

# 2019-20 Quarter 3 Finance Report

**ITEM 5.1** 01/05/2020  
**Audit Committee**

2018/03947  
Public

**Approving Officer:**  
Clare Mockler, Deputy CEO &  
Director Culture

## EXECUTIVE SUMMARY:

The 2019-20 Quarter 3 Finance Report summarises:

- The year to date financial performance and results for the quarter ended 31 March 2020
- The proposed changes to the Quarter 2 Budget, Long Term Financial Plan (LTFP) and variances to the budget.

The COVID-19 pandemic has seen an unprecedented change to the lives of our community and to Council's operations, businesses and services. To respond to this, Council has already developed a \$4.0m 'City Support' package and has an array of financial levers available to support decision making which are analysed in this report.

The proposed net adjustments of \$21.4m to the Quarter 2 Budget position are intended to mitigate the financial impact of COVID-19 and have been achieved through:

- Identification of savings to fund emerging priorities and offset reduced income as a result of Government restrictions as a result of COVID-19
- Variances (targeted changes) to projects, infrastructure and capital works, resulting in re-timing, re-prioritising or finalising of works
- Managing cash flow implications due to anticipated rates deferral.

The impact of these net adjustments from Quarter 2 to Quarter 3 increase Council's forecasted Operating Deficit for 2019-20 from (\$18.4m) to (\$19.3m), decrease the annual funding requirement from (\$34.1m) to (\$12.7m), and borrowings decrease from (\$81.6m) to (\$73.7m). This projected level of borrowing as at 30 June 2020 is within our existing Prudential Borrowing Limits.

Council's Treasury and Cash Investment Policy is due for review later in 2020 where amendments to the Prudential Borrowing Limits will be considered to build capacity to respond to current and future opportunities.

The LTFP has been updated to incorporate the anticipated impact of COVID-19, as well as the Council resolution to reduce operating expenditure by \$20m during 2020-21. Given such a reduction in operating expenditure, Council's projected Operating Deficit position moving forward will be significantly reduced, with a small operating surplus projected from 2023-24 onwards. In addition, the updated LTFP projects that Council's borrowings will be within 10% of the current Prudential Limit. During the 2020-21 Integrated Business Plan process, the Infrastructure Program and Renewals LTFP will be brought to Council for discussion and resolution – in its current position, that will propose an additional investment required in line with the Asset Management Plans and Condition Audits being currently undertaken.

## RECOMMENDATION:

### THAT THE AUDIT COMMITTEE

1. Notes the 2019-20 Quarter 3 Finance Report (the report), including the proposed 2019-20 Quarter 3 Revised Forecast and updated Long Term Financial Plan.
2. Notes the Quarter 3 Treasury report update as contained in this report.

3. Recommends that Council approve the 2019-20 Quarter 3 Finance Report and proposed revised forecast as summarised in Attachment A to Item 5.1 on the Agenda for the meeting of City of Adelaide Audit Committee held on 1 May 2020.
4. Notes the levers and options available to Council to respond to the effects of the COVID-19 pandemic as detailed in Attachment A.

## IMPLICATIONS AND FINANCIALS:

City of Adelaide 2016-2020 Strategic Plan	Strategic Alignment - Corporate Activities The deliverables and objectives set out in the Quarter 3 Revised Forecast (QF3) document are directly aligned to the delivery of year 4 of the 2016-2020 City of Adelaide Strategic Plan.
Policy	Not as a result of this report.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	The quarterly review meets Council's obligations under the <i>Local Government Act 1999</i> and <i>Local Government (Financial Management) Regulations 2011</i> . Attachment A provides the revised Prudential Borrowing Ratios based on the proposed Quarter 3 Revised Forecast adjustments.
Opportunities	Not as a result of this report.
19/20 Budget Allocation	Adjustments to the 2019-20 Budget are detailed throughout the Report and Attachment A.
Proposed 20/21 Budget Allocation	Proposed re-timing of projects from 2019-20 of \$16.3m into 2020-21 as summarised in Attachment A.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report.
19/20 Budget Reconsideration (if applicable)	Yes. Refer Attachment A. The forecasted Operating Deficit for 2019-20 increases from (\$18.4m) to (\$19.3m). The annual net funding requirement for 2019-20 is forecast to decrease from (\$34.1m) to (\$12.7m).
Ongoing Costs (eg maintenance cost)	Not as a result of this report.
Other Funding Sources	Not as a result of this report.

# DISCUSSION

## Financial Result for the quarter

1. The financial result for the year to date as at 31 March 2020 is a net funding deficit of (\$4.0m) including subsidiaries which is \$13.3m favourable to budget, primarily due to favourable variances in projects. All variances have been reviewed and where possible included in the overall savings as part of the Administration's COVID-19 response.

## COVID-19

2. COVID-19 has had a major impact on Council's finances and **Attachment A** to this report provides an analysis of three key levers for Council to consider:
  - 2.1. Building Capacity through *borrowings* and increasing the prudential borrowing limit
  - 2.2. Supporting our community and future growth through *rates*
  - 2.3. Achieving flexibility with *asset renewals*
3. In responding to the current environment and the impact of COVID-19, there are a number of other financial response levers for Council to investigate using, to which the Administration has already commenced preparatory actioning:
  - 3.1. Pause / Defer Strategic Enhancements and Asset Renewals: A range of capital works and infrastructure have been restructured in response.
  - 3.2. Advocate for Government funding for Priority Infrastructure and Stimulus Projects: Working with our partners differently and in new ways, including pro-active advocacy of City priorities to Governments for grant funding continues as part of BAU
  - 3.3. Realise potential of non/underperforming assets and reinvest in performing and demand driving assets: Options presented separately to Council as part of the Strategic Property Review.

## Proposed Adjustments / savings

4. A comprehensive review of Council's 2019-20 budget has been undertaken by the Administration in response to the significant financial impact of COVID-19, resulting in proposed net adjustments for Quarter 3 that total \$21.4m, including for subsidiaries.
  - \$3.5m Savings across operations
  - \$30.9m Project savings have been made by either re-timing, finalising at the current point of delivery, not proceeding, reducing scope or re-prioritising
  - (\$3.7m) Delivery of a City Support Package
  - (\$9.4m) Income impact (\$11.9m) offset by savings \$2.5m
  - \$0.1m Subsidiary operational impact (\$0.6m) offset by savings in capital works \$0.7m.
5. The list of all proposed adjustments and definition of treatments is provided in **Attachment A** (*quarter changes*).

## Proposed Revised Quarter 3 Forecast

6. The Operating Deficit at the end of the 2019-20 financial year are projected to increase from (\$18.4m) as at Quarter 2 to (\$19.3m).
7. The Work in Progress (WIP) write-off has decreased from (\$13.7m) at Quarter 2 to (\$5.5m), due to the transfer of recognised non-capitalisable projects into operations \$4.5m and proposed timing adjustments to Capital Program \$3.7m.
8. The 2019-20 overall funding requirement (Uniform Presentation of Finances) is forecast to decrease from (\$34.1m) as projected at Quarter 2 to (\$12.7m).
9. Council's borrowings (debt) projected as at 30 June 2020 is \$73.7m, being a decrease of \$7.9m when compared to the Quarter 2 projection of \$81.6m.
10. The Revised Financial Statements are included as an Appendix to **Attachment A**.

## Treasury Report

11. As per the requirements set out in the Treasury and Cash Investment Policy, the borrowing and cash investment performance for as at 31 March 2020 is reported below.

12. Borrowings as at 31 March 2020 were \$37.4m.

Borrowings Facility	Available	Interest Type	Interest Rate	Borrowing(s) Amount as at 31 March 2020	Change since previous report	Maturity Date	CAD Interest Rate
LGFA CAD 554	\$30m	Variable	1.50%	\$30m	(\$0.0m)	16/12/2023	1.50%
LGFA CAD 555	\$70m	Variable	1.50%	\$7.4m	(\$8.5m)	15/06/2033	1.50%

\* Note CAD facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years.

13. The Prudential Limits as at 31 March 2020 based on borrowings of \$37.4m are below:

Prudential Limit Ratio	Comments	Limits	YTD Actual to Mar-20
Debt Service Coverage Ratio	The number of times Council's annual 'Amount Available for Projects' can service annual principle and interest commitments.	Min 5 times	18.9 times
Leverage Test	Total borrowings expressed as a multiple of the annual 'Amount Available for Projects'.	Max 1.5 years	0.7 years
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 25%	10.5%

14. Interest Income / (Expenditure) against the Quarter 2 budget is a net favourable year to date variance of \$0.6m.

Interest	Quarter Jan - Mar		Mar YTD		Annual	Administration Comments
	Actual	Budget	Actual	Budget	Budget	
Revenue	\$4,659	\$8,649	\$16,623	\$27,150	\$35,800	Interest revenue consists of interest earned on operating monies held in the NAB operating account.
Expense	(\$217,655)	(\$490,761)	(\$692,930)	(\$1,300,279)	(\$1,791,000)	Interest expense consist of LGFA CAD facility.

### Long Term Financial Plan and Financial Statements

15. A range of financial indicators have been included in **Attachment A** (*financial indicators and performance*) to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the LTFP.
16. Financial statements and the (10 year) LTFP are provided in detail as an Appendix to **Attachment A** and show the proposed borrowings, operating deficit and baseline changes into 2019-20 and beyond based on the proposed Quarter 3 Revised Forecast adjustments.
17. During the 2020-21 Integrated Business Plan process the Infrastructure Program and Renewals LTFP will be brought to Council which will indicate an additional investment required in line with the Asset Management Plans and Condition Audits being undertaken at present.

