

Membership:	The Lord Mayor 1 Council Member 3 External Independent Members 2 Proxy Council Members
Quorum:	3
Presiding Member	Mr David Powell
Deputy Presiding Member	Mr Ross Haslam
Members	The Right Honourable the Lord Mayor [Sandy Verschoor] [Apology] Ms Paula Davies Councillor Hyde (Deputy Lord Mayor)
Proxy Members	<i>Councillor Knoll [proxy for the Lord Mayor]</i> <i>Councillor Couros [proxy for Councillor Hyde].</i>

1. Acknowledgement of Country

'Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.'

2. Reports

2.1. 2019-20 Quarter 4 Finance Report [2018/03947] [Page 2]

2.2. 2020-21 Business Plan & Budget [2018/03947] [Page 40]

3. Closure

2019-20 Quarter 4 Finance Report

ITEM 2.1 31/07/2020

Audit Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Sonjoy Ghosh, AD Information Management 8203 7655

2018/03947

Public

Approving Officer:

Clare Mockler, Deputy CEO & Director Culture

EXECUTIVE SUMMARY

The 2019-20 Quarter 4 Finance Report summarises:

1. The preliminary end of year financial performance for the year ended 30 June 2020 including the final funding position for 2019-20 and an estimate of the operating position for 2019-20
2. The preliminary end of year adjustments for 2019-20 including project variances and re-timing adjustments

Council had a funding deficit of (\$0.9m) for 2019-20 which was \$11.9m favourable to the Quarter 3 Forecast of (\$12.8m). This funding deficit was inclusive of a (\$3.4m) funding deficit for the Adelaide Central Market Authority, primarily due to its capital works program.

The favourable funding position to the Quarter 3 forecast was primarily due to reduced expenditure on projects and infrastructure works of \$7.8m, in part due to the deferral of work and delays arising from COVID-19. General and Business Operations were \$2.6m favourable, primarily due to higher than forecast income from parking and expiations, and savings in operational expenditure including employee costs. The subsidiaries were \$1.4m favourable primarily due to the timing of capital works and higher than forecast income from parking.

The Report includes proposed re-timing adjustment of \$8.2m for projects and infrastructure works to be completed in the 2020-21 financial year. These re-timing adjustments will be incorporated in the final 2020-21 Business Plan and Budget to be considered for adoption in August.

Borrowings at 30 June 2020 were \$51.6m compared to the Quarter 3 Forecast of \$73.7m. This is within Council's Prudential Borrowing Limits.

The estimated operating position for the 2019-20 is a deficit of (\$10.5m) which is \$8.8m favourable to the Quarter 3 Forecast of (\$19.3m). This favourable position is due to the improvement in income from fees and charges and reduced operational expenditure, along with a new favourable adjustment to finance charges and depreciation to reflect changes in the accounting standards. This forecasted deficit of (\$10.5m) is subject to adjustments arising from the finalisation and audit of the 2019-20 financial statements. It includes an estimated Work in Progress (WIP) write-off of (\$4.2m). This has reduced from (\$5.5m) at Quarter 3 due to the delay/deferral of infrastructure works.

Council's Long Term Financial Plan has been updated to reflect the re-timing adjustments for projects and infrastructure works into 2020-21 financial year, along with revised estimates for interest expense and borrowings.

RECOMMENDATION

THAT THE AUDIT COMMITTEE

1. Notes the 2019-20 Quarter 4 Finance Report (the report), including the updated Long Term Financial Plan.
2. Notes the Quarter 4 Treasury report update as contained in the report.
3. Recommends that Council approves the 2019-20 Quarter 4 Finance Report and proposed re-timing adjustments as summarised in Attachment A to Item 2.1 on the Agenda for the Special meeting of the Audit Committee held on 31 July 2020.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<p>Strategic Alignment – Enabling Priorities</p> <p>The deliverables and objectives set out in the Quarter 4 Revised Forecast (QF3) document are directly aligned to the delivery of year 4 of the 2016-2020 City of Adelaide Strategic Plan.</p>
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	<p>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 4 Revised Forecast adjustments.</p>
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 \$8.2m into 2020-21 as summarised in Attachment A .
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
20/21 Budget Reconsideration (if applicable)	Proposed re-timing of projects from 2019-20 of \$8.2m into 2020-21 as summarised in Attachment A .
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Preliminary Financial Result for 2019-20

1. Council had a net funding deficit of (\$0.9m) for the 2019-20 financial year. This was \$11.9m favourable to the Quarter 3 Forecast of (\$12.8m), primarily due to:
 - 1.1. Reduced expenditure on projects and infrastructure works of \$7.8m which was partially due to delays and deferrals arising from COVID-19
 - 1.2. Increased fees and charges due the progressive recovery of income from the UParks, on street Parking and expiations
 - 1.3. Reduced operational expenditure including a reduction in employee through the management of vacancies
 - 1.4. A \$1.4m favourable variance for the subsidiaries primarily due to the timing of capital works and higher than anticipated parking for the Adelaide Central Market Authority.
2. The forecasted end of financial year (financial accounting) operating deficit is (\$10.5m) for the 2019-20 financial year. This is \$8.8m favourable to the Quarter 3 Forecast of (\$19.3m) due to the improved income from the UParks, on street parking and expiations, reduced operational expenditure including employee costs, and adjustments to the treatment of leases in line with the new accounting standard. This forecasted deficit of (\$10.5m) is subject to adjustments arising from the finalisation and audit of the 2019-20 financial statements.
3. This forecasted end of financial year operating deficit includes an estimated Work in Progress (WIP) write-off of (\$4.2m). This has reduced from (\$5.5m) at Quarter 3 due to the delay and deferral of infrastructure works.
4. The preliminary Financial Statements for 2019-20 are included as an Appendix to **Attachment A**.

Proposed re-timing adjustments

5. Re-timing adjustments of \$8.2m for projects and infrastructure works from 2019-20 to 2020-21 are proposed as detailed in **Attachment A**.
6. The retiming adjustments are in part due to the delay or deferral of works due to implications arising from COVID-19.
7. These re-timing adjustments have been incorporated in the final 2020-21 Business Plan and Budget to be considered by Council for adoption in August.

Treasury Report

8. As per the requirements set out in the Treasury and Cash Investment Policy, the borrowing and cash investment performance for as at 30 June 2020 is reported below.
9. Borrowings as at 30 June 2020 were \$51.6m.

Borrowings Facility	Available	Interest Type	Interest Rate	Borrowing(s) Amount as at 30 June 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%	\$21.6m	\$14.2m	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.

10. The Prudential Limits as at 30 June 2020 based on borrowings of \$51.6m are below:

Prudential Limit Ratio	Comments	Limits	YTD Actual to June 2020
Interest Expense Ratio	Number of times General Rates Revenue (less NRM Levy) can service the annual interest expense	Maximum 10%	1.0%
Leverage Test	Total borrowings relative to General Rates Revenue (Less NRM Levy)	Max 1.5 years	0.4
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 25%	14%

11. The net interest expense for the 2019-20 financial year was (\$0.9m). This was \$0.4m favourable to the Quarter 3 Forecast of (\$1.3m), primarily due to lower interest rates and the delay and deferral of projects and infrastructure works.

Interest	Quarter Mar - Jun		Jun YTD		Annual	Administration Comments
	Actual	Budget	Actual	Budget	Budget	
Revenue	\$2,632	\$13,750	\$18,923	\$55,000	\$55,000	Interest revenue consists of interest earned on operating monies held in the NAB operating account.
Expense	(\$217,196)	(\$329,000)	(\$912,559)	(\$1,316,000)	(\$1,316,000)	Interest expense consists of LGFA CAD facility.

Preliminary Financial Statements and Long Term Financial Plan

12. Council's Long Term Financial Plan has been updated to reflect the re-timing adjustments for projects and infrastructure works into 2020-21 financial year, along with revised estimates for interest expense and borrowings.
13. Financial statements and the Long Term Financial Plan are provided in the appendices to **Attachment A**. These show the forecast operating surplus/(deficit), funding requirement and borrowings into 2020-21 and beyond based on the proposed re-timing adjustments.
14. The Financial indicators have been included in **Attachment A** 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.

ATTACHMENTS

Attachment A – 2019-20 Quarter 4 Finance Report

- END OF REPORT -

City of Adelaide 2019-20 Quarter 4

Finance and Performance Report

July 2020

Prepared for the City of Adelaide
by Strategic Finance and Performance

Contents

Executive Summary

Financial Dashboard

Operational Summary

Funding Summary

Financial Performance by Budget Category

Project variances and retiming adjustments

- Projects
- Commercial Projects
- Infrastructure
(including Property Plant & Fleet)
- Major Projects
- Subsidiaries

Appendices

1. Budgeted Financial Statements

2. Revised Long Term Financial Plan

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

Executive Summary

Quarterly update

Council's financial performance continues to be significantly influenced by the repercussions of COVID-19. Income from fees and charges has reduced, while cash flow from rates and debtors has slowed.

As outlined in the Quarter 3 Finance Report, Council has taken affirmative action to minimise the financial impact on its operations by reducing non-essential expenditure and deferring projects and capital works. These actions, combined with initiatives to increase visitation to the City and the UPark Plus initiative have resulted in a significant improvement in Council's operating position and funding requirement compared to the Quarter 3 forecast.

Council has taken action to strengthen its capacity to respond to emerging opportunities and future financial sustainability through

- revisions to its borrowing limits in Council's Treasury Policy,
- the implementation of a future fund, and
- the incorporation of a \$20 million reduction in operating expenditure in its 2020-21 Budget and the Long Term Financial Plan.

These initiatives provide Council with the ability to respond to future challenges along with opportunities to partner with government and other organisations to fund initiatives that support the delivery of Council's 2020 – 2024 Strategic Plan.

