot Fourteen (Artist's Impression). Image courtesy of Lot Fourteen.



Stakeholder engagement undertaken as part of review of the Adelaide Riverbank Precinct Plan. Image courtesy of Baukultur.

Riverbank

The Riverbank Entertainment Precinct Advisory Committee (REPAC) met several times during 2019-20.

Since the Greater Riverbank Precinct Implementation Plan (GRPIP) was developed in 2013 there have been many changes to the Riverbank (including redevelopment of Adelaide Oval, the tram extension, establishment of Botanic High School and the new Royal Adelaide Hospital).

Development of the Adelaide Riverbank continues today with several major projects underway (Lot Fourteen, Festival Plaza, SAHMRI2, Adelaide Railway Station, SkyCity Casino expansion and relocation of Women’s and Children’s Hospital). Further opportunities for development continue to arise as the precinct increasingly becomes the cultural heart of South Australia.

Concepts and proposals for new cultural, entertainment, tourism and commercial developments in the precinct are regularly put forward for consideration by State and Local Government.

It is timely to develop an updated plan for the Adelaide Riverbank that:

- better defines the identity, purpose and shared vision for the precinct
- provides a framework to guide further development, activation and capital investment
- identifies and prioritises development and investment opportunities
- identifies a coordination and decision-making framework to enable the delivery of the precinct plan

On this basis the Capital City Committee supported development of a renewed Adelaide Riverbank Precinct Plan to reflect an overall vision for the precinct, and alignment with the key strategic objectives of the State and the City of Adelaide. Funding totalling \$100,000 was invested in the project in 2019-20 for this purpose.

A steering committee comprising representatives from Renewal SA, the State Planning Commission and the City of Adelaide has been established to guide delivery of the project. Architectural firm Baukultur has been engaged by Renewal SA to deliver the Precinct Plan on behalf of the Capital City Committee, with a final draft to be completed by the end of 2020.

This work may provide a model framework for a collaborative approach to development by City of Adelaide of a dedicated ‘City Plan’ that optimises the future growth of the City of Adelaide.

City Deal Implementation

The Implementation Plan for the Adelaide City Deal was signed on 14 November 2019.

All three levels of government are committed to working together to deliver the 23 commitments under the City Deal, with Lot Fourteen as the centrepiece, including the City of Adelaide's commitment to smart technology and infrastructure to improve connectivity and safety in the Adelaide city centre.

The Australian Government and the South Australian Government are investing a total of \$612m into precinct development and key projects at Lot Fourteen under the Adelaide City Deal.

This investment will leverage future collaboration and private investment, and deliver a world class and globally recognised innovation precinct of entrepreneurship, research collaboration, education and cultural activity.

In the first year of the Adelaide City Deal, the South Australian Government has delivered on: the site masterplan; establishment of the public realm; refurbishment of seven buildings to provide dynamic collaboration, office and activation spaces; establishment of the Startup Hub; and rapid progress in the demolition of former hospital buildings in preparation for construction of new facilities.

The seven hectare precinct is now home to over 800 business leaders and employees and has provided employment throughout the building sector during the demolition and development phase. It is estimated that on completion, 6,000 people will be conducting business, research and study at Lot Fourteen.

City Economic Development and Growth

North Terrace

In 2019 the Capital City Committee considered means and barriers to activation of North Terrace between King William Street and Lot Fourteen. Members considered current planned development including Lot Fourteen, as well as City of Adelaide upgrades to Gawler Place. It was agreed that a prospectus would be developed by the Department for Trade and Investment and Renewal SA in conjunction with the City of Adelaide, to provide to potential investors. Plans were postponed however, with onset of the COVID-19 pandemic.

Growth Agenda

Growth State: Our Plan for Prosperity was launched in late 2019 by the South Australian Government, to provide a blueprint for doubling the current rate of economic growth within the State to 3%. Since its launch, the economic environment has changed dramatically as a result of the COVID-19 pandemic. Two growth sectors (Tourism and International Education) have been particularly impacted.



Chinese New Year North Terrace, Adelaide. Image courtesy of City of Adelaide.

City Access Strategy

In 2019-20 the Capital City Committee funded the development of a City Access Strategy: a public-facing 20-year movement strategy that articulates the future development, operations and governance of the multi-modal transport networks within and immediately surrounding the City of Adelaide. A total of \$600,000 has been allocated by the Committee to development of the Strategy and four priority project studies (detailed below).

On approval of funding by the Capital City Committee, the Department for Infrastructure and Transport (DIT) appointed Aurecon, with support from Infraplan, to deliver the City Access Strategy.

Work on the Strategy is overseen by a steering committee of executive staff from DIT and City of Adelaide, with a cross organisation working group ensuring progression of the work. Consultation to date has included stakeholder fora and public engagement with local councils, the Royal Automobile Association, Planning Institute of Australia, city residents associations, the Taxi Council, The Heart Foundation, Bicycle Institute, Walking SA, Association of Independent Schools and others.