### Rates

18. Fourth quarter rate notices for the 2019-20 financial year will be due for payment by 1 June 2020.
19. The following measures have been implemented to assist City of Adelaide ratepayers:
  - 19.1. Payment plans where ratepayers can elect to pay their rates weekly, fortnightly or monthly based on an agreed amount that suits their budget
  - 19.2. Financial hardship assistance for residential and commercial ratepayers (online form)
  - 19.3. Ratepayers can postpone payment of the fourth quarter rates for three (3) months until 31 August 2020
  - 19.4. No fines or interest to be charged on any fourth quarter outstanding rates until 31 August 2020
  - 19.5. Fines and interest to be temporarily paused on all existing outstanding rates until 31 August 2020
  - 19.6. No new debt recovery action to be instigated for any business that enters into a financial arrangement with Council (including any pre-existing debt).

### Next steps

20. Revise Council's Treasury and Cash Investment Policy including for prudential limits.
21. Utilisation of special discretionary rebate to provide assistance to rate payers of approximately \$2.1m.

22. Discussions with the State Government continue regarding re-aligning delivery of the Annual Business Plan and Budget (legislative change required).
  23. Council will develop its next budget (2020-21) over the coming months and an understanding of the position we are in now will help in developing a clear, well planned budget.
  24. Further discussions and workshops will be held with Council over the coming months to plan in detail which financial levers it wishes to use to respond to the impacts of COVID-19.
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## ATTACHMENTS

### **Attachment A – City of Adelaide 2019 – 2020 Quarter Three Financial and Performance Report**

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- END OF REPORT -

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# City of Adelaide 2019 – 2020 Quarter Three Financial and Performance Report

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**May 2020**

Prepared for the City of Adelaide  
by Strategic Finance and Performance

# Executive Summary

## Quarterly update

Council's financial performance this quarter has been influenced by the impact of COVID-19 and the resulting mitigating measures taken by administration to ensure continued financial sustainability, community and business support.

### Loss of (net) income

Following the introduction of government social distancing restrictions, three Council businesses were forced to temporarily close (Aquatic Centre, Golf Course and Town Hall). These restrictions also impacted on events in the Park Lands, the demand for parking and other income streams.

### Support

In March 2020 Council adopted measures to support our community and businesses, including an unbudgeted cost of \$4 million for the 'City Support' package

### Cashflow

By the end of this quarter the continued spread of COVID-19 had started to impact Council's cashflow. While the challenges faced this quarter were minimal on cashflow, it is anticipated that this will increase in quarter four.

Council has already received requests for rates support and the potential impact on cash flow is currently unknown, although a forecasted position has been incorporated.

### Savings

Actions taken to reduce the impact on our finances have included almost \$37 million in savings for the 2019 – 2020 budget. This has been achieved by reprioritising, reducing, retiming or stopping identified projects, operations and capital works.

## Current environment

2019-2020 was the final budget for the 2016 – 2020 Strategic Plan of Council, delivering services, projects, infrastructure and capital works across the key themes of Smart, Liveable, Green and Creative.

As part of the 2019-2020 budget, key highlights included further greening of City streets, progressing the Central Market Arcade redevelopment, significant infrastructure, capital works and renewals investments, continuation of 10 Gigabit Adelaide and strategic partnerships to further the City's economy and vibrancy.

### COVID-19

In January 2020 the world learned of a new strain of coronavirus (COVID-19) which has since become a global pandemic. The repercussions of this virus have impacted every corner of our community and our economy, forcing our residents and businesses to live and work differently. The City of Adelaide has not been immune to the impacts of this pandemic, which has resulted in ongoing losses of income, increased community support and challenges in delivering our services, projects and infrastructure.

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## This attachment contains three components:

1. Quarterly Financial Update
2. COVID-19 response scenarios
3. Appendices (financial statements)

# Executive Summary

## Net adjustments of \$21.4m in response to the significant impact of COVID-19

### City Support Package (\$3.7m) including

- Rent relief for tenants in Council owned properties (\$1.7m)
- Rent relief for Central Market tenants (\$1.0m)
- Levy relief Rundle Mall (\$1.0m)

### Income including Commercial – (\$9.4m) impact

- Commercial Businesses and Town Hall (\$5.5m) net reduction
- Parking on-street and expiations (\$4.2m) net reduction
- Business Centre \$0.3m increase

### Immediate action taken to free up cashflow and reduce operational expenditure to June 2020:

#### Operations - \$3.5m in savings

- Contractors, consultants, legal expenditure, audits, cash collection and merchant fees and marketing
- Staffing (Training and Development, reduced overtime, temporary labour, apprentices and trainees)

#### Projects - \$5.4m in savings

- Retimed \$2.4m
- Finalised \$1.1m
- Not proceeding \$0.3m
- Scope reduced this financial year \$1.0m
- Reprioritise \$0.4m
- Completed, savings \$0.3m

#### Capital Works - \$25.5m in savings

- Retimed \$13.9m
- Reprioritise \$6.9m
- Finalised, net savings \$4.7m

#### Subsidiaries – \$0.1m savings

## Glossary

**Asset Sustainability Ratio:** Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans

**Asset Test Ratio:** Borrowings as a percentage of total saleable property assets

**Completed Projects:** Completed with savings

**Debt Service Coverage:** Number of times the funding surplus from Operations can fund annual debt (principle and interest) repayments

**Finalised Projects:** Have been wound up at the current point of delivery, remaining expenditure has been forfeited resulting in savings or Projects require extra funds to finalise and close out

**Leverage Test Ratio (current):** Total borrowings relative to the funding surplus from Operations

**Leverage Test Ratio (proposed):** Total borrowings relative to rates revenue (less NRM levy)

**Interest Expense Ratio:** Proportion of Council's general rate income that is being used to service debt (interest)

**Liquidity:** Measure of the Council's ability to cover its immediate and short-term debts and obligations

**Net Financial Liabilities:** Financial liabilities as a percentage of operating surplus

**Operating Surplus Ratio:** Operating surplus as a percentage of operating revenue

**Projects not proceeding:** Will not proceed given financial restrictions

**Projects with scope reduced:** Proceeding with reduced scope / outcomes, resulting in part savings

**Re-prioritised Projects:** Deferred from this financial year. Timing of delivery is risk based and can be managed subject to future budget approval

**Re-timed Projects:** Commitments exist to deliver the project, however Council controls construction timeframes

**Uniform Presentation Finances:** Annual funding requirement to cover spend on operations and capital

**Work in Progress (WIP):** An unfinished project that has not yet been capitalised to our asset register

**WIP write off:** A portion of an unfinished project which cannot be capitalised and will be expensed once the project is capitalised



# Quarter Changes

## project variances

\$'000	QF2 Budget	adjustment
<b>Re-timed</b>		
Asset Management Transformation Program	3,204	442
Ten Gigabit Milestone Payments	7,000	2,000
<b>Total</b>		<b>2,442</b>
<b>Finalised</b>		
City Activation - across multi areas	900	250
88 O'Connell site activation	437	160
Waste Strategy and Policy	200	144
City and Corporation Brand	199	90
International Relations	419	80
Business Activation and Support	151	63
Adelaide Living	80	50
Social Infrastructure Audit	55	40
Adelaide Design Manual Greening	50	38
Safer City Policy implementation	50	35
Visitor Economy	180	30
Sustainable Events	230	24
Business Engagement	200	20
Adelaide Leaders	25	17
Reconciliation Action Plan Park Lands	83	15
Welcome China	79	15
<b>Total</b>		<b>1,071</b>
<b>Not proceeding</b>		
Finance System Upgrade	119	119
Cultural Entrepreneurs	50	50
Property Leasing Investigations	50	50
Mainstreet Historic Façade Improvement Scheme	40	40
Digitisation of Plans	30	30
<b>Total</b>		<b>289</b>

Variances to projects resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Re-timed (\$2.4m in savings)**  
Commitments exist to deliver, however Council controls construction timeframes
- **Finalised (\$1.1m in savings)**  
These projects have been wound up at the current point of delivery, remaining expenditure has been forfeited resulting in savings
- **Not proceeding (\$0.3m in savings)**  
These projects will not proceed given financial restrictions

# Quarter Changes

## project variances

\$'000	QF2 Budget	adjustment
<b>Scope reduced</b>		
Efficiency & Service Reviews	661	210
Hutt Street Activation	210	190
Park Lands Services	270	172
Strategic Partnership - Don Dunstan Foundation	313	105
Transport and Movement Strategy	200	73
Entrepreneur Support	277	55
Anzac Day	63	55
Representation Review	50	40
Climate Change Action Initiative Fund	1,646	25
Noise Management	39	18
Investment Attraction	281	15
<b>Total</b>		<b>958</b>
<b>Re-prioritised</b>		
Melbourne, O'Connell & Hutt Streets Masterplan	370	232
China Town and Market District Safety	50	50
Shop Front Improvements	50	50
Umbrella Winter Festival	40	40
Welcoming City Places & Spaces	25	25
Torrens Lake Weir Designs	25	16
<b>Total</b>		<b>413</b>
<b>Completed</b>		
Strategic Property Investigations	100	96
2020-2024 Strategic Plan	150	50
Accounts Payable Scanning	43	43
Property Valuation Software	172	40
Waste Transition	99	31
<b>Total</b>		<b>260</b>