Operating Position

Council's full year preliminary financial position is a operating deficit of (\$10.5) million which is an improvement of \$8.8 million compared to the Quarter 3 forecast of (\$19.3) million. This is primarily due to:

- The strong recovery of fees and charges income from the UParks, On Street Parking and Expiations;
- Lower than forecast expenditure on employee costs due our approach to managing vacancies; and
- Adjustments to depreciation and finance costs from the treatment of leases under the new accounting standards.

Funding Requirement

Council has an overall funding deficit of (\$0.9) million which is inclusive of a (\$3.4) million deficit from Adelaide Central Market. This deficit is a \$11.9 million improvement on the Quarter 3 forecast of (\$12.8) million. This improvement is primarily due to re-timing adjustments of \$8.2 million, the improvement in income from fees and charges from on street parking and reduction in employee costs.

Borrowings

Council's borrowings at 30 June 2020 were \$51.6 million compared to the Quarter 3 Forecast of \$73.7 million. This is due to the reduction in the funding requirement as outlined above, and timing variance between cash receipts and cash payments.

Executive Summary

Loss of (net) income

Operational income has been significantly impacted by COVID-19 with a \$12 million reduction in fees and charges in 2019-20. Reduced visitation to the City has had a significant impact on income from on-street parking, expiations and the UParks. The Aquatic Centre has remained closed due to social distancing requirements and events in the Town Hall and Park Lands cancelled. However, through a concerted effort to recover the income streams, fees and charges have improved by \$3.8 million from the Quarter 3 Forecast.

Cash flow from rates

Council’s cash flow has been impacted by the challenging economic environment. 80% of the Quarter 4 Rates were received by 30 June compared to 92% for the prior financial year. Financial hardship provisions had been applied to 7.6% of rateable income by 30 June.

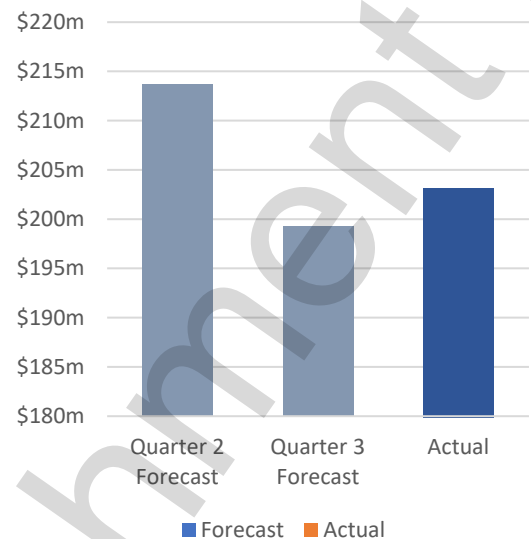
Reduced expenditure

As outlined in the Quarter 3 Report, expenditure has been significantly reduced in the final quarter of the financial year through

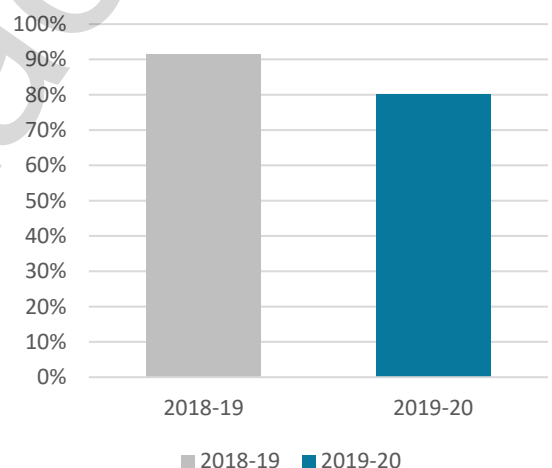
- The deferral of non-essential expenditure;
- Pausing recruitment on non-essential vacant positions; and
- The cancellation/deferral of non-essential capital works.

This has resulted in a significant reduction in the net funding requirement and borrowings at 30 June.

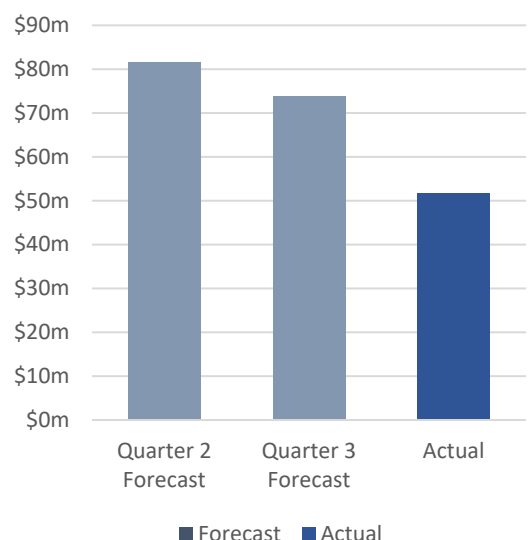
2019-20 Operating Income



Quarter 4 Rates received at 30 June



Borrowings 30 June 2020



Financial Indicators

Explanation

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.

Financial Indicator	Explanation	Target	2019-20 Adopted Budget*	2019-20 Quarter 2 Forecast*	2019-20 Quarter 3 Forecast*	2019-20 Preliminary EOY Forecast
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0%	(9%)	(10%)	(7%)
Net Financial Liabilities	Financial liabilities and a percentage of operating surplus	Less than 80%	42%	50%	42%	41%
Asset Sustainability Ratio	Asset renewal expenditure as a percentage of required expenditure forecast in the asset management plans	90%-110%	83%	81%	37%	33%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	19%	23%	21%	14%
Interest Expense Ratio	Number of times General Rates Revenue (less NRM Levy) can service the annual interest expense	Maximum 10%	1.4%	1.5%	1.0%	1.0%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less NRM Levy)	Maximum 1.5 years	0.6	0.7	0.6	0.4
Borrowings (\$'m)	Total borrowings	Within Prudential Limits	70.0	81.6	73.7	51.6
Operating Surplus (\$'m)	Operating Income less Expenditure	Financial sustainability	(0.9)	(18.4)	(19.3)	(14.2)

* The prudential borrowing limits for the 2019-20 Adopted, Quarter 2 and 3 Forecasts have been restated to be consistent with the updated Treasury Policy that Council approved on the 23 June 2020.

Operating Summary

Explanation

The Operating Summary provides a breakdown of the key variances in operational income and expenditure between the Quarter 3 Forecast presented to Audit Committee and Council in early May, and the preliminary end of financial year position.

This summary is presented in a format consistent with the Statement of Comprehensive Income.

\$'000s	2019-20 Actual	2019-20 Quarter 3 Forecast	Variance
Income			
Rates Revenues	115,593	116,458	(865)
Statutory Charges	11,771	11,217	554
User Charges	62,438	59,300	3,139
Grants, Subsidies and Contributions	11,253	11,165	88
Investment Income	59	50	10
Reimbursements	1,392	525	867
Other Income	610	546	63
Total Income	203,117	199,261	3,857
Expenses			
Employee Costs	73,838	77,135	3,297
Materials, Contracts & Other Expenses	85,351	85,953	602
Depreciation, Amortisation & Impairment	52,456	49,643	(2,813)
Finance Costs	1,931	5,818	3,887
Total Expenses	213,576	218,549	4,973
Operating Surplus / (Deficit)	(10,459)	(19,288)	8,829
Asset Disposal & Fair Value Adjustments	(112)	(300)	188
Amounts Received Specifically for New or Upgraded Assets	17	377	(360)
Operating Result of Discontinued Operation	17	-	17
Net Surplus / (Deficit)	(10,553)	(19,210)	8,657
Total Comprehensive Income	(10,553)	(19,210)	8,657

Income

Rates Revenue (\$0.9m)

RMMA separate rate Q4 waiver through the City Support Package (\$1.0m)

Statutory Charges \$0.6m

Increased expiations and associated revenue following Quarter 3 COVID-19 adjustment

User Charges \$3.1m

UPark and On Street Parking \$2.2m favourable partially due to the success of UPark Plus following the Quarter 3 COVID-19 adjustment, \$1.4m impact for the treatment of leases following the rent waiver, and Golf Course \$0.3m due to increased rounds. Partially offset by lower Aquatic Centre income (\$0.6m).

Grants, Subsidies & Contributions \$0.1m

CoA Contribution to RMMA separate rate Q4 waiver through the City Support Package \$1.0m (offset by reduced rates above), largely offset by lower than forecasted grant income for asset renewals (\$0.9m)

Reimbursements \$0.9m

Higher reimbursements for private works (offset by higher contractors below)

Other Income \$0.1m

Primarily due to RMMA general revenue \$101k and favourable discounts for the Town Hall \$53k

Expenditure

Employee Costs \$3.3m

\$5.2m primarily due to vacancies, offset by reduced capitalised costs to projects (\$2.2m)

Materials, Contracts & Other Expenses \$0.6m

Driven by additional proposed retimed project spend of \$3.0m and WIP Write off \$1.3m due to the processing of Work In Progress. Offset by unfavourable contractors (\$1.4m), unachieved procurement efficiencies (\$1.0m), increased utility costs for water and electricity (\$0.7m), and provision for bad debts (\$0.4m)

Depreciation, Amortisation & Impairments (\$2.8m)

AASB 16 - leases adjustment due to new accounting standard implemented in 2019-20

Finance Costs \$3.9m

AASB 16 - leases adjustment due to new accounting standard implemented in 2019-20

Funding Summary

Explanation

The Funding Summary provides a breakdown of the key variances in funding operations, net outlays on existing assets and net outlays on new and upgraded assets between the Quarter 3 Forecast and the preliminary end of financial year position. This summary is presented in a format consistent with the Uniform Presentation of Finances.