An opportunity was identified to utilise mobile phone based mobility data to better understand movement patterns in and around the city. As a result a mobility data package from DSpark Australia was procured. This provides de-identified details of

people movement in the study area which builds on vehicle movement information provided by DIT's AddInsight app.

Following identification of challenges and development of a draft vision and guiding values, stakeholder engagement was undertaken whereby the identified challenges were presented with supporting data. Local and international exemplar case studies were then profiled to stimulate thinking and demonstrate achievable outcomes. Identification of the key function and needs of precincts informed development of an integrated movement network which considers all modes including pedestrian movement.

Taking into account feedback received, and the work prepared by Aurecon, DIT and City of Adelaide are considering the most appropriate pathway and timing to progress this work.

City of Adelaide and DIT (CEOs) have also identified four priority initiatives under the Strategy to deliver elements of the transport network and streetscape for which there is already in-principle agreement and broad-based community support.

The Capital City Committee agreed to fund planning and studies on the priority initiatives as follows:

- **North Adelaide Tram Extension including Adelaide Bridge:** Strategic Business Case
- **Hindley Street Pedestrianisation:** Concept Plan and Strategic Business Case
- **Currie and Grenfell Streets:** (Public Transport Boulevard) Master Plan
- **CBD Cycling Network:** City North East-West Links and North-South Completion

A detailed scope for each will be jointly developed and oversight provided through existing cooperative working and governance arrangements.

This work will define the blueprint for evolution of the CBD in the coming two decades. This articulation of a clear, long-term shared vision and strategy, with specific high-value projects, demonstrates the strong partnership approach between City of Adelaide and the State Government which will further underpin future city planning.



Frome Road bikeway, Adelaide. Image courtesy of City of Adelaide.

Homelessness in the City

The City of Adelaide and State Government continued to partner during 2019-20 to support the Adelaide Zero Project (AZP), working towards the goal of Functional Zero Homelessness in the city by the end of 2020.

Issues discussed during 2019-20 included:

- implementation options for the recommendations of the Institute of Global Homelessness report by Dame Louise Casey in 2018, built upon by Dr Nonie Brennan during her visit to Adelaide in November 2019
- responding to the inter and intrastate mobility of Aboriginal people including support for people who come to the City of Adelaide for various reasons
- potential partnerships to identify opportunities for social and affordable housing as outlined in the South Australian Housing and Homelessness Strategy, and development of a localised social and affordable housing policy for the City of Adelaide

Council committed investment in the AZP strategic partnership until 31 December 2020, and additional funding for a feasibility study of an Inner-City Services Network and responses to Aboriginal mobility. The Capital City Committee supported the Don Dunstan Foundation's Homelessness Conference in 2019-20 with a \$12,000 grant contribution.

Council determined that it would continue to support an end to rough sleeping in the city and increasing housing options for people on low-to-moderate incomes.

In addition to discussion with State Government of opportunities for investment to increase the volume and diversity of social housing stock in the Adelaide CBD and metropolitan areas, the Lord Mayor as Chair of the Capital City Committee of Lord Mayors (CCCLM) has also led a proposal for increased Federal Government investment in social housing.

State Government worked to temporarily house nearly 500 people in hotels during COVID-19 restrictions, almost half of whom were later transitioned into longer term housing with support. The Committee recognised that during and following the pandemic, people at risk of homelessness will need ongoing support and more people may be at risk of homelessness due to potential increases in hardship including financial stress and domestic violence.

Renewal SA agreed to consult with City of Adelaide on State Government options being explored to deliver short and medium term opportunities for affordable housing across the Adelaide metropolitan area.

FINANCIAL PERFORMANCE

Financial Performance at a Glance

Under the City of Adelaide Act administrative and staffing costs of the Capital City Committee must be shared equally between the State and the City of Adelaide.

In 2019-20 contributions from both parties to the Committee totalled \$648,000. As at 30 June 2020, unspent funds of \$736,000 have been carried over for use in 2020-21.

Total Expenditure for 2019-20	
Activity	Allocation
Salaries	219,000
Don Dunstan Foundation Homelessness Conference	12,000
Adelaide Riverbank Masterplan	100,000
City Access Strategy	600,000
Total	\$931,000

Executive Employment

No executives were directly employed in the administration of the Capital City Committee.

Secretariat and executive support services were provided by resources employed by the Department of the Premier and Cabinet.

Consultants Disclosure

No consultants were employed directly by the Capital City Committee (or DPC on the Committee's behalf) in 2019-20. The Committee did provide \$100,000 to Renewal SA to develop a revised Adelaide Riverbank Masterplan and \$600,000 to the Department of

Infrastructure and Transport (DIT) for the City Access Strategy. Each of these agencies utilised consultancies as part of delivery on the respective projects.

Contractors Disclosure

No contractors were employed directly by the Capital City Committee (or DPC on the Committee's behalf) in 2019-20. Contractors were employed by DIT on the City Access Strategy project.

REPORTING REQUIRED UNDER ANY OTHER ACT OR REGULATION

The Capital City Committee is not required to report under any other act or regulation.



Twin Street, Adelaide. Image Courtesy of Ian Routledge.