Variances to projects resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Scope reduced (\$1.0m in savings)**  
These projects are proceeding with reduced scope / outcomes, resulting in part savings on the project
- **Re-prioritised (\$0.4m in savings)**  
These projects can be deferred from this financial year. Timing of delivery is risk based and can be managed *subject to future budget approval*
- **Completed (\$0.3m in savings)**  
These projects have been completed in 2019/2020 FY with savings

## Quarter Changes capital works variances

\$'000	QF2 Budget	adjustment
<b>Re-timed</b>		
Prior Year Projects	988	264
Minor Changes	212	20
<b>Total</b>		<b>284</b>
<b>Finalised</b>		
Prior Year Projects	988	18
<b>Total</b>		<b>18</b>

Variances to capital works, and commercial opportunities resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Re-timed (\$0.3m in savings)**  
Commitments exist to deliver, however Council controls construction timeframes
- **Finalised (\$0.0m in savings)**  
Projects have been either completed with savings or are no longer proceeding

# Quarter Changes

## infrastructure project variances (*streets*)

\$'000	QF2 Budget	adjustment
<b>Re-timed</b>		
Hindley Street	232	231
Decorative Lighting Program	131	98
Union Street	1,171	882
Grote Street (Morphett St to West Tce)	1,505	1,728
Whitmore Square Safety Improvements	800	710
City Greening	200	131
Paxton's Walk and Vaughan Place	140	30
<b>Total</b>		<b>3,810</b>
<b>Re-prioritised</b>		
Jeffcott Street	2,573	1,866
Angas Street	717	343
Black Spot Funding	301	295
Minor Changes	20	15
<b>Total</b>		<b>2,520</b>
<b>Finalised</b>		
Prior Year Projects	1,865	59
Union Street	1,171	245
Chesser Street Arbour	415	308
Grote Street (Morphett St to West Tce)	1,505	(272)
Hutt Street	150	50
Wakefield Street	37	30
Angas Street	717	150
Wright Court and Field Street	693	328
Black Spot Funding	301	(1)
North Terrace West footpath	85	(18)
Paxton's Walk and Vaughan Place	140	40
<b>Total</b>		<b>919</b>

Variances to infrastructure (streets) resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Re-timed (\$3.8m in savings)**  
Commitments exist to deliver, however Council controls construction timeframes
- **Re-prioritised (\$2.5m in savings)**  
These projects can be deferred from this financial year. Timing of delivery is risk based and can be managed *subject to future budget approval*
- **Finalised (\$0.9m in savings)**  
Projects have been either completed with savings or are no longer proceeding

# Quarter Changes

## infrastructure project variances (*Park Lands*)

\$'000	QF2 Budget	adjustment
<b>Re-timed</b>		
Place of Reflection	150	148
Wattle Grove War Memorial	50	43
Events Infrastructure Rundle Park	935	567
<b>Total</b>		<b>759</b>
<b>Finalised</b>		
South Park Lands Creek Rehabilitation Works	810	12
Park 25 Minor improvements	14	(260)*
Peace Park/Town Clerk's Walk	388	(85)*
Community and Recreation Design Projects	100	100
Minor Changes	10	(3)*
<b>Total</b>		<b>(236)</b>

Variances to infrastructure (Park Lands) resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Re-timed (\$0.8m in savings)**  
Commitments exist to deliver, however Council controls construction timeframes
- **Finalised (\$0.2m request for extra funds)**  
Projects have been either completed with savings or are no longer proceeding;  
*or*  
\*(Projects require extra funds to finalise and close out)

# Quarter Changes

## infrastructure project variances (*city works*)

\$'000	QF2 Budget	adjustment
<b>Re-timed</b>		
Transport	7,636	712
Lighting & Electrical	1,494	704
Water Infrastructure	2,241	80
Urban Elements	588	30
Design & Asset Management Services	67	51
<b>Total</b>		<b>1,579</b>
<b>Re-prioritised</b>		
Transport	7,636	2,093
Traffic Signal	1,133	1,016
Lighting & Electrical	1,494	189
Water Infrastructure	2,241	15
Urban Elements	588	141
Design & Asset Management Services	67	46
<b>Total</b>		<b>3,499</b>
<b>Finalised</b>		
Transport	7,636	302
Traffic Signal	1,133	(1,246)
Bridges	360	77
Lighting & Electrical	1,494	(559)
Water Infrastructure	2,241	1,132
Urban Elements	588	42
Park Lands & Streetscape Renewal	1,070	158
Design & Asset Management Services	67	12
<b>Total</b>		<b>(84)</b>

Variances to infrastructure (city works) resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Re-timed (\$1.6m in savings)**  
Commitments exist to deliver, however Council controls construction timeframes
- **Re-prioritised (\$3.5m in savings)**  
These projects can be deferred from this financial year. Timing of delivery is risk based and can be managed *subject to future budget approval*
- **Finalised (\$0.1m in request for extra funds)**  
Projects have been either completed with savings or are no longer proceeding;  
or  
\*(Projects require extra funds to finalise and close out)

# Quarter Changes

## infrastructure project variances (*buildings*)

\$'000	QF2 Budget	adjustment
<b>Re-timed</b>		
Colonel Light Centre Renewals	700	423
UPark Buildings - Rundle UPark	3,500	3,378
<b>Total</b>		<b>3,810</b>
<b>Re-prioritised</b>		
Methodist Meeting Hall	50	50
Public Conveniences	350	80
Town Hall	350	49
<b>Total</b>		<b>180</b>
<b>Finalised</b>		
Prior Year Projects	866	4
Adelaide Aquatic Centre Renewals	80	37
Building Renewal and Compliance Program	1,250	989
Minor Changes	15	(12)
<b>Total</b>		<b>1,017</b>

## infrastructure project variances (*plant, fleet and equipment*)

\$'000	QF2 Budget	adjustment
<b>Finalised</b>		
Plant, fleet and equipment	1,585	64
<b>Total</b>		<b>64</b>

Variations to infrastructure (buildings and plant, fleet and equipment) resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Re-timed (\$3.8m in savings)**  
Commitments exist to deliver, however Council controls construction timeframes
- **Re-prioritised (\$0.2m in savings)**  
These projects can be deferred from this financial year. Timing of delivery is risk based and can be managed *subject to future budget approval*
- **Finalised (\$1.1m in savings)**  
Projects have been either completed with savings or are no longer proceeding

# Quarter Changes

## major project variances

\$'000	QF2 Budget	adjustment
<b>Re-timed</b>		
Smart City - Off Street	525	314
Market to Riverbank	1,645	1,452*
Pelzer Park/Pityarilla (Park 19) Enhancement	236	35*
City of Adelaide Bikeways - North-South	2,515	1,249*
City of Adelaide Bikeways - East-West	0	(6)*
City of Adelaide Bikeways - Share scheme	270	270*
Josie Agius Park/Wikaparntu Wirra (Park 22)	26	25^
City Skate Park	793	629^
Quentin Kenihan Inclusive Playspace	285	112^
<b>Total</b>		<b>4,079</b>

\* 50% of budget includes income from State Government funding  
^ 100% of budget includes income from State Government funding

<b>Re-prioritised</b>		
North Terrace Public Realm Upgrade	4,295	120
<b>Total</b>		<b>120</b>
<b>Finalised</b>		
North Terrace Public Realm Upgrade	4,295	3,500
<b>Total</b>		<b>3,500</b>

## commercial variances

\$'000	QF2 Budget	adjustment
<b>Finalised</b>		
Gawler UPark Façade	3,349	1,911
<b>Total</b>		<b>1,911</b>

Variances to major projects resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Re-timed (\$4.1m in savings)**  
Commitments exist to deliver, however Council controls construction timeframes
- **Re-prioritised (\$0.1m in savings)**  
These projects can be deferred from this financial year. Timing of delivery is risk based and can be managed *subject to future budget approval*
- **Finalised (\$3.5m in savings)**  
Projects have been either completed with savings or are no longer proceeding



# Quarter Changes

## Adelaide Central Market Authority

\$'000	QF2 Budget	adjustment
<b>Re-prioritise</b>		
Stall Mezzanine (Safety Renewal)	800	323*
Grote Street Lift	-	(133)
WiFi	-	(50)
Gas Heating Dining	-	(140)
<b>Total</b>		<b>0</b>
<b>Finalised</b>		
Fire & Services Systems (tanks)	787	476
Gouger Lift	55	50
Main Switch Board (MSB) replacement	341	149
Minor Changes	708	32
<b>Total</b>		<b>707</b>

Variances to the Adelaide Central Market Authority resulting in savings to support Council's response to the impact of COVID-19.