\$'000s	2019-20 Actual	2019-20 Quarter 3 Forecast	Variance
Income	199,774	196,432	3,342
less Expenses	(208,907)	(211,619)	2,711
Operating Surplus / (Deficit) before Capital Amounts	(9,133)	(15,186)	6,053

less Net Outlays on Existing Assets

Net Capital Expenditure on Renewal & Replacement of Existing Assets	30,568	36,359	(5,791)
less Depreciation, Amortisation and Impairment	(47,015)	(46,976)	(39)
less Amounts received specifically for Existing Assets	(1,967)	(2,828)	861
Net Outlays on Existing Assets	(18,414)	(13,445)	(4,969)

less Net Outlays on New and Upgraded Assets

Net Capital Expenditure on New and Upgraded Assets	13,063	15,211	(2,147)
less Amounts received specifically for New and Upgraded Assets	(2,893)	(4,194)	1,302
less Proceeds from Sale of Assets	-	-	-
Net Outlays on New and Upgraded Assets	10,171	11,016	(845)

Net Lending / (Borrowing) for the Financial Year	(890)	(12,757)	11,867
---	--------------	-----------------	---------------

Renewal & Replacement of Existing Assets

Capital Expenditure \$5.8m

Primarily due to the re-timing of 2019-20 projects into 2020-21 \$5.3m, including \$0.8m for Adelaide Central Market Authority (ACMA) projects

Amounts received (\$0.9m)

Lower than forecasted grant income for asset renewals including

- Blackspot Funding - War Memorial Drive due to project not proceeding \$504k
- West Tce / Currie St Intersection \$92k project completed with savings

New and Upgraded Assets

Capital Expenditure \$2.1m

Primarily due to the retiming of 2019-20 projects into 2020-21 \$1.7m, including Denise Norton Park/Pardipardinyilla (Park 2) East, and project savings identified of \$0.3m including Solar PV and Public Art.

Amounts received (\$1.3m)

Due to the retiming of funding for 2019-20 projects into 2020-21 (\$1.3m), principally Denise Norton Park/Pardipardinyilla (Park 2) East (\$1.2m)

Financial Performance by Budget Category

Explanation

The following table provides a summary of the funding variance for each budget category relative to the Quarter 3 forecast.

The surpluses generated by general and business operations are used to fund expenditure on projects.

Major and Commercial Projects are generally funded through grants or borrowings.

\$'000s	2019-20 Actual	2019-20 Quarter 3 Forecast	Variance
General Operations	35,958	34,502	1,456
Business Operations	19,574	18,394	1,180
Funding available for Projects & Infrastructure	55,531	52,896	2,636
Projects	(17,272)	(20,069)	2,797
Infrastructure and renewals	(25,138)	(29,224)	4,086
Total Projects and Infrastructure	(42,410)	(49,293)	6,883
Underlying surplus / (deficit)	13,122	3,603	9,519
Major Projects	(8,147)	(8,631)	484
Commercial Projects	(2,456)	(2,908)	452
Commercial & Major Projects	(10,603)	(11,539)	936
Surplus / (deficit) before subsidiaries	2,519	(7,936)	10,455
Subsidiaries	(3,409)	(4,821)	1,413
Net Surplus / (deficit)	(890)	(12,757)	11,868

The full year position is a funding deficit of (\$0.9m) which is \$11.9m favourable to the Quarter 3 revised forecast. Key variances include:

- **General Operations \$1.5m** favourable primarily due to income \$2.1m from fees and charges, \$1.4m impact for the treatment of leases following the rent waiver, resource costs \$1.1m and interest expense \$0.2m, offset by contractual services (\$0.8m), utilities (\$0.4m) and other expenditure (\$0.1m)
- **Business Operations \$1.2m** favourable primarily due to UPark \$1.5m through the success of UPark Plus, Property \$0.5m, Golf Course \$0.2m and Aquatic Centre \$0.1m offset by the business operations target (\$1.2m).
- **Projects \$2.8m** favourable including \$2.2m of projects to be retimed into 2020-21 and savings of \$0.6m
- **Infrastructure \$4.1m** favourable due to re-timing adjustments of \$4.6m offset by a reduction in grant income (\$0.3m) and transfer from Major Projects (\$0.1m).
- **Major Projects \$0.5m** favourable due to re-timing of adjustments of \$0.4m and transfer to Infrastructure of \$0.1m.
- **Commercial Projects \$0.5m** favourable due to savings of \$0.2m and re-timing of projects into 2020-21 of \$0.2m
- **Subsidiaries \$1.4m** favourable due to re-timing adjustments of \$0.8m for Adelaide Central Market Authority (ACMA) capital projects and higher than anticipated parking income \$0.6m

Projects

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
Adjustments		
Recover & Reimagine		
<ul style="list-style-type: none"> ▪ Funding for the crowdsourced ideas from Council members and the community to activate our mainstreets and laneways and support City recovery. ▪ Grant funding received from SATC to support outdoor dining and retail activity of \$24k ▪ Grant funding received from State Government of \$200k for City activation through Music in the Streets and Winter Weekends. 	-	Expenditure (364) Income 224
Don Dunstan Foundation Strategic Partnership Reinstatement of funding returned at Quarter 3, noting a requirement for co-contributions from the State Government to enable the delivery of this funding. Council ID 20215	(208)	(105)
E-Planning Funding reallocated from general operations.	(264)	(29)
Melbourne, O'Connell and Hutt Street Action Plans Action plans contribution to retail study costs covered by a transfer of savings from Transport and Movement strategy.	(138)	(22)
Transport and Movement Strategy Allocation to the Action plans (above) to fund the retail study.	(128)	22
Total		(274)
Re-timed		
Recover & Reimagine		
Continuation of the delivery of crowdsourced ideas from Council members and the community to activate our mainstreets and laneways and support City recovery, including Grant funding from SATC and the State Government.	-	Expenditure 311 Income (224)
Representation Review Project delayed due to timeframes with the Local Government Reforms, project expected to commence in October 2020. Part budget previously carried forward.	10	10
Splash Adelaide Reversal of Quarter 1 carry forward due to higher than forecasted spend in the last quarter to support recover and reimagining initiatives.	(650)	(25)

Summary of Adjustments

The adjustments on the left reflect changes since the Quarter 3 forecast to the existing funding allocated to projects. The changes include:

- Allocation of funding for the Recover & Reimagine initiatives to support the City's recovery in the wake of COVID-19
- The Council Decision to re-instate funding for the Don Dunstan Foundation Strategic Partnership, and
- Small adjustments / reprioritisation of funding for E-Planning and the Master Plans.

The net value of the these adjustments (\$0.3m) have been funded from operational savings.

Summary of Re-timed Projects

\$2.2 million of 2019-20 Projects have been re-timed into 2020-21 for the reasons outlined in the tables, including for delays in delivery arising from the implications of COVID-19.

Projects

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Re-timed \$'000
Retimed continued		
Don Dunstan Foundation Strategic Partnership Carry forward of reinstated funds, noting a requirement for co-contributions from the State Government to enable the delivery of this funding. Council ID 20215	(208)	95
North Adelaide Parking Review Implementation delayed, finalisation of signage and line marking.	(106)	35
Payment Card Industry (PCI) Compliance Project delayed, recommenced once restrictions reduced	(449)	178
Asset Management Transformation Program Project delayed, recommenced once restrictions reduced, expected completion first half 2020-21.	(2,762)	487
Network Connectivity and Security Working from home solution upgrade required, carry forward to provide budget for 12 months licence.	(480)	132
Property Valuation Software Finalisation of project including assessment amendments, and streamlining tenancy information schedule for integration to systems.	(132)	42
Free City Connector Bus Relocation of the recharge unit delayed due to COVID travel restrictions - \$21k required. The new DPTI fee proposal for the continuation of the Free City Connector bus service is higher than anticipated for the 2020-21 budget - \$30k required.	(934)	51
Park Lands Parking Study Survey and data collection delayed due to COVID-19 and ongoing lower flow of traffic in the City and Park Lands.	(44)	20
Transport and Movement Strategy Funds for a public consultation alongside DPTI's new City Access proposals. Work delayed due to COVID-19, project going to Committee in Quarter 1 for further guidance and timing	(128)	40
Transport Services Funds for improved signage of Park Lands trail through decals, delayed due to COVID-19.	(78)	15
Built Heritage Management Grant Funds not taken up for grant allocation during 2019-20.	(1,080)	24
World Heritage Bid - City and Park Lands Consultancy work on the listing has been delayed due to COVID-19, funds to be carried forward for continuation of work	(40)	40
E-Planning Continuation of work on bringing planning application forms online, project delayed due to delays in DPTI's online portal and publication of PDI Act	(264)	181

Continuation of the summary of Re-timed Projects

\$2.2 million of 2019-20 Projects have been re-timed into 2020-21 for the reasons outlined in the tables, including for delays in delivery arising from the implications of COVID-19.

Projects

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Re-timed \$'000
Redevelopment of CoA Website Commitment for build of add on to voice assistant to check availability at UPark.	(128)	3
Climate Change Action Initiative Fund Completion of activities budgeted as part of 2019-20 allocation to Climate Change Action Initiatives Fund including the Water Sensitive City, Climate Risk and Sustainability Incentive Scheme.	(1,621)	295
Strategic Waste Management Plan Waste Strategy Consultation report undergoing final review.	(56)	9
Central Market Arcade Redevelopment Final completion of redevelopment activities budgeted in 2019-20 including Design Peer Review and Retail Strategy Investigation.	(270)	100
City Growth Commitments for partnerships with Business SA and City Awards and grant submission for Smart City Accelerator Program.	(1,438)	280
Festival and Event Sponsorship Program Committed funds carried forward to support events disrupted by COVID-19.	(1,967)	80
City Wide Business Model Feasibility Study City Wide Business Model Round Table Consultation on the draft charter.	(30)	17
Public Art Funds set aside for Music laneways.	(288)	55
Christmas in the City 2020 Part reversal of QF2 carry forward for early decorations purchases.	-	(63)
Total		2,188

Continuation of the summary of Re-timed Projects

\$2.2 million of 2019-20 Projects have been re-timed into 2020-21 for the reasons outlined in the tables, including for delays in delivery arising from the implications of COVID-19.

Commercial Projects

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
Adjustments		
Solar PV installation Project completed with savings.	(500)	174
Total		174
Re-timed		
UPark Plus Elements of the Park Charge project have been completed ahead of anticipated schedule.	(212)	(15)
North Adelaide Golf Course Master Plan Funding to facilitate Par 3 improvement.	(16)	15
Ten Gigabit Adelaide Remainder of costs to deliver Wi-Fi aspect of project.	(341)	35
88 O'Connell Street Development Funding to support the ongoing development.	(629)	140
Gawler UPark Façade** Minor additional re-timed value.	(1,438)	53
Total		228

** The Gawler UPark Façade project was incorrectly labelled as finalised in the Quarter 3 Finance & Performance Report. The project has been re-timed into 2020-21 \$1,963k

The Commercial Projects include capital and operating projects that either support Council's Commercial Operations or are debt funded due to a return on investment (ie. the Solar PV installation, Central Market Arcade, Ten Gigabit Adelaide and 88 O'Connell Street).

Summary of Adjustments

Net savings of \$0.2m from the Solar PV installation.

Summary of Re-timed Projects

Net re-timing adjustments of \$0.2m.

Infrastructure Program

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
Streets		
Adjustments		
Turning Gray St Green - Arbour Aligned Gray St project returned significant savings at QF2 and QF3 however an element related to a DEW grant was added to this deliverable.	(87)	(41)
Featherstone Place Project was split out from Gawler Place Development project with a budget of \$125k.	-	(125)
Projects with minor adjustments and savings	(387)	14
Total		(152)
Re-timed		
Jeffcott St Stage 2 Minor increase in re-timed value.	(706)	3
Decorative Lighting Program Minor increase in re-timed value.	(33)	(0)
Featherstone Place Works subject to multiple property owner agreements, agreement to be finalised prior to works commencing.	-	86
Grote Street (Morphett St to West Tce) Minor reduction in re-timed value.	(49)	(11)
Hutt Street Design finalisation and identification of quick wins for implementation Q1.	(100)	53
Whitmore Square Safety Improvements Construction element re-timed at Q3, minor additional re-time due to design complexities and consultant COVID impacts.	(90)	52
City Greening Minor reduction in re-timed value.	(69)	(2)
Field St (Design) Scheduled for completion in September.	(100)	43
North Terrace West footpath Minor carry forward for final works.	(103)	1
Chesser Arbour Consultant investigations underway, final report due to complete in July.	(80)	71
Tavistock Lane Contribution as part of funding deed agreement, third-party construction works delayed.	(150)	150
Paxton's Walk and Vaughan Place Delay in design completion, scheduled to complete in July.	(70)	7
Turning Gray St Green - Arbour Completion of co-funded sustainable outcomes on Gray Street including a green wall.	(87)	109
Union St Streetscape Reduction in re-timed value.	(44)	(36)
Moonta St Design Final works dependent on redevelopment which is nearing completion, planned for delivery in July.	(140)	18
Total		544

Streets

- Net adjustments of (\$0.2m) funded from a transfer, a grant and net savings.
- Re-timing adjustments of \$0.5m including Tavistock Lane and Turning Gray Street Green – Arbour.

Infrastructure Program

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
Park Lands		
Adjustments		
Park 24 Access and Amenity Improvements		
Additional funds required due to delays in program and internal resource constraints during COVID-19.	(742)	(305)
Projects with other minor adjustments & savings	(304)	71
Total		(234)
Re-timed		
Creek Rehabilitation		
Works reprogrammed due to design delay.	(798)	43
Peace Park/Town Clerk's Walk		
Works were delayed during COVID shut down, completion expected in September.	(473)	261
Events Infrastructure Rundle Park		
SAPN have delayed delivery of the transformer, expected to be received in July.	(368)	239
Total		543
Transportation		
Adjustments		
Projects with other minor adjustments & savings	(1,045)	326
Total		326
Re-timed		
Victoria Square/Tarntanyangga Access & Inclusion Works		
Minor additional re-timed value.	(177)	8
Park 11 - Torrens Path (Albert Bridge to Behind Zoo)		
Delays due to unforeseen issues when connecting the path to the complex Albert Bridge structure, revised plans were required, on track for August completion.	(660)	245
North Terrace (King William Rd to Kintore Ave)		
Works retimed due to disruptions due to COVID-19.	(131)	64
Brougham Place		
Works retimed due to disruptions due to COVID-19.	(663)	497
Caldwell Lane		
Works retimed due to disruptions due to COVID-19.	(163)	85
Reinstatement Project		
Works retimed due to disruptions due to COVID-19.	(400)	400
Total		1,299
Traffic Signals		
Adjustments		
Projects with other minor adjustments & savings	(1,238)	(3)
Total		(3)

Park Lands

- Additional funding required for Park 24 (\$0.3m) partially offset by savings \$0.1m. Balance funded from savings in other categories.
- Re-timing adjustments of \$0.5m including Peace Park/Town Clerk's Walk and Events Infrastructure for Rundle Park.

Transportation

- Net savings of \$0.3m
- Re-timing adjustments of \$1.3m including Brougham Place, Reinstatement Project and Park 11 - Torrens Path (Albert Bridge to behind Zoo)

Traffic Signals

- Minor net adjustments (\$3k)

Infrastructure Program

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
Bridges		
Re-timed		
Bridges Renewal Program		
Bridge was delivered, specific signage is required for load requirements of the bridge which will be completed in July.	(105)	13
Adelaide Bridge		
Crack repairs to Adelaide Bridge identified in Q4.	(100)	62
Total		75
Lighting and Electrical		
Adjustments		
Projects with other minor adjustments & savings	(1,089)	123
Total		123
Water Infrastructure		
Adjustments		
Projects with other minor adjustments & savings	(236)	41
Total		41
Re-timed		
Torrens Lake Submerged Earth Retaining Structures		
Minor additional re-timed value.	(110)	3
Torrens Lake Weir - Component Renewals		
Works delayed due to unforeseen complexities in the IT solution for the Torrens Weir Gate controls, work continues to determine the best outcome.	(342)	207
Total		210
Urban Elements		
Adjustments		
Urban Elements		
Urgent works to damaged statue.	(375)	(23)
Projects with other minor adjustments & savings	(375)	5
Total		(18)
Re-timed		
Urban Elements		
Re-timed value to undertake critical repairs.	(375)	20
Total		20

Bridges

- Re-timing adjustments of \$0.1m

Lighting and Electrical

- Net savings of \$0.1m

Water Infrastructure

- Net savings of \$41k.
- Re-timing adjustments of \$0.2m

Urban Elements

- Minor net adjustments (\$18k)
- Minor re-timing adjustments of \$20k

Infrastructure Program

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
Park Lands and Streetscape Renewals		
Adjustments		
Park Lands Renewals	(487)	83
Total		83
Re-timed		
Park Lands Renewals		
Works reprogrammed due to resource constraints during COVID-19.	(487)	150
Streetscape Renewals		
Works reprogrammed due to resource constraints during COVID-19	(400)	296
Total		446
Plant, Fleet and Equipment		
Re-timed		
Plant & Fleet 19-20		
Delay to water truck delivery due to COVID-19 manufacturing restrictions, truck arrived on 14th July.	(1,206)	267
Library books 19-20		
Unspent State Library grant carried forward.	-	14
Golf Course fuel tank renewals		
Stage One of replacement of Golf Course fuel tanks to meet modern compliance standards.	(50)	50
Total		331

Urban Elements

- Net savings from adjustments of \$0.1m.
- Re-timing adjustments of \$0.4m for Streetscape Renewals and Park Land Renewals.

Plant, Fleet & Equipment

- Re-timing adjustments of \$0.3m due to the timing of the delivery of Plant & Fleet in July 2020.

Infrastructure Program

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
Buildings		
Adjustments		
Hazardous Material Removal Program Following the removal of the asbestos structural issues were identified which require additional bracing, propping and rectification to ensure building is fit for purpose.	(500)	(309)
Public Conveniences Additional storage required due to delay to installation through COVID-19 retime decision.	(270)	(5)
Town Hall Uncommitted budget (which includes contingency) was offered as savings at QF3 due to COVID 19, minor contingency was required to finalise contracts.	(301)	(7)
Adelaide Aquatic Centre Renewals Additional Budget required for additional scope request, AAC High Level Options Review.	(43)	(16)
Projects with other minor adjustments & savings	(362)	14
Total		(323)
Re-timed		
Integrated Water Management Completion of works dependant on IT review, internal delays due to COVID-19 resourcing constraints.	(96)	15
Hazardous Material Removal Program Contribution as part of funding deed agreement, third-party construction works delayed.	(500)	727
Colonel Light Centre Renewals Minor additional re-timed value.	(277)	32
Public Conveniences Delay of unit arriving from supplier, to be installed in July.	(270)	18
UPark Buildings - Topham Mall Technical specifications continue to be worked through, re-timed value for essential fire service upgrades	(100)	100
UPark Buildings - Rundle UPark Minor additional re-timed value.	(122)	1
Building Management System Upgrade Carried forward due to compounding effects of additional investigation requirements and resolution of technical queries.	(200)	176
Total		1,069

Buildings

- Net adjustments of (\$0.3m) due to the reallocation of savings across the program for Hazardous Material Removal Program (\$0.3m)
- Re-timing adjustments of \$1.1m primarily due to the carry forward of funds for the Hazardous Material Removal Program \$0.7m and the Building Management System Upgrade \$0.2m.