**Council approval is sought for these changes.**

- **Re-prioritised (\$0m impact)**  
 \*This project has been deferred from this financial year with funds distributed to support emerging priorities. Timing of delivery is risk based and can be managed *subject to future budget approval*
- **Finalised (\$0.7m in savings)**  
 Projects have been either completed with savings or are no longer proceeding

# Quarter Performance

year to date actual and revised forecast

## Year to Date

The year to date net funding deficit is (\$4.0m) which is \$13.3m favourable to budget. Key insights:

- **General Operations \$2.4m favourable** primarily due to resource costs \$0.7m, consultant fees \$0.3m, interest expense \$0.3m, legal fees \$0.3m and training \$0.2m
- **Business Operations (\$0.4m) unfavourable** primarily due to favourable variances in Property \$0.4m and Golf Course \$0.1m, offset by the business operations target (\$0.8m) and UPark (\$0.1m)
- **Projects \$4.1m favourable including \$3m of savings** proposed for QF3 with money retained for the Small Business Task Force and Community Grants
- **Infrastructure Program \$3.3m favourable** due to favourable variances in the delivery of projects including Streets \$1.0m, Buildings \$0.6m and IM Projects \$0.4m
- **Major Projects \$1.2m favourable** due to timing variances in the delivery of projects including the Gawler Place Development \$0.4m (in part Public Art delivery), the Smart Parking projects \$0.5m and Bikeways \$0.2m
- **Commercial Opportunities \$1.9m favourable** primarily due to timing of project expenditure related to Ten Gigabit Adelaide and Gawler Place UPark Facade
- **Subsidiaries \$0.8m favourable** due to timing in Adelaide Central Market Authority (ACMA) capital projects

## Revised Forecast

The proposed net adjustments decrease the forecast funding deficit by \$21.4m from (\$34.1m) to (\$12.7m). Key insights:

- **General Operations (\$2.5m)** due to a reduction in net income of (\$4.1m), COVID-19 relief support package (\$2.0m), offset by \$3.5m in savings
- **Business Operations (\$7.0m)** due to a reduction in income of (\$6.8m) and rent relief for tenants (\$1.7m) offset by savings of \$1.5m
- **Projects \$3.6m of savings and retiming** across all programs
- **Infrastructure Program \$17.8m of savings** retiming, re-prioritising and savings across various projects
- **Major Projects \$5.4m** due to net carry forwards for Bikeways \$0.8m, Market to Riverbank \$0.6m and Smart City Off Street \$0.3m and savings in North Terrace Public Realm Upgrade of \$3.5m
- **Commercial Opportunities \$4.1m of savings** including \$2.0m carry forward of final payment for Ten Gigabit and \$1.9m carry forward for Gawler Place UPark Facade.

The forecast borrowings at 30 June 2020 have decreased to (\$73.7m) from (\$81.6m), a favourable adjustment of \$7.9m. This forecast includes rates and debtor deferral of (\$14.5m)

The forecast operating deficit has increased to (\$19.3m) from (\$18.4m)

# Quarter Performance

year to date actual and revised forecast

\$'m	Year to Date			Revised Forecast		
	Actual	Budget (QF2)	Variance	Full Year 2019 - 20 Budget (QF2)	Proposed 2019 – 20 Budget (QF3)	Variance (from QF2 to QF3)
General Operations	26.9	24.5	2.4	37.0	34.5	(2.5)
Business Operations	18.9	19.2	(0.4)	25.4	18.4	(7.0)
<b>Funding available for projects</b>	<b>45.8</b>	<b>43.7</b>	<b>2.1</b>	<b>62.4</b>	<b>52.9</b>	<b>(9.5)</b>
Projects	(13.3)	(17.4)	4.1	(22.7)	(20.0)	3.6
Infrastructure and renewals	(19.0)	(22.2)	3.3	(47.7)	(29.2)	17.8
<b>Projects, Infrastructure and renewals</b>	<b>(32.2)</b>	<b>(39.6)</b>	<b>7.3</b>	<b>(70.4)</b>	<b>(49.2)</b>	<b>21.4</b>
<b>Underlying surplus / (deficit)</b>	<b>13.6</b>	<b>4.2</b>	<b>9.4</b>	<b>(8.0)</b>	<b>3.7</b>	<b>11.9</b>
<b>Major Projects</b>	<b>(8.1)</b>	<b>(9.2)</b>	<b>1.2</b>	<b>(14.3)</b>	<b>(8.6)</b>	<b>5.4</b>
<b>Commercial Opportunities</b>	<b>(7.3)</b>	<b>(9.2)</b>	<b>1.9</b>	<b>(7.0)</b>	<b>(2.9)</b>	<b>4.1</b>
<b>City of Adelaide surplus / (deficit)</b>	<b>(1.8)</b>	<b>(14.3)</b>	<b>12.5</b>	<b>(29.2)</b>	<b>(7.9)</b>	<b>21.4</b>
<b>Subsidiaries</b>	<b>(2.2)</b>	<b>(3.0)</b>	<b>0.8</b>	<b>(4.9)</b>	<b>(4.8)</b>	<b>(0.1)</b>
<b>Net Surplus / (deficit)</b>	<b>(4.0)</b>	<b>(17.3)</b>	<b>13.3</b>	<b>(34.1)</b>	<b>(12.7)</b>	<b>21.4</b>

*This table compares the 2019-20 Year to Date actual performance compared to the Quarter 2 Revised Forecast and provides an update forecast for Quarter 3 with comparison (variance) to Quarter 2.*

# Quarter Performance

## financial indicators and performance

### Dashboard

The table below provides information about the key indicators of the Council's financial performance and financial position. A range of financial indicators have been included to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long Term Financial Plan (which is provided as Appendix A)

2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<b>Borrowings (\$'m)</b> (Total borrowings) Target: Prudential Limits										
73,656	76,678	79,066	84,422	48,234	14,552	-	-	-	19,180	46,359
<b>Operating Surplus</b> (Funding surplus/(deficit)) Target: Financial sustainability										
(19,287)	(21,079)	(1,953)	(234)	2,191	9,677	10,120	17,160	11,344	17,886	13,556
<b>Operating Surplus Ratio</b> (Operating surplus as a percentage of operating revenue) Target: 0%-20%										
-10%	-11%	-1%	0%	1%	4%	4%	7%	5%	7%	5%
<b>Net Financial Liabilities</b> (Financial liabilities and a percentage of operating surplus) Target: Less than 80%										
42%	60%	58%	58%	39%	19%	11%	2%	8%	19%	29%
<b>Asset Sustainability Ratio</b> (Expenditure on asset renewals as a % of forecast required expenditure in the asset management plans) Target: 90%-110%										
43%	45%	95%	95%	95%	95%	95%	95%	100%	100%	100%
<b>Asset Test Ratio</b> (Borrowings as a percentage of total saleable property assets) Target: Maximum 25%										
21%	22%	22%	23%	13%	4%	0%	0%	0%	5%	11%
<b>Debt Service Coverage</b> (Number of times the funding surplus from general and commercial operations can fund annual principle and interest repayments)   Target: Minimum 5 times										
11.7	10.0	12.4	12.2	15.6	36.4	164.9	-	-	137.3	41.2
<b>Leverage Test Ratio</b> (Total borrowings relative to the funding surplus from general and commercial operations)   Target: Maximum 1.5 years										
1.4	1.3	1.1	1.1	0.6	0.2	-	-	-	0.2	0.4

# Quarter Performance

## financial indicators and performance

### Local Government Indicators

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia

#### Operating Surplus Ratio (Operating surplus as a percentage of operating revenue)

Target: 0%-20%

-10%	-11%	-1%	0%	1%	4%	4%	7%	5%	7%	5%
2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30

This indicator represents the percentage by which the major controllable revenue source varies from day to day operating expenses. Financial sustainability is indicated where a council consistently achieves operating surpluses and has soundly based projections showing it can continue to do so in the future, having regard to asset management and the service level needs of its community.

**Target:** The Local Government Act target is to achieve an average operating surplus ratio between 0% and 15% over any five-year period. However, as a capital city council, the City of Adelaide has significant responsibilities in improving its public realm, and as such considers that an average operating surplus ratio between 0% and 20%, over any five-year period, is a more appropriate target.

**Analysis:** The 2019-20 and 2020-21 financial years are forecasted to fall outside the target range, partially as a result of reduced income from COVID-19. Council's response to remediate is to reduce operating expenditure by \$20m in the 2020-21 Financial Year. This ongoing saving improves the ratio and overtime operating surpluses are generated to reduce borrowings and reinvest.

#### Net Financial Liabilities (Financial liabilities and a percentage of operating surplus)

Target: Less than 80%

42%	60%	58%	58%	39%	19%	11%	2%	8%	19%	29%
2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30

This indicator represents the significance of the net amount owed compared with operating revenue. It measures the extent to which Council is managing its debt and highlights that borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income. A steady ratio means council is balancing the need to borrow against their affordability of debt. An excessive ratio means Council is borrowing beyond their means and cannot generate the income required to service assets and operations.

**Target:** The target for Net Financial Liabilities should normally be greater than zero. If not, then it implies that a council is willing to place a higher priority on accumulated financial assets than applying funds generated from ratepayers to the provision of services and/or infrastructure renewal. The target set by City of Adelaide is that liabilities as a percentage of total operating revenue will not exceed 80%.

**Analysis:** City of Adelaide's net financial liabilities are within the prescribed target.

# Quarter Performance

## financial indicators and performance

**Asset Sustainability Ratio** (Expenditure on asset renewals as a % of forecast required expenditure in the asset management plans)

Target: 90%-110%

43%	45%	95%	95%	95%	95%	95%	95%	100%	100%	100%
2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30

This indicator expresses expenditure on asset renewals as a percentage of the projected funding required for asset renewal. It illustrates whether existing assets are being replaced or renewed at the rate they are being consumed and ensures consistent service delivery as determined by the Asset Management Plans (AMPs).

**Target:** A lower ratio suggests that Council is not maintaining assets and infrastructure in order to optimize asset lives. A higher ratio suggests that Council is replacing assets earlier than needed. Council has adopted a target ratio between 90% and 110%. The City of Adelaide is currently reviewing Infrastructure and Asset Management Plans including asset service levels, taking into account community needs, population density/growth impacts and asset management principles.

**Analysis:** The ratios provided are based on the Infrastructure Long Term Financial Plan which is based on a like for like renewal basis with very limited new/upgrade considerations. As a result, the levels of service are held consistent with replacing existing assets.

As an outcome of COVID-19 the 2019-20 quarter 4 Infrastructure program has been reprioritised and has formed the basis of the 2020-21 program. As a result the sustainability ratio falls below that target range for 2020-21 and is considered acceptable as the LTFP takes a longer term view on asset replacement to ensure it does not interfere with cash flow over the life of the plan.

# Quarter Performance

## financial indicators and performance

### Treasury Report indicators

The Treasury and Cash Investment Policy sets the risk appetite of Council and the amount of borrowing it can sustain as defined by the Prudential Borrowing Limits, as calculated in the following 3 ratios

#### Asset Test Ratio (Borrowings as a percentage of total saleable property assets)

Target: Maximum 25%

21%	22%	22%	23%	13%	4%	0%	0%	0%	5%	11%
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#### Debt Service Coverage (Number of times the funding surplus from general and commercial operations can fund annual principle and interest repayments) | Target: Minimum 5 times

11.7	10.0	12.4	12.2	15.6	36.4	164.9	-	-	137.3	41.2
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#### Leverage Test Ratio (Total borrowings relative to the funding surplus from general and commercial operations) |

Target: Maximum 1.5 years

1.4	1.3	1.1	1.1	0.6	0.2	-	-	-	0.2	0.4
2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30

The Prudential limits are breached when one of the ratios fall outside of the targets stipulated in the Treasury and Cash Investment Policy. The breach must be reported with remediation actions to the CEO immediately and reported quarterly within the borrowing and cash investment performance report.

Borrowings will be within 10% of the Prudential limits from 2019-20 through to 2022-23 inclusive. A number of actions are being undertaken in order to bring the borrowing limits within the target ranges and include reducing Operations by \$20 million from 2020-21, and reprioritising the Infrastructure Program over 2019-20 and 2020-21. In addition the cash flow is being monitored daily by Administration.

# Quarter Summary

## end of quarter and next steps

### End of quarter

COVID-19 has had a major impact on Council's finances and an array of measures have been proposed for Council to mitigate these impacts.

The variances shown in this document require Council approval and are summarised as:

#### Adjustments:

Operations:	(\$9.5) million
Projects:	\$3.6 million
Infrastructure & Renewals:	\$17.8 million
Major Projects:	\$5.4 million
Commercial Opportunities:	\$4.1 million
ACMA	\$0.1 million

To support these decisions, available at the end of this document are:

- Appendix A – Budgeted Financial Statements
- Appendix B – Long Term Financial Plan (year to date)

### Next steps

Council will need to continue to be flexible and proactive in its response to the impacts of COVID-19.

The next section will provide further detail on the levers to:

- Build capacity
- Support our community and future growth
- Achieve flexibility with asset renewals



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# COVID-19 Response

levers and  
options

Item 5.1 - Attachment A

# COVID-19 response borrowings

## Increase of borrowings to build capacity

### Mechanisms available to Council to use:

The level of overall borrowing that Council can sustain will take into account the following:

- strategic planning for the future of the Council;
- current and estimated future revenues;
- opportunities to leverage external grant funding;
- inter-generational equity;
- current and future funding needs for both operating and capital expenditures; and
- the ‘risk appetite’ of Council, as defined by Council’s prudential limits

### Relevant policy changes required:

The Treasury and Cash Investment Policy determines the Prudential Borrowing Limits. This is due for review in 2020 and is proposed to be amended as follows:

- **Interest Expense Ratio**

(to replace debt coverage ratio)

**Purpose:** This ratio measures the affordability of Council’s debt and articulates the proportion of Council’s general rate income that is being used to service debt. The ratio is consistent with the Local Government Financing Authority (LGFA) calculation.

**Target:** The proposed target is a maximum of 10%. It indicates Council’s ability to afford the level of debt, as well as continue current levels of service.

**Calculation:** Interest Expense net of Interest income / Rates Revenue (less NRM levy)

*(Relevant policy changes required continued)*

- **Asset Test Ratio (adjusted)**

**Current Target:** Maximum 25% of Saleable Assets

**Proposed Target:** Maximum 50% Saleable Assets

- **Leverage Test (adjusted)**

**Current Calculation:** Borrowings / “funds available for Project and Infrastructure”

**Proposed Target:** Borrowings / Rates revenue (less NRM levy)

### Analysis of what potential changes mean:

The proposed amendments to the Policy will build capacity to respond to current and future opportunities through increasing the prudential borrowing limit.

Current Prudential Limit	2019-20 QF3	2020-21 Budget	2021-22
<b>Asset Test Ratio</b>	21%	22%	22%
<b>Debt Service Coverage</b>	11.7	10.0	12.4
<b>Leverage Test Ratio</b>	1.4	1.3	1.1

Proposed Prudential limits	2019-20 QF3	2020-21 Budget	2021-22
<b>Asset Test Ratio</b>	21%	22%	22%
<b>Interest Expense Ratio</b>	0.92%	1.49%	1.37%
<b>Leverage Test Ratio</b>	0.6	0.7	0.6

**If Council choose to utilise changes to borrowings to respond to the current environment, this will be presented to Council as part of a revised Treasury Policy.**

# COVID-19 response rates

## Utilisation of rates to support our community and future growth

### Mechanisms available for Council to use:

The fourth quarter rates for the 2019-20 financial year are due for payment by 1 June 2020. The following measures have been implemented to assist City of Adelaide ratepayers meet their payment obligations:

- Postpone payment of the 4th quarter rates for three (3) months until 31 August 2020
- No fines or interest to be charged on any 4th quarter outstanding rates until 31 August 2020
- Fines and interest to be paused on all existing outstanding rates until 31 August 2020
- No new debt recovery action to be instigated for any business that enters into a financial arrangement with Council (including any pre-existing debt)
- Elect to pay their rates weekly, fortnightly or monthly based on an agreed amount that suits their budget

### Relevant policy changes required:

No changes required

### 2020-21 Options

Our rates are determined by multiplying the applicable rate in the dollar by the valuation of rateable land in the Council area. The 2020-21 plan assumes the rates revenue will increase by Adelaide CPI through property valuations and / or a change in the rate in the dollar.

In order to assist ratepayers in 2020-21, Council will utilise the Special Discretionary Rate Rebate to

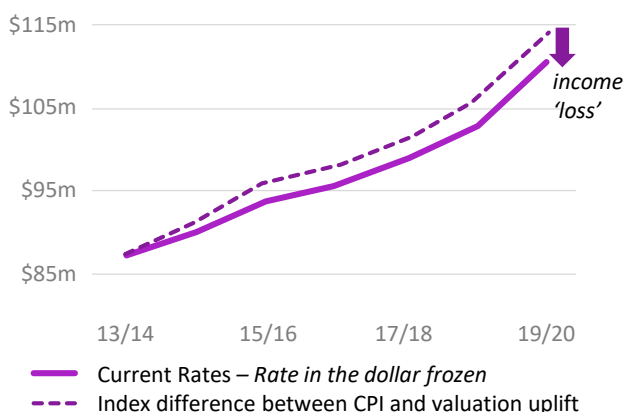
*(2020-21 options continued)*

discount property valuations and freeze the rate in the dollar to the 2019-20 valuation. This will provide financial assistance and relief to ratepayers of approximately \$2.1million. Only those with new developments and other capital improvements undertaken in 2019-20 where there is an increase to the rateable value of the land will result in an increase in rates.

### Analysis of what potential changes mean:

In formulating the proposed rates for each financial year, we consider the amount of revenue required to fund the delivery of the services and projects set out for that year. The rate in the dollar has been frozen from 2014-15, providing rate relief annually to ratepayers.

### Income (rates) scenario if the rate in the dollar was indexed by Adelaide CPI



**If Council choose to utilise changes to rates to respond to the current environment, this will be presented as part of the 2020/21 Business Plan and Budget.**

# COVID-19 response asset sustainability ratios

## Flexibility with asset renewals

### **Mechanisms available to Council to use:**

At the City of Adelaide, we follow Local Government Association margins for the asset sustainability ratio of 90% - 110%. These margins ensure asset replacement expenditure is within a reasonable level of investment.

In the short-term City of Adelaide could chose to reduce the sustainability ratio below 90%.

### **Relevant policy changes required:**

The City of Adelaide would chose to work outside the Local Government Association margins in the short-term.

### **Analysis of what potential changes mean:**

It is important to note that this indicator is unlikely to be met by councils every year, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations and borrowing is not an option.

In the short-term, the reduction in the ratio will reduce expenditure on renewals and release funds for use on other priorities or to reduce borrowings.