Major Projects

Adjustments and re-timed

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
Adjustments		
Gawler Place Development Featherstone Place was split out from Gawler Place Development project with a budget of \$125k.	(6,888)	125
Total		125
Re-timed		
Gawler Place Development Delayed delivery of signature art piece, scheduled to be delivered in Q1.	(6,888)	236
Pelzer Park/ Pityarilla (Park 19) Enhancement Minor increase in re-timed value. Gross expenditure \$6k, income (\$6k).	-	Expenditure 6 Income (6)
City of Adelaide Bikeways – North-South Minor additional re-timed value. Gross expenditure \$6k, income (\$3k).	(44)	Expenditure 6 Income (3)
Market to Riverbank Minor additional re-timed value. Gross expenditure \$1k, income (\$1k).	(97)	Expenditure 1 Income (0)
City Connectivity - Digital Wayfinding Funds will be used to run a trial of a virtual tourism interface, which will inform and advise our broader rollout of the Digital Customer Experience component of the City Deal project.	(125)	125
Denise Norton Park/Pardipardinyilla (Park 2) East Enhancement Program delays due to internal capacity constraints, on track for completion in Q1. Gross expenditure \$1,214k, income (\$1,214k).	-	Expenditure 1,214 Income (1,214)
City Skate Park Delay due to complications with the complex design, no change to construction timeframes detailed in Q3. Gross expenditure \$78k, income (\$78k).	-	Expenditure 78 Income (78)
Total		365

Major Projects

- Transfer for Featherstone Place to Streets \$0.1m.
- Net retiming adjustments of \$0.4m noting adjustment for Denise Norton Park/Pardipardinyilla (Park 2) East includes the timing adjustment of \$1.2m expenditure and (\$1.2m) income.

Subsidiaries

Adelaide Central Market Authority

Project Explanation	QF3 Budget \$'000	Adjustment \$'000
ACMA Capital Works		
Re-timed		
Main Switchboard Replacement Final scoping of the Main Switchboard	(192)	53
Waste Water Compliance Investigation and pipework for the waste water project proposed for 2020-21	(105)	105
Escalator Renewal and Lift Glazing Update of scoping for replacement escalator and complete scoping for lift. Replacements planned in 2020-21	(132)	123
Stall Mezzanine Safety Renewal Compliance works to stalls delayed to 2020-21	(475)	185
Heating Ventilation Air Conditioning (HVAC) Investigation of Gas Heating for Gouger and Grote Streets	(1,868)	53
Grote Street Lift Replacement of Grote Street Lift brought forward to ensure operational prior to Arcade redevelopment and replacement of Market escalators	(133)	133
Wi-Fi Site survey and installation of 12 access points	(50)	50
Gas Heating - Dining Investigation of installation of gas heating at secondary eating areas	(140)	135
Total		837

ACMA Capital Works

- Re-timing adjustments of \$0.8m including the Stall Mezzanine Safety Renewal, works to the Grote Street Lift, and Escalator Renewal and Lift Glazing.

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 Quarter 3 Forecast	2019-20 EOY Forecast	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Borrowings (\$'m) (Total borrowings)											
Target: Prudential Limits											
73.7	51.6	90.1	85.7	108.4	93.4	72.0	66.4	57.9	47.8	73.2	111.6
Operating Surplus (\$'m) (Funding surplus/(deficit))											
Target: Financial sustainability											
(19.3)	(14.2)	(36.4)	(5.2)	(5.1)	(3.2)	4.4	4.3	10.9	9.3	13.5	7.5
Operating Surplus Ratio (Operating surplus as a percentage of operating revenue)											
Target: 0%-20%											
(10%)	(7%)	(20%)	(3%)	(2%)	(1%)	2%	2%	5%	4%	5%	3%
Net Financial Liabilities (Financial liabilities and a percentage of operating surplus)											
Target: Less than 80%											
42%	41%	69%	64%	73%	64%	48%	44%	40%	35%	43%	57%
Asset Sustainability Ratio (Expenditure on asset renewals as a % of forecast required expenditure in the asset management plans)											
Target: 90%-110%											
43%	33%	73%	67%	100%	100%	100%	100%	100%	100%	100%	100%
Asset Test Ratio (Borrowings as a percentage of total saleable property assets)											
Target: Maximum 50%											
21%	14%	26%	24%	30%	24%	19%	17%	15%	12%	18%	27%
Interest Expense Ratio (Number of times General Rates Revenue (less NRM Levy) can service the annual interest expense)											
Target: Maximum 10%											
1.0%	1.0%	1.3%	1.4%	1.5%	1.5%	1.2%	1.0%	0.9%	0.7%	0.8%	1.2%
Leverage Test Ratio (Total borrowings relative to General Rates Revenue (Less NRM Levy))											
Target: Maximum 1.5 years											
0.6	0.4	0.8	0.7	0.9	0.7	0.5	0.5	0.4	0.3	0.5	0.7

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%)	(7%)	(20%)	(3%)	(2%)	(1%)	2%	2%	5%	4%	5%	3%
2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	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 through to 2023-24 financial years are forecasted to fall outside the target range, 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 from 2024-25.

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

Target: Less than 80%

42%	41%	69%	64%	73%	64%	48%	44%	40%	35%	43%	57%
2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	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%	33%	73%	67%	100%	100%	100%	100%	100%	100%	100%	100%
2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	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 ratio lower than 100% suggests that Council is not maintaining assets and infrastructure in order to optimise asset lives. A ratio higher than 100% suggests that Council is replacing assets earlier than needed. Adoption of a target ratio between 90% and 110%, is in line with the *Local Government Act 1999*.

Analysis: The Infrastructure and Asset Management Plans (AMPs) are currently being reviewed and updated including asset levels of service, taking into account community needs, population density/growth impacts and asset management principles.

Impacts of reducing the Infrastructure Program in 2020-21 will increase the renewal funding required over the longer term (to enable the renewal backlog to be undertaken), reducing capacity to deliver new and significant upgrade projects, major projects and emerging priorities in the short to medium term.

As a result of the sustainability ratio falling below the target range for 2019-20 through to 2021-22, consideration will need to be made for the Long Term Financial Plan funding to take a longer term view on asset replacement to ensure it does not interfere with renewals 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 50%

21%	14%	26%	24%	30%	24%	19%	17%	15%	12%	18%	27%
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Interest Expense Ratio (Number of times General Rates Revenue (less NRM Levy) can service the annual interest expense)

Target: Maximum 10%

1.0%	1.0%	1.3%	1.4%	1.5%	1.5%	1.2%	1.0%	0.9%	0.7%	0.8%	1.2%
------	------	------	------	------	------	------	------	------	------	------	------

Leverage Test Ratio (Total borrowings relative to General Rates Revenue (Less NRM Levy))

Target: Maximum 1.5 years

0.6	0.4	0.8	0.7	0.9	0.7	0.5	0.5	0.4	0.3	0.5	0.7
2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30

The maximum level of debt is prescribed by Council by way of prudential limits. While Council does not place a physical monetary limit on the level of borrowings, and upper limit is determined through its financial indicators. When borrowing, Council will consider these indicators.

Target: The Prudential limits set within the Policy are:

Asset Test Ratio Maximum of 50%

Interest Expense Ratio Maximum of 10%

Leverage Test Ratio Maximum 1.5 Years

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.

Analysis: City of Adelaide's borrowings are within the prescribed targets across the Long Term Financial Plan

Appendix

A – Budgeted Financial Statements

B – Long Term Financial Plan

Item 2.1 - Attachment A

Appendix A

Budgeted Financial Statements

Uniform Presentation of Finances

\$'000s	Consolidated 2019-20 Adopted Budget*	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast	Consolidated 2019-20 EOY Forecast
Income	210,044	210,781	196,432	196,432
less Expenses	(211,964)	(219,684)	(214,284)	(215,297)
Operating Surplus / (Deficit) before Capital Amounts	(1,920)	(8,903)	(17,852)	(18,865)
<i>less Net Outlays on Existing Assets</i>				
Net Capital Expenditure on Renewal & Replacement of Existing Assets	47,451	55,642	36,359	30,986
less Depreciation, Amortisation and Impairment	(48,323)	(49,943)	(49,643)	(52,931)
less Amounts received specifically for Existing Assets	(1,073)	(2,942)	(2,828)	(2,828)
Net Outlays on Existing Assets	(1,945)	2,758	(16,112)	(24,774)
<i>less Net Outlays on New and Upgraded Assets</i>				
Net Capital Expenditure on New and Upgraded Assets	39,171	29,093	15,211	13,858
less Amounts received specifically for New and Upgraded Assets	(42,166)	(6,540)	(4,194)	(2,893)
<i>less Proceeds from Sale of Assets</i>	-	-	-	-
Net Outlays on New and Upgraded Assets	(2,995)	22,553	11,016	10,965
Net Lending / (Borrowing) for Financial Year	3,020	(34,213)	(12,757)	(5,056)

- The 2019-20 Adopted Budget has been restated for:
 - the impact of AASB 16 Leases where a lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months
 - \$5.0m grant from the SA Government now recognised within Grants, Subsidies and Contributions (previously recognised in Amounts received specifically for New or Upgraded Assets)
- The Adopted Budget does not include re-timing adjustments for 2018-19 Preliminary End of Year

Appendix A

Budgeted Financial Statements

Statement of Comprehensive Income				
\$'000s	Consolidated 2019-20 Adopted Budget*	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast	Consolidated 2019-20 EOY Forecast
Income				
Rates Revenues	114,341	116,508	116,458	116,458
Statutory Charges	13,984	13,363	11,217	11,217
User Charges	72,153	71,498	59,300	60,676
Grants, Subsidies and Contributions	9,653	11,378	11,165	13,680
Investment Income	36	36	50	50
Reimbursements	526	525	525	525
Other Income	424	415	546	546
Total Income	211,117	213,723	199,261	200,637
Expenses				
Employee Costs	77,465	77,868	77,135	77,298
Materials, Contracts & Other Expenses	79,037	97,858	85,952	82,453
Depreciation, Amortisation & Impairment	48,323	49,943	49,643	52,931
Finance Costs	7,139	6,493	5,818	2,111
Total Expenses	211,964	232,161	218,547	214,793
Operating Surplus / (Deficit)	(847)	(18,438)	(19,287)	(14,156)
Asset Disposal & Fair Value Adjustments		(300)	(300)	-
Amounts Received Specifically for New or Upgraded Assets	37,166	440	377	377
Net Surplus / (Deficit)	36,319	(18,298)	(19,209)	(13,779)
Total Comprehensive Income	36,319	(18,298)	(19,209)	(13,779)