If the City of Adelaide choses to reduce the Asset Sustainability Ratio below 90% this will lead to a backlog of assets in need of renewal over time. In future years there will be a need to increase the ratio to over 100% to work through this backlog. Dependent on available funds from Operations, this increase may, in turn, reduce funding for projects and enhancements to City infrastructure.

**If Council choose to utilise changes to sustainability ratios to respond to the current environment, this will be presented as part of the 2020/21 Business Plan and Budget.**

# COVID-19 response summary and next steps

## Summary

There is no doubt that the environment that we are currently facing is unprecedented in modern times. Our community is living and working differently. Our City isn't as activated as it usually is – people are unable to visit, shop, or be entertained. Educational institutions, businesses, our cultural institutions and recreational facilities have all had to adapt. Government restrictions on travel and social gatherings will continue to have an impact, with recent news that overseas travel (in and out) will most likely be restricted for the rest of 2020.

The expectations on Council to respond to the impacts of this pandemic require a reimagining of how we operate. How will we support our community and businesses and how will we support the City to re-activate in the future.

Council has multiple options available to help in mitigating the financial impacts. Each lever available can provide some form of financial assistance, however it is the combination and flexible use of the levers which will have the greatest impact.

It is also important that the decisions made today don't adversely impact our tomorrow and that's why the levers recommended for use provide a balanced approach to providing Council the ability to financially respond.

Future budgets will continue to be developed within the parameters that are set today and with the Long Term Financial Plan in mind. Council will be asked to develop its next budget (2020/2021) over the coming months and an understanding of the position we are in now will greatly help in developing a clear, well planned budget for the next financial year.

## Next Steps

1. Revise treasury and cash investment policy including prudential limits
2. Utilisation of special discretionary rebate to provide assistance to rate payers of approximately \$2.1m

### This will deliver:

- An increased flexibility in Council's budget to respond now and in the long term
- Support for rate payers

**These will form part of the Council discussions to develop the 2020/2021 Business Plan and Budget.**

# Appendix

A – Budgeted Financial Statements

B – Long Term Financial Plan

# Appendix A

## Budgeted Financial Statements

Uniform Presentation of Finances		
\$'000s	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast
Income	210,781	196,432
<i>less</i> Expenses	(219,684)	(214,284)
<b>Operating Surplus / (Deficit) before Capital Amounts</b>	<b>(8,903)</b>	<b>(17,852)</b>
<b><i>less Net Outlays on Existing Assets</i></b>		
Net Capital Expenditure on Renewal & Replacement of Existing Assets	55,642	36,359
<i>less</i> Depreciation, Amortisation and Impairment	(49,943)	(49,643)
<i>less</i> Amounts received specifically for Existing Assets	(2,942)	(2,828)
<b>Net Outlays on Existing Assets</b>	<b>2,758</b>	<b>(16,112)</b>
<b><i>less Net Outlays on New and Upgraded Assets</i></b>		
Net Capital Expenditure on New and Upgraded Assets	29,093	15,211
<i>less</i> Amounts received specifically for New and Upgraded Assets	(6,540)	(4,194)
<i>less Proceeds from Sale of Assets</i>	-	-
<b>Net Outlays on New and Upgraded Assets</b>	<b>22,553</b>	<b>11,016</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(34,213)</b>	<b>(12,756)</b>

# Appendix A

## Budgeted Financial Statements

Statement of Comprehensive Income		
\$'000s	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast
<b>Income</b>		
Rates Revenues	116,508	116,458
Statutory Charges	13,363	11,217
User Charges	71,498	59,300
Grants, Subsidies and Contributions	11,378	11,165
Investment Income	36	50
Reimbursements	525	525
Other Income	415	546
<b>Total Income</b>	<b>213,723</b>	<b>199,261</b>
<b>Expenses</b>		
Employee Costs	77,868	77,135
Materials, Contracts & Other Expenses	97,858	85,952
Depreciation, Amortisation & Impairment	49,943	49,643
Finance Costs	6,493	5,818
<b>Total Expenses</b>	<b>232,161</b>	<b>218,547</b>
<b>Operating Surplus / (Deficit)</b>	<b>(18,438)</b>	<b>(19,287)</b>
Asset Disposal & Fair Value Adjustments	(300)	(300)
Amounts Received Specifically for New or Upgraded Assets	440	377
<b>Net Surplus / (Deficit)</b>	<b>(18,298)</b>	<b>(19,209)</b>
<b>Total Comprehensive Income</b>	<b>(18,298)</b>	<b>(19,209)</b>



# Appendix A

## Budgeted Financial Statements

Statement of Financial Position		
\$'000s	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	2,000	800
Trade & Other Receivables	10,759	25,259
Other Financial Assets	143	143
Inventories	641	641
<b>Total Current Assets</b>	<b>13,543</b>	<b>26,843</b>
<b>Non-Current Assets</b>		
Financial Assets	250	250
Equity Accounted Investments in Council Businesses	629	629
Investment Property	2,894	2,894
Infrastructure, Property, Plant & Equipment	1,853,743	1,828,791
Other Non-Current Assets	1,659	1,659
<b>Total Non-Current Assets</b>	<b>1,859,175</b>	<b>1,834,223</b>
<b>TOTAL ASSETS</b>	<b>1,872,718</b>	<b>1,861,066</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & Other Payables	22,122	18,339
Provisions	14,157	14,157
Other Current Liabilities	1,562	1,562
<b>Total Current Liabilities</b>	<b>37,840</b>	<b>34,058</b>
<b>Non-Current Liabilities</b>		
Trade & Other Payables	293	1,293
Borrowings	81,613	73,656
Provisions	2,047	2,047
Other Non-Current Liabilities	15,167	15,167
<b>Total Non-Current Liabilities</b>	<b>99,121</b>	<b>92,164</b>
<b>TOTAL LIABILITIES</b>	<b>136,961</b>	<b>126,221</b>
<b>Net Assets</b>	<b>1,735,756</b>	<b>1,734,845</b>
<b>EQUITY</b>		
Accumulated Surplus	816,309	815,398
Asset Revaluation Reserves	917,788	917,788
Other Reserves	1,659	1,659
<b>Total Council Equity</b>	<b>1,735,756</b>	<b>1,734,845</b>

# Appendix A

## Budgeted Financial Statements

Statement of Changes in Equity		
\$'000s	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast
<b>Balance at the end of previous reporting period</b>	1,754,054	1,754,054
a. Net Surplus / (Deficit) for Year	(18,298)	(19,209)
b. Other Comprehensive Income	-	-
Total Comprehensive Income	(18,298)	(19,209)
Gain (Loss) on Revaluation of I, PP&E	-	-
<b>Balance at the end of period</b>	<b>1,735,756</b>	<b>1,734,845</b>

# Appendix A

## Budgeted Financial Statements

Statement of Cash flows		
\$'000s	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast
<b>Cash Flows from Operating Activities</b>		
<u>Receipts</u>		
Operating Receipts	216,654	187,378
<u>Payments</u>		
Operating Payments to Suppliers and Employees	(169,238)	(166,507)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>47,417</b>	<b>20,871</b>
<b>Cash Flows from Investing Activities</b>		
<u>Receipts</u>		
Amounts Received Specifically for New/Upgraded Assets	440	377
Sale of Surplus Assets	-	-
<u>Payments</u>		
Expenditure on Renewal/Replacement of Assets	(55,642)	(36,359)
Expenditure on New/Upgraded Assets	(29,093)	(15,211)
Capital Contributed to Equity Accounted Council Businesses	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(84,295)</b>	<b>(51,193)</b>
<b>Cash Flows from Financing Activities</b>		
<u>Receipts</u>		
Proceeds from Borrowings	34,013	26,256
<u>Payments</u>		
Repayment from Borrowings	-	-
Repayment of Principal portion of lease liability	(1,204)	(1,204)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>32,810</b>	<b>25,052</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>(4,069)</b>	<b>(5,269)</b>
plus: Cash & Cash Equivalents at beginning of period	6,069	6,069
<b>Cash &amp; Cash Equivalents at end of period</b>	<b>2,000</b>	<b>800</b>

# Appendix B

## Long Term Financial Plan

\$'000s	2019-20 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
<b>General Operations</b>											
General Rates	112,606	113,958	119,424	123,007	126,661	131,514	135,721	139,629	143,616	147,683	151,831
Other Income	26,978	20,529	29,481	30,004	30,589	31,185	31,793	32,412	33,044	33,688	34,345
Expenditure	(105,127)	(92,023)	(93,730)	(95,688)	(97,305)	(98,597)	(100,120)	(101,898)	(103,927)	(106,356)	(109,046)
<b>General Operations Surplus</b>	<b>34,457</b>	<b>42,463</b>	<b>55,176</b>	<b>57,323</b>	<b>59,945</b>	<b>64,101</b>	<b>67,393</b>	<b>70,144</b>	<b>72,733</b>	<b>75,015</b>	<b>77,129</b>
<b>Business Operations</b>											
Revenue	38,696	35,254	38,763	39,535	40,322	47,695	48,644	49,613	50,602	51,609	52,637
Expenditure	(20,302)	(20,729)	(19,410)	(19,831)	(20,461)	(23,510)	(23,404)	(23,904)	(24,414)	(24,936)	(25,469)
<b>Business Operations Surplus</b>	<b>18,394</b>	<b>14,525</b>	<b>19,353</b>	<b>19,704</b>	<b>19,861</b>	<b>24,184</b>	<b>25,241</b>	<b>25,710</b>	<b>26,187</b>	<b>26,673</b>	<b>27,168</b>
<b>Amount available for Projects</b>	<b>52,851</b>	<b>56,988</b>	<b>74,529</b>	<b>77,027</b>	<b>79,806</b>	<b>88,285</b>	<b>92,634</b>	<b>95,854</b>	<b>98,920</b>	<b>101,688</b>	<b>104,298</b>
Operating Initiatives	(11,875)	(14,812)	(15,109)	(15,412)	(15,721)	(16,035)	(16,357)	(16,684)	(17,018)	(17,358)	(17,705)
Projects	(7,701)	(6,123)	(8,033)	(8,257)	(8,487)	(8,723)	(8,965)	(9,214)	(9,470)	(9,732)	(9,927)
Capital Projects	(448)	(1,400)									
<b>Projects</b>	<b>(20,024)</b>	<b>(22,335)</b>	<b>(23,142)</b>	<b>(23,669)</b>	<b>(24,207)</b>	<b>(24,758)</b>	<b>(25,322)</b>	<b>(25,898)</b>	<b>(26,487)</b>	<b>(27,090)</b>	<b>(27,632)</b>
<b>Infrastructure Program &amp; Renewals</b>											
Renewals	(19,529)	(12,323)	(34,398)	(35,199)	(35,933)	(36,841)	(37,552)	(38,399)	(74,410)	(90,192)	(91,140)
Delivery Resources	(7,279)	(7,468)	(7,640)	(7,792)	(7,948)	(8,107)	(8,269)	(8,435)	(8,603)	(8,776)	(8,951)
Other Asset Renewals	(2,416)	(3,100)	(3,171)	(3,235)	(3,299)	(3,365)	(3,433)	(3,501)	(3,571)	(3,643)	(3,716)
<b>Infrastructure Program &amp; Renewals</b>	<b>(29,224)</b>	<b>(22,891)</b>	<b>(45,209)</b>	<b>(46,227)</b>	<b>(47,181)</b>	<b>(48,314)</b>	<b>(49,254)</b>	<b>(50,336)</b>	<b>(86,585)</b>	<b>(102,610)</b>	<b>(103,807)</b>
<b>Underlying Current Year Funding Surplus (Deficit)</b>	<b>3,603</b>	<b>11,763</b>	<b>6,178</b>	<b>7,131</b>	<b>8,418</b>	<b>15,213</b>	<b>18,058</b>	<b>19,620</b>	<b>(14,153)</b>	<b>(28,012)</b>	<b>(27,142)</b>
Major Projects	(8,631)	(120)									
Commercial Opportunities	(2,908)	(2,085)	(14,627)	(12,589)	27,627	25,283	(262)	(308)	(355)	(403)	(452)
<b>Current Annual Funding Surplus (Deficit)</b>	<b>(7,936)</b>	<b>9,558</b>	<b>(8,449)</b>	<b>(5,458)</b>	<b>36,045</b>	<b>40,496</b>	<b>17,796</b>	<b>19,312</b>	<b>(14,508)</b>	<b>(28,415)</b>	<b>(27,593)</b>
Project retiming	-	(22,710)	-	-	-	-	-	-	-	-	-
<b>Annual Funding Surplus/(Deficit) excl. Subsidiaries</b>	<b>(7,936)</b>	<b>(13,152)</b>	<b>(8,449)</b>	<b>(5,458)</b>	<b>36,045</b>	<b>40,496</b>	<b>17,796</b>	<b>19,312</b>	<b>(14,508)</b>	<b>(28,415)</b>	<b>(27,593)</b>
Subsidiaries	(4,823)	(4,406)	61	102	143	185	228	273	319	366	414
<b>Annual Funding Surplus/(Deficit) incl. Subsidiaries</b>	<b>(12,759)</b>	<b>(17,558)</b>	<b>(8,388)</b>	<b>(5,356)</b>	<b>36,188</b>	<b>40,682</b>	<b>18,025</b>	<b>19,585</b>	<b>(14,188)</b>	<b>(28,049)</b>	<b>(27,180)</b>
<b>Total Cash/(Borrowings) at End of Year including Subsidiaries</b>	<b>(60,159)</b>	<b>(77,717)</b>	<b>(86,105)</b>	<b>(91,461)</b>	<b>(55,273)</b>	<b>(14,592)</b>	<b>3,433</b>	<b>23,018</b>	<b>8,830</b>	<b>(19,219)</b>	<b>(46,399)</b>

The City of Adelaide is currently reviewing Infrastructure and Asset Management Plans including asset service levels, taking into account community needs, population density/growth impacts and asset management principles.

# Appendix B

## Long Term Financial Plan

Uniform Presentation of Finances											
\$'000s	2019-20 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
Income	196,432	184,576	202,956	208,179	213,558	226,740	232,872	238,744	244,733	250,841	257,071
less Expenses	(214,284)	(201,085)	(201,077)	(203,348)	(207,721)	(213,673)	(219,752)	(218,982)	(226,442)	(224,841)	(235,306)
<b>Operating Surplus / (Deficit) before Capital Amounts</b>	<b>(17,852)</b>	<b>(16,509)</b>	<b>1,879</b>	<b>4,831</b>	<b>5,838</b>	<b>13,067</b>	<b>13,120</b>	<b>19,762</b>	<b>18,291</b>	<b>26,000</b>	<b>21,765</b>
<b>less Net Outlays on Existing Assets</b>											
Net Capital Expenditure on Renewal & Replacement of Existing Asset	36,359	39,949	45,209	46,227	47,181	48,314	49,254	50,336	86,585	102,610	103,807
less Depreciation, Amortisation and Impairment	(49,643)	(50,414)	(49,482)	(48,499)	(49,731)	(50,429)	(54,159)	(50,159)	(54,106)	(48,561)	(54,862)
less Amounts received specifically for Existing Assets	(2,828)	(363)									
<b>Net Outlays on Existing Assets</b>	<b>(16,112)</b>	<b>(10,828)</b>	<b>(4,273)</b>	<b>(2,273)</b>	<b>(2,550)</b>	<b>(2,115)</b>	<b>(4,905)</b>	<b>177</b>	<b>32,480</b>	<b>54,049</b>	<b>48,945</b>
<b>less Net Outlays on New and Upgraded Assets</b>											
Net Capital Expenditure on New and Upgraded Assets	15,211	25,458	14,540	12,460	-	-	-	-	-	-	-
less Amounts received specifically for New and Upgraded Assets	(4,194)	(13,617)	-	-	-	-	-	-	-	-	-
less Proceeds from Sale of Assets					(27,800)	(25,500)	-	-	-	-	-
<b>Net Outlays on New and Upgraded Assets</b>	<b>11,016</b>	<b>11,841</b>	<b>14,540</b>	<b>12,460</b>	<b>(27,800)</b>	<b>(25,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(12,756)</b>	<b>(17,522)</b>	<b>(8,388)</b>	<b>(5,356)</b>	<b>36,188</b>	<b>40,682</b>	<b>18,025</b>	<b>19,585</b>	<b>(14,188)</b>	<b>(28,049)</b>	<b>(27,180)</b>

Statement of Comprehensive Income											
\$'000s	2019-20 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
<b>Income</b>											
Rates Revenues	116,458	117,883	123,467	127,171	130,949	135,928	140,264	144,304	148,424	152,628	156,915
Statutory Charges	11,217	6,971	11,973	12,153	12,389	12,630	12,875	13,125	13,380	13,640	13,904
User Charges	59,300	55,384	63,012	64,261	65,534	73,403	74,858	76,343	77,857	79,401	80,975
Grants, Subsidies and Contributions	11,165	3,241	3,051	3,112	3,174	3,238	3,302	3,369	3,436	3,505	3,575
Investment Income	50	35	36	37	37	38	39	40	40	41	42
Reimbursements	525	691	705	719	733	748	763	778	794	809	826
Other Income	546	734	712	727	741	756	771	786	802	818	835
<b>Total Income</b>	<b>199,261</b>	<b>184,940</b>	<b>202,956</b>	<b>208,179</b>	<b>213,558</b>	<b>226,740</b>	<b>232,872</b>	<b>238,744</b>	<b>244,733</b>	<b>250,841</b>	<b>257,071</b>
<b>Expenses</b>											
Employee Costs	77,135	76,549	77,783	79,403	81,058	82,748	84,473	86,194	87,950	89,741	91,570
Materials, Contracts & Other Expenses	85,952	72,993	72,088	73,238	73,833	78,133	79,281	81,202	86,773	90,142	92,602
Depreciation, Amortisation & Impairment	49,643	50,414	49,482	48,499	49,731	50,429	54,159	50,159	54,106	48,561	54,862
Finance Costs	5,818	6,062	5,556	7,272	6,745	5,753	4,839	4,030	4,560	4,510	4,481
<b>Total Expenses</b>	<b>218,547</b>	<b>206,018</b>	<b>204,909</b>	<b>208,413</b>	<b>211,367</b>	<b>217,063</b>	<b>222,752</b>	<b>221,584</b>	<b>233,389</b>	<b>232,955</b>	<b>243,515</b>
<b>Operating Surplus / (Deficit)</b>	<b>(19,287)</b>	<b>(21,079)</b>	<b>(1,953)</b>	<b>(234)</b>	<b>2,191</b>	<b>9,677</b>	<b>10,120</b>	<b>17,160</b>	<b>11,344</b>	<b>17,886</b>	<b>13,556</b>
Asset Disposal & Fair Value Adjustments	(300)	-	-	-	(4,058)	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	377	3,697	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit)</b>	<b>(19,209)</b>	<b>(17,382)</b>	<b>(1,953)</b>	<b>(234)</b>	<b>(1,866)</b>	<b>9,677</b>	<b>10,120</b>	<b>17,160</b>	<b>11,344</b>	<b>17,886</b>	<b>13,556</b>
<b>Total Comprehensive Income</b>	<b>(19,209)</b>	<b>(17,382)</b>	<b>(1,953)</b>	<b>(234)</b>	<b>(1,866)</b>	<b>9,677</b>	<b>10,120</b>	<b>17,160</b>	<b>11,344</b>	<b>17,886</b>	<b>13,556</b>