Appendix A Budgeted Financial Statements

Statement of Financial Position

\$'000s	Consolidated 2019-20 Adopted Budget*	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast	Consolidated 2019-20 EOY Forecast
ASSETS				
Current Assets				
Cash and Cash Equivalents	85	2,000	800	1,128
Trade & Other Receivables	14,652	10,759	25,259	16,284
Other Financial Assets	159	143	143	143
Inventories	527	641	641	707
Total Current Assets	15,424	13,543	26,843	18,262
Non-Current Assets				
Financial Assets	387	250	250	250
Equity Accounted Investments in Council Businesses	76	629	629	629
Investment Property	2,923	2,894	2,894	2,865
Infrastructure, Property, Plant & Equipment	1,733,698	1,853,743	1,828,791	1,857,674
Other Non-Current Assets	1,569	1,659	1,659	1,264
Total Non-Current Assets	1,738,653	1,859,175	1,834,223	1,862,682
TOTAL ASSETS	1,754,077	1,872,718	1,861,066	1,880,944
LIABILITIES				
Current Liabilities				
Trade & Other Payables	21,593	22,122	18,339	31,564
Provisions	13,259	14,157	14,157	13,876
Other Current Liabilities	1,562	1,562	1,562	4,824
Total Current Liabilities	36,414	37,840	34,058	50,265
Non-Current Liabilities				
Trade & Other Payables	-	293	1,293	-
Borrowings	66,980	81,613	73,656	51,600
Provisions	2,067	2,047	2,047	1,955
Other Non-Current Liabilities	15,167	15,167	15,167	36,848
Total Non-Current Liabilities	84,214	99,121	92,164	90,403
TOTAL LIABILITIES	120,628	136,961	126,221	140,669
Net Assets	1,633,449	1,735,756	1,734,845	1,740,275
EQUITY				
Accumulated Surplus	895,638	816,309	815,398	820,261
Asset Revaluation Reserves	736,242	917,788	917,788	918,355
Other Reserves	1,569	1,659	1,659	1,659
Total Council Equity	1,633,449	1,735,756	1,734,845	1,740,275

Appendix A

Budgeted Financial Statements

Statement of Changes in Equity

\$'000s	Consolidated 2019-20 Adopted Budget*	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast	Consolidated 2019-20 EOY Forecast
Balance at the end of previous reporting period	1,597,130	1,754,054	1,754,054	1,754,054
a. Net Surplus / (Deficit) for Year	36,319	(18,298)	(19,209)	(13,779)
b. Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	36,319	(18,298)	(19,209)	(13,779)
Gain (Loss) on Revaluation of I, PP&E	-	-	-	-
Balance at the end of period	1,633,449	1,735,756	1,734,845	1,740,275

Appendix A Budgeted Financial Statements

Statement of Cash flows				
\$'000s	Consolidated 2019-20 Adopted Budget*	Consolidated 2019-20 Quarter 2 Forecast	Consolidated 2019-20 Quarter 3 Forecast	Consolidated 2019-20 EOY Forecast
Cash Flows from Operating Activities				
<u>Receipts</u>				
Operating Receipts	211,117	216,654	187,378	194,977
<u>Payments</u>				
Operating Payments to Suppliers and Employees	(162,500)	(169,238)	(166,507)	(157,165)
Net Cash provided by (or used in) Operating Activities	48,617	47,417	20,871	37,812
Cash Flows from Investing Activities				
<u>Receipts</u>				
Amounts Received Specifically for New/Upgraded Assets	37,166	440	377	377
Sale of Surplus Assets		-	-	-
<u>Payments</u>				
Expenditure on Renewal/Replacement of Assets	(47,451)	(55,642)	(36,359)	(30,986)
Expenditure on New/Upgraded Assets	(39,171)	(29,093)	(15,211)	(13,858)
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(49,456)	(84,295)	(51,193)	(44,467)
Cash Flows from Financing Activities				
<u>Receipts</u>				
Proceeds from Borrowings	1,980	34,013	26,256	6,432
<u>Payments</u>				
Repayment from Borrowings	-	-	-	
Repayment of Principal portion of lease liability	(1,204)	(1,204)	(1,204)	(4,719)
Net Cash provided by (or used in) Financing Activities	776	32,810	25,052	1,713
Net Increase (Decrease) in Cash Held	(63)	(4,069)	(5,269)	(4,941)
plus: Cash & Cash Equivalents at beginning of period	148	6,069	6,069	6,069
Cash & Cash Equivalents at end of period	85	2,000	800	1,128

Appendix B - Uniform Presentation of Finances

\$'000s	2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	2020-21 Draft Budget	2020-21 Final 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	196,432	186,122	186,289	201,112	206,560	211,905	225,052	231,149	236,986	242,938	249,009	255,200
less Expenses	(214,284)	(215,297)	(217,707)	(223,118)	(206,136)	(209,213)	(213,979)	(220,226)	(226,559)	(225,897)	(232,376)	(230,625)	(240,845)
Operating Surplus / (Deficit) before Capital Amounts	(17,852)	(18,865)	(31,584)	(36,829)	(5,024)	(2,653)	(2,074)	4,827	4,591	11,089	10,562	18,383	14,356
<i>less Net Outlays on Existing Assets</i>													
Net Capital Expenditure on Renewal & Replacement of Existing Assets	36,359	30,986	41,811	41,885	30,679	59,001	61,846	56,418	57,096	56,731	57,764	95,438	110,453
less Depreciation, Amortisation and Impairment	(49,643)	(52,931)	(50,845)	(53,744)	(52,834)	(52,527)	(53,757)	(54,412)	(58,156)	(54,149)	(57,255)	(51,722)	(57,690)
less Amounts received specifically for Existing Assets	(2,828)	(2,828)	(864)	(864)									
Net Outlays on Existing Assets	(16,112)	(24,774)	(9,898)	(12,724)	(22,155)	6,474	8,089	2,006	(1,060)	2,582	510	43,716	52,763
<i>less Net Outlays on New and Upgraded Assets</i>													
Net Capital Expenditure on New and Upgraded Assets	15,211	13,858	25,404	25,999	19,020	14,188	-	-	-	-	-	-	-
less Amounts received specifically for New and Upgraded Assets	(4,194)	(2,893)	(14,944)	(14,650)	(1,141)	-	-	-	-	-	-	-	-
<i>less Proceeds from Sale of Assets</i>	-			-	-	-	(25,000)	(25,500)	-	-	-	-	-
Net Outlays on New and Upgraded Assets	11,016	10,965	10,460	11,349	17,879	14,188	(25,000)	(25,500)	-	-	-	-	-
Net Lending / (Borrowing) for Financial Year	(12,757)	(5,056)	(32,146)	(35,454)	(748)	(23,315)	14,837	28,321	5,650	8,507	10,052	(25,333)	(38,407)

Appendix B - Statement of Comprehensive

\$'000s	2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	2020-21 Draft Budget	2020-21 Final 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													
Rates Revenues	116,458	116,458	119,393	118,455	123,325	127,025	130,799	135,773	140,104	144,140	148,256	152,454	156,736
Statutory Charges	11,217	11,217	8,450	8,900	11,973	12,153	12,389	12,630	12,875	13,125	13,380	13,640	13,904
User Charges	59,300	60,676	54,262	53,435	61,470	63,055	64,377	72,280	73,743	75,208	76,700	78,220	79,771
Grants, Subsidies and Contributions	11,165	13,680	3,856	4,510	3,051	3,112	3,174	3,238	3,302	3,369	3,436	3,505	3,575
Investment Income	50	50	35	35	26	26	27	27	28	28	29	29	30
Reimbursements	525	525	691	691	705	719	733	748	763	778	794	809	826
Other Income	546	546	299	299	305	311	318	324	330	337	344	351	358
Total Income	199,261	200,637	186,987	186,326	200,855	206,402	211,817	225,020	231,145	236,985	242,937	249,008	255,200
Expenses													
Employee Costs	77,135	77,298	79,274	78,274	71,712	73,212	74,743	76,306	77,903	79,492	81,114	82,769	84,458
Materials, Contracts & Other Expenses	85,952	82,453	84,712	88,296	79,001	82,733	83,518	87,379	88,661	90,571	93,710	99,415	103,434
Depreciation, Amortisation & Impairment	49,643	52,931	50,845	53,744	52,834	52,527	53,757	54,412	58,156	54,149	57,255	51,722	57,690
Finance Costs	5,818	2,111	5,797	2,423	2,504	3,007	2,965	2,494	2,115	1,854	1,561	1,638	2,164
Total Expenses	218,547	214,793	220,628	222,737	206,051	211,479	214,983	220,592	226,834	226,066	233,640	235,545	247,746
Operating Surplus / (Deficit)	(19,287)	(14,156)	(33,641)	(36,411)	(5,196)	(5,077)	(3,167)	4,428	4,311	10,919	9,297	13,463	7,454
Asset Disposal & Fair Value Adjustments	(300)	-	(300)	(300)	-	-	3,590	(300)	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	377	377	3,293	3,429	1,141	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(19,209)	(13,779)	(30,648)	(33,282)	(4,055)	(5,077)	423	4,128	4,311	10,919	9,297	13,463	7,454
Total Comprehensive Income	(19,209)	(13,779)	(30,648)	(33,282)	(4,055)	(5,077)	423	4,128	4,311	10,919	9,297	13,463	7,454

Appendix B - Statement of Financial Position

\$'000s	2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	2020-21 Draft Budget	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
ASSETS													
Current Assets													
Cash and Cash Equivalents	800	1,128	800	800	800	800	800	800	800	800	800	800	800
Trade & Other Receivables	25,259	15,859	9,433	15,443	15,753	15,857	16,178	17,149	17,610	18,053	18,506	18,968	19,439
Other Financial Assets	143	143	129	129	116	104	94	84	76	68	62	55	50
Inventories	641	707	641	707	707	707	707	707	707	707	707	707	707
Total Current Assets	26,843	17,837	11,003	17,079	17,376	17,468	17,779	18,741	19,193	19,629	20,075	20,530	20,996
Non-Current Assets													
Financial Assets	250	250	225	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	629	629
Investment Property	2,894	2,865	2,923	2,894	2,923	2,952	2,981	3,011	3,041	3,072	3,102	3,133	3,165
Infrastructure, Property, Plant & Equipment	1,828,791	1,857,674	1,834,405	1,867,041	1,877,067	1,890,411	1,913,778	1,884,342	1,877,572	1,874,481	1,869,214	1,903,387	1,945,104
Other Non-Current Assets	1,659	1,264	1,659	1,264	1,264	1,264	1,264	1,264	1,264	1,264	1,264	1,264	1,264
Total Non-Current Assets	1,834,223	1,862,682	1,839,841	1,872,053	1,882,086	1,895,438	1,918,816	1,889,394	1,882,640	1,879,565	1,874,317	1,908,510	1,950,249
TOTAL ASSETS	1,861,066	1,880,519	1,850,844	1,889,132	1,899,462	1,912,906	1,936,595	1,908,134	1,901,832	1,899,194	1,894,392	1,929,040	1,971,245
LIABILITIES													
Current Liabilities													
Trade & Other Payables	18,339	27,926	26,935	41,075	38,785	39,483	46,750	40,484	40,676	40,846	41,020	39,867	40,052
Provisions	14,157	13,876	11,606	11,320	11,546	11,777	12,013	12,253	12,498	12,748	13,003	13,263	13,528
Other Current Liabilities	1,562	4,824	1,050	3,290	5,093	5,140	5,276	5,434	5,504	4,513	3,291	4,144	3,473
Total Current Liabilities	34,058	49,840	39,590	55,685	55,425	56,400	64,039	58,172	58,678	58,106	57,314	57,274	57,053
Non-Current Liabilities													
Trade & Other Payables	1,293	-	1,000	1,000	7,000	7,000	-	-	-	-	-	-	-
Borrowings	73,656	51,600	91,590	90,125	85,700	108,354	93,351	72,030	66,380	57,873	47,820	73,153	111,560
Provisions	2,047	1,955	1,678	1,585	1,616	1,649	1,682	1,715	1,749	1,784	1,820	1,857	1,894
Other Non-Current Liabilities	15,167	36,848	13,165	33,745	46,782	41,642	36,366	30,932	25,428	20,915	17,624	13,480	10,007
Total Non-Current Liabilities	92,164	90,403	107,434	126,454	141,099	158,644	131,399	104,677	93,557	80,572	67,265	88,490	123,461
TOTAL LIABILITIES	126,221	140,244	147,024	182,139	196,524	215,045	195,438	162,849	152,235	138,678	124,579	145,764	180,515
Net Assets	1,734,845	1,740,275	1,703,820	1,706,993	1,702,938	1,697,861	1,741,158	1,745,286	1,749,597	1,760,516	1,769,813	1,783,276	1,790,730
EQUITY													
Accumulated Surplus	815,398	820,261	784,373	786,979	782,924	777,847	778,271	782,399	786,710	797,629	806,926	820,389	827,843
Asset Revaluation Reserves	917,788	918,355	917,788	918,355	918,355	918,355	961,228	961,228	961,228	961,228	961,228	961,228	961,228
Other Reserves	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659
Total Council Equity	1,734,845	1,740,275	1,703,820	1,706,993	1,702,938	1,697,861	1,741,158	1,745,286	1,749,597	1,760,516	1,769,813	1,783,276	1,790,730

Appendix B - Statement of Changes in Equity

\$'000s	2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	2020-21 Draft Budget	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	1,754,054	1,734,467	1,740,275	1,706,993	1,702,938	1,697,861	1,741,158	1,745,286	1,749,597	1,760,516	1,769,813	1,783,276
a. Net Surplus / (Deficit) for Year	(19,209)	(13,779)	(30,648)	(33,282)	(4,055)	(5,077)	423	4,128	4,311	10,919	9,297	13,463	7,454
b. Other Comprehensive Income													
Total Comprehensive Income	(19,209)	(13,779)	(30,648)	(33,282)	(4,055)	(5,077)	423	4,128	4,311	10,919	9,297	13,463	7,454
Gain (Loss) on Revaluation of I, PP&E							42,873						
Balance at the end of period	1,734,845	1,740,275	1,703,820	1,706,993	1,702,938	1,697,861	1,741,158	1,745,286	1,749,597	1,760,516	1,769,813	1,783,276	1,790,730

Appendix B - Statement of Cash Flows

\$'000s	2019-20 Quarter 3 Forecast	2019-20 EOY Forecast	2020-21 Draft Budget	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
Cash Flows from Operating Activities													
<u>Receipts</u>													
Operating Receipts	187,378	196,778	203,677	188,031	200,802	206,299	211,495	224,049	230,685	236,541	242,484	248,546	254,729
<u>Payments</u>													
Operating Payments to Suppliers and Employees	(166,507)	(158,966)	(159,094)	(158,576)	(148,764)	(150,710)	(154,465)	(159,534)	(162,504)	(165,799)	(170,156)	(173,817)	(178,539)
Net Cash provided by (or used in) Operating Activities	20,871	37,812	44,583	29,456	52,038	55,588	57,030	64,515	68,181	70,742	72,329	74,730	76,190
Cash Flows from Investing Activities													
<u>Receipts</u>													
Amounts Received Specifically for New/Upgraded Assets	377	377	3,293	3,429	1,141	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	-	-	1,000	1,000	6,000	-	25,000	18,500	-	-	-	-	-
<u>Payments</u>													
Expenditure on Renewal/Replacement of Assets	(36,359)	(30,986)	(41,811)	(41,885)	(30,679)	(59,001)	(61,846)	(56,418)	(57,096)	(56,731)	(57,764)	(95,438)	(110,453)
Expenditure on New/Upgraded Assets	(15,211)	(13,858)	(25,404)	(25,999)	(19,020)	(14,188)	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(51,193)	(44,467)	(62,922)	(63,455)	(42,558)	(73,189)	(36,846)	(37,918)	(57,096)	(56,731)	(57,764)	(95,438)	(110,453)
Cash Flows from Financing Activities													
<u>Receipts</u>													
Proceeds from Borrowings	26,256	6,432	19,890	38,525		22,654						25,333	38,407
<u>Payments</u>													
Repayment from Borrowings					(4,424)		(15,003)	(21,321)	(5,650)	(8,507)	(10,052)		
Repayment of Principal portion of lease liability	(1,204)	(4,719)	(1,551)	(4,853)	(5,055)	(5,053)	(5,181)	(5,276)	(5,434)	(5,504)	(4,513)	(4,625)	(4,144)
Net Cash provided by (or used in) Financing Activities	25,052	1,713		33,672	(9,480)	17,601	(20,184)	(26,597)	(11,085)	(14,011)	(14,565)	20,709	34,263
Net Increase (Decrease) in Cash Held	(5,269)	(4,941)	(0)	(328)	(0)	(0)	0	0	(0)	(0)	(0)	(0)	(0)
plus: Cash & Cash Equivalents at beginning of period	6,069	6,069	800	1,128	800	800	800	800	800	800	800	800	800
Cash & Cash Equivalents at end of period	800	1,128	800	800	800	800	800	800	800	800	800	800	800

2020-21 Business Plan & Budget

ITEM 2.2 31/07/2020

Audit Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Sonjoy Ghosh, AD Information Management 8203 7655

2018/03947

Public

Approving Officer:

Clare Mockler, Deputy CEO & Director Culture

EXECUTIVE SUMMARY

This report provides an update and opportunity for final input on Council's 2020-21 Business Plan and Budget.

The Business Plan and Budget has been formed post a broad engagement process with our community through the development of our 2020-24 Strategic Plan and through a series of detailed discussions with Council since February regarding financial priorities for Council along with the financial implications and response to COVID-19.

These discussions included consideration of the financial levers available to Council, and Recovery Principles to help the City recover from the impacts of COVID-19 and the City of Adelaide's long-term financial sustainability. As part of the budget process, Council has also reviewed and amended the prudential borrowing limits in the Council's Treasury Policy and established a "Future Fund" reserve to ensure proceeds from the sales of assets are re-invested in income generating assets.

Since the Audit Committee workshop on the draft 2020-21 Budget in June, Council finalised the draft Business Plan and Budget which was approved for Public Consultation on 30 June 2020. Public Consultation was undertaken in the first three weeks of July and concluded Thursday 23 July.

A report on Public Consultation feedback was considered by a Special Council Meeting on 28 July. This was followed by a Special Meeting of The Committee on the same evening to consider final changes to the 2020-21 Budget. As outlined in **Attachment B**, the final proposed changes to the 2020-21 Budget will result in a forecast borrowing requirement of (\$35.5m) for the 2020-21 financial year, and a forecast operating deficit of (33.3m) for the financial year. Borrowings at 30 June 2021 are forecast to be \$93.3m which is within the prudential borrowing limits.

The Committee (of Council) will consider the final proposed 2020-21 Business Plan and Budget on Wednesday 5 August 2020. Any recommendations arising from this report will be advised to the Committee Meeting on 5 August prior to its proposed adoption by Council at a Special Council Meeting on 13 August 2020.

In July Council considered further financial assistance for its tenants and rate payers in response to COVID-19. Options considered included targeted rate relief for sectors most impacted by COVID-19 and City wide rate waivers of 10%, 20% and 50% for one quarter of the financial year. On 14 July Council resolved to offer small business lessees (SME's) in Council-owned buildings, Adelaide Central Market tenants and sporting and community lease / licence holders a 50% deferral in rent and licence fees for the first quarter of 2020-21 (1 July 2020 to 30 September 2020). It also resolved to extend the COVID-19 financial hardship provisions to 31 December 2020.

RECOMMENDATION

THAT THE AUDIT COMMITTEE

1. Notes the draft 2020-21 Business Plan and Budget document in Attachment A to Item 2.2 on the Agenda for the Special meeting of the Audit Committee held on 31 July 2020.
2. Notes the proposed changes to the 2020-21 Budget as presented to the in a Committee Workshop on Tuesday 28 July 2020 in Attachment B to Item 2.2 on the Agenda for the Special meeting of the Audit Committee held on 31 July 2020.
3. Notes the verbal update of the feedback arising from the Special Meeting of The Committee on Tuesday 28 July 2020.

4. Notes the Recovery Principles endorsed by Council on 30 June 2020 in Attachment C to Item 2.2 on the Agenda for the Special meeting of the Audit Committee held on 31 July 2020
 5. Recommends that Council adopts the 2020-21 Business Plan and Budget based on the draft 2020-21 Business Plan and Budget in Attachment A to Item 2.2 on the Agenda for the Special meeting of the Audit Committee held on 31 July 2020, amended for the changes proposed following the Special Meeting of The Committee on Tuesday 28 July 2020.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The deliverables and objectives set out in the draft 2020-21 Annual Business Plan & Budget document are directly aligned to the delivery of year 1 of the 2020-2024 City of Adelaide Strategic Plan
Policy	The draft 2020-21 Annual Business Plan & Budget has been prepared in accordance with Council's current Long-Term Financial Plan assumptions and endorsed Financial Policies. The approved public consultation will be undertaken in accordance with Council's Public Communication and Consultation Policy.
Consultation	A public consultation process on the draft 2020-21 Annual Business Plan & Budget commenced on Thursday 2 July 2020 and concluded on Thursday 23 July 2020.
Resource	The draft 2020-21 Annual Business Plan & Budget identifies how Council's resources will be allocated in meeting the 2020-21 deliverables and objectives of the 2020-2024 Strategic Plan.
Risk / Legal / Legislative	Council's draft 2020-21 Annual Business Plan & Budget is developed in accordance with section 123 of the Local Government Act 1999 (the Act), and sections 6 and 7 of the Local Government (Financial Management) Regulations 2011.
Opportunities	Public consultation is a key part of the Annual Business Plan & Budget providing the community with an opportunity to provide feedback on the draft Annual Business Plan & Budget. Community members can provide feedback on issues that affect them with the commitment of Council to provide pathways for their input.
19/20 Budget Allocation	Not as a result of this report
Proposed 20/21 Budget Allocation	The draft 2020-21 Annual Business Plan & Budget provides the proposed budget for the 2020-21 financial year.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
20/21 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. Preparation of the draft 2020-21 Business Plan and Budget commenced in November 2019 and a timetable for its consideration and adoption was presented at the Committee Workshop 25 February 2020. This timetable allowed for Committee Workshops in March and April, public consultation in May, and adoption in June ahead of the new financial year on 1 July 2020.
2. Since mid-March 2020, Council has been engaged in numerous, detailed conversations about the City of Adelaide's financial position in the context of the unforeseen, significant impact of COVID-19 on our City, our finances, and our community. Further work on the 2020-21 Budget was deferred until the full financial implications on Council's operations and finances could be assessed.
3. On 30 April 2020, the Minister for Transport, Infrastructure and Local Government issued variations to the *Local Government Act 1999*, under the emergency powers of section 302B of *the Act*, to extend the timeframe for adoption of an annual business plan and budget to 30 November 2020 for the 2020-21 financial year.
4. On 5 May, a revised timeline was presented as a part of the CEO's Briefing on the City of Adelaide's Recover + Reimagine project which proposed consideration and adoption of the draft 2020-21 Business Plan and Budget by November 2020, aligning with State and Federal Government budgets which have been deferred to October 2020. Council also considered its 2020-2021 Quarter Three Financial and Performance Report which outlined the immediate and anticipated impact of COVID-19 on our finances and action taken to identify savings and support our City residents and businesses.
5. On 28 May 2020, at a Special Committee Workshop on the 2020-21 Business Plan and Budget, Council heard that under Section 153(5) of *the Act*, Council cannot declare general rates until it has adopted its annual business plan and its budget. Deferring the declaration of rates to November would have significant cash flow implications, compounding the financial impact of COVID-19. A revised timetable was presented which proposed a prudent, two-stage approach:
 - 5.1 Stage 1: Council considers an Expenditure Framework, Fees and Charges, and revised Treasury Policy by 30 June 2020. The Expenditure Framework incorporates operational expenditure based on the draft 2020-21 Business Plan and Budget, reprioritised strategic projects and infrastructure works from 2019-20 and new, time critical strategic projects and infrastructure works for Quarter 1 of the 2020-21 financial year. This approach is consistent with advice from the LGA that an Approved Expenditure Framework is required if the 2020-21 Business Plan and Budget is adopted after 30 June 2020.
 - 5.2 Stage 2: Council considers a draft Business Plan and Budget by 30 June 2020 for public consultation in July 2020 and adoption by the end of August 2020. This is in accordance with section 123(8) of the *Local Government Act 1999* which requires an annual business plan and budget to be adopted between 31 May and 31 August for the ensuing financial year.
 - 5.3 This two-stage approach enabled the continuation of essential services and the delivery of key projects for the community until the 2020-21 Business Plan and Budget is adopted in August 2020, following public consultation. This will enable Council rates notices for the first quarter of the financial year to be issued by the end of August 2020, with the first instalment due at the end of September 2020.

Business Plan

6. The draft Business Plan and Budget outlines a range of key activities, services, projects, and infrastructure to be delivered in 2020-2021.
7. Key Activities
 - 7.1 These have been outlined in accordance with our 2020- 2024 Strategic Plan Community Outcomes: Thriving Communities, Strong Economies, Dynamic City Culture, Environmental Leadership and Enabling Priorities.
 - 7.2 The Key activities have been prioritised based on the Strategic Plan Key Actions as endorsed by Council on the 10 March 2020 and will be measured and reported on in our annual report in accordance with our Strategic Planning Framework. These activities are a snapshot of the highlights for the year ahead.

8. Services and Projects

- 8.1 The City of Adelaide delivers a broad range of services to our community. These services bring our strategic plan to life, ensure we deliver on essential community needs, fulfil our duties as a Capital City Council and enable our community and organisation to thrive.
- 8.2 The draft 2020-21 Business Plan and Budget presents over 90 services across ten service categories. Each service category defines the value we provide to the community and the strategic plan alignment. The addition of the service budgets provides a level of transparency and clearly articulates what services are delivered to our community and the resources and projects that make up our operating budget.

9. Infrastructure and Capital Works

- 9.1 The infrastructure and capital work projects form the basis for our asset management renewal program and were developed as part of the business plan process. Outlined for delivery within the 2020-21 Financial year includes:

- 9.1.1 New and continued major projects totalling \$22.2m
- 9.1.2 New and significant upgrade infrastructure totalling \$4.6m
- 9.1.3 Infrastructure renewal and essential works totalling \$22.0m

A proportion of these projects have been re-timed from the 2019-20 financial year into 2020-21.

Budget

10. In light of COVID-19 and the impacts on Council's revenue and expenditure, Recovery Principles have been developed to ensure our long term financial sustainability and the ongoing delivery of services and projects for our community. These principles are for Council to utilise when making decisions related to: the setting of rates; fees and charges; the utilisation of borrowings; proceeds from the sale of assets; future investment and infrastructure; government partnerships; and the review of Council's services. The Recovery Principles were endorsed by Council on 30 June 2020 and are included in **Attachment C**.
11. The draft budget was based on discussions and feedback from Committee (of Council) Workshops on 3 December 2019, 25 February 2020, 28 May 2020 and 15 June 2020, including:
- 11.1 Freezing the rate in the dollar for 2020-21 for the seventh consecutive year,
- 11.2 Holding non-commercial fees and charges at existing levels (2019-20 amounts) from 1 July 2020 to 30 June 2021, and
- 11.3 The reset of the Infrastructure Program to focus on the delivery of infrastructure renewals and the completion of the 2019-20 program.
12. Income from rates was forecast to increase due to a 1.1% valuation uplift and 2.0% growth in new developments, noting that the rate in the dollar has been fixed for the seventh consecutive year. Final verification of the rates model confirmed an increase in rate revenue of 2.2% with a valuation uplift of 0.9% and growth from new developments of 1.3%.
13. Council's operating income has been significantly impacted by COVID-19 in 2019-20. User fees and charges are forecasted to reduce by \$21m in 2020-21. This is primarily attributable to the impact of COVID-19 on:
- 13.1 The utilisation of on street parking
- 13.2 The revenue generating capacity of the UParks
- 13.3 Aquatic Centre Operations including the temporary closure
- 13.4 Cancellation and postponement of events due to social distancing restrictions
- 13.5 Property income due to an anticipated increase in vacancies
14. In response to the significant impact on Council's income, we have taken steps to constrain operational expenditure. The draft 2020-21 Budget and revised Long Term Financial Plan incorporate a forecast reduction in on-going operating expenditure of \$20m following the Council Decision on 22 April 2020 that the CEO outline options for a \$20m reduction in operating expenditure during the 2020-21 financial year. The 2020-21 budget also includes potential one-off costs to change services of \$14.4m.
15. A special meeting of The Committee (of Council) will consider the final proposed changes to the 2020-21 Budget as outlined in **Attachment B**. Subject to any further changes proposed on the evening, the final proposed 2020-21 Budget will have a forecast borrowing requirement of (\$35.5m) for the 2020-21 financial year, and a forecast operating deficit of (33.3m) for the financial year. Borrowings at 30 June 2021 are forecast to be \$93.3m which is within the prudential borrowing limits.

16. In accordance with section 123(3)(b) of the Act, we were required to follow the relevant steps in its public consultation policy to facilitate community feedback on the draft Annual Business Plan & Budget.

Consultation Process

17. Public consultation on the draft 2020-21 Annual Business Plan & Budget commenced on Thursday 