# Appendix B

## Long Term Financial Plan

Statement of Financial Position											
\$'000s	2019-20 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	800	800	800	800	800	800	4,272	23,858	9,670	800	800
Trade & Other Receivables	25,259	9,234	10,154	10,415	10,684	11,344	11,651	11,944	12,244	12,550	12,861
Other Financial Assets	143	129	116	104	94	84	76	68	62	55	50
Inventories	641	641	641	641	641	641	641	641	641	641	641
<b>Total Current Assets</b>	<b>26,843</b>	<b>10,804</b>	<b>11,711</b>	<b>11,961</b>	<b>12,219</b>	<b>12,869</b>	<b>16,640</b>	<b>36,512</b>	<b>22,616</b>	<b>14,046</b>	<b>14,352</b>
<b>Non-Current Assets</b>											
Financial Assets	250	225	203	182	164	148	133	120	108	97	87
Equity Accounted Investments in Council Businesses	629	629	629	629	629	629	629	629	629	629	629
Investment Property	2,894	2,923	2,952	2,981	3,011	3,041	3,072	3,102	3,133	3,165	3,196
Infrastructure, Property, Plant & Equipment	1,828,791	1,837,243	1,848,521	1,849,396	1,855,270	1,822,824	1,812,994	1,812,205	1,836,026	1,879,814	1,918,378
Other Non-Current Assets	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659
<b>Total Non-Current Assets</b>	<b>1,834,223</b>	<b>1,842,679</b>	<b>1,853,963</b>	<b>1,854,848</b>	<b>1,860,734</b>	<b>1,828,301</b>	<b>1,818,486</b>	<b>1,817,715</b>	<b>1,841,555</b>	<b>1,885,364</b>	<b>1,923,950</b>
<b>TOTAL ASSETS</b>	<b>1,861,066</b>	<b>1,853,483</b>	<b>1,865,674</b>	<b>1,866,809</b>	<b>1,872,953</b>	<b>1,841,170</b>	<b>1,835,127</b>	<b>1,854,227</b>	<b>1,864,172</b>	<b>1,899,410</b>	<b>1,938,302</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Trade & Other Payables	18,339	26,647	26,211	22,689	29,616	22,929	22,885	22,823	22,763	22,190	22,130
Provisions	14,157	14,440	14,729	15,023	15,324	15,630	15,943	16,261	16,587	16,918	17,257
Other Current Liabilities	1,562	1,124	803	1,072	1,441	1,926	2,431	1,711	1,634	2,171	1,932
<b>Total Current Liabilities</b>	<b>34,058</b>	<b>42,211</b>	<b>41,743</b>	<b>38,784</b>	<b>46,381</b>	<b>40,484</b>	<b>41,258</b>	<b>40,796</b>	<b>40,983</b>	<b>41,279</b>	<b>41,319</b>
<b>Non-Current Liabilities</b>											
Trade & Other Payables	1,293	1,000	7,000	7,000	-	-	-	-	-	-	-
Borrowings	73,656	76,678	79,066	84,422	48,234	14,552	-	-	-	19,180	46,359
Provisions	2,047	2,088	2,130	2,172	2,216	2,260	2,305	2,352	2,399	2,447	2,495
Other Non-Current Liabilities	15,167	14,044	20,226	19,154	17,713	15,787	13,356	15,713	14,080	11,908	9,977
<b>Total Non-Current Liabilities</b>	<b>92,164</b>	<b>93,810</b>	<b>108,422</b>	<b>112,748</b>	<b>68,162</b>	<b>32,599</b>	<b>15,662</b>	<b>18,065</b>	<b>16,478</b>	<b>33,534</b>	<b>58,831</b>
<b>TOTAL LIABILITIES</b>	<b>126,221</b>	<b>136,020</b>	<b>150,164</b>	<b>151,533</b>	<b>114,543</b>	<b>73,084</b>	<b>56,920</b>	<b>58,861</b>	<b>57,461</b>	<b>74,814</b>	<b>100,150</b>
<b>Net Assets</b>	<b>1,734,845</b>	<b>1,717,463</b>	<b>1,715,510</b>	<b>1,715,276</b>	<b>1,758,410</b>	<b>1,768,087</b>	<b>1,778,206</b>	<b>1,795,366</b>	<b>1,806,710</b>	<b>1,824,597</b>	<b>1,838,152</b>
<b>EQUITY</b>											
Accumulated Surplus	815,398	798,016	796,063	795,829	793,963	803,640	813,759	830,919	842,263	860,150	873,705
Asset Revaluation Reserves	917,788	917,788	917,788	917,788	962,788	962,788	962,788	962,788	962,788	962,788	962,788
Other Reserves	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659
<b>Total Council Equity</b>	<b>1,734,845</b>	<b>1,717,463</b>	<b>1,715,510</b>	<b>1,715,276</b>	<b>1,758,410</b>	<b>1,768,087</b>	<b>1,778,206</b>	<b>1,795,366</b>	<b>1,806,710</b>	<b>1,824,597</b>	<b>1,838,152</b>

# Appendix B

## Long Term Financial Plan

### Statement of Changes in Equity

\$'000s	2019-20 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
Balance at the end of previous reporting period	1,754,054	1,734,845	1,717,463	1,715,510	1,715,276	1,758,410	1,768,087	1,778,206	1,795,366	1,806,710	1,824,597
a. Net Surplus / (Deficit) for Year	(19,209)	(17,382)	(1,953)	(234)	(1,866)	9,677	10,120	17,160	11,344	17,886	13,556
b. Other Comprehensive Income											
Total Comprehensive Income	(19,209)	(17,382)	(1,953)	(234)	(1,866)	9,677	10,120	17,160	11,344	17,886	13,556
Gain (Loss) on Revaluation of I, PP&E					45,000						
Balance at the end of period	1,734,845	1,717,463	1,715,510	1,715,276	1,758,410	1,768,087	1,778,206	1,795,366	1,806,710	1,824,597	1,838,152

### Statement of Cash flows

\$'000s	2019-20 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
<b>Cash Flows from Operating Activities</b>											
<u>Receipts</u>											
Operating Receipts	187,378	201,328	202,037	207,918	213,289	226,080	232,565	238,450	244,433	250,536	256,759
<u>Payments</u>											
Operating Payments to Suppliers and Employees	(166,507)	(141,032)	(142,533)	(153,784)	(156,648)	(168,143)	(160,331)	(166,098)	(170,325)	(173,827)	(177,960)
<b>Net Cash provided by (or used in) Operating Activities</b>	20,871	60,295	59,504	54,134	56,641	57,937	72,235	72,352	74,108	76,709	78,799
<b>Cash Flows from Investing Activities</b>											
<u>Receipts</u>											
Amounts Received Specifically for New/Upgraded Assets	377	3,697	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	27,800	25,500	-	-	-	-	-
<u>Payments</u>											
Expenditure on Renewal/Replacement of Assets	(36,359)	(39,949)	(45,209)	(46,227)	(47,181)	(48,314)	(49,254)	(50,336)	(86,585)	(102,610)	(103,807)
Expenditure on New/Upgraded Assets	(15,211)	(25,458)	(14,540)	(12,460)	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	(51,193)	(61,710)	(59,749)	(58,687)	(19,381)	(22,814)	(49,254)	(50,336)	(86,585)	(102,610)	(103,807)
<b>Cash Flows from Financing Activities</b>											
<u>Receipts</u>											
Proceeds from Borrowings	26,256	3,022	2,388	5,356						19,180	27,180
<u>Payments</u>											
Repayment from Borrowings					(36,188)	(33,682)	(18,025)	-			
Repayment of Principal portion of lease liability	(1,204)	(1,607)	(2,143)	(803)	(1,072)	(1,441)	(1,926)	(2,431)	(1,711)	(2,147)	(2,171)
<b>Net Cash provided by (or used in) Financing Activities</b>	25,052	1,414	245	4,553	(37,260)	(35,123)	(19,950)	(2,431)	(1,711)	17,032	25,008
<b>Net Increase (Decrease) in Cash Held</b>	(5,269)	(0)	(0)	(0)	(0)	0	3,030	19,585	(14,188)	(8,870)	0
plus: Cash & Cash Equivalents at beginning of period	6,069	800	800	800	800	800	800	4,272	23,858	9,670	800
<b>Cash &amp; Cash Equivalents at end of period</b>	800	800	800	800	800	800	3,830	23,858	9,670	800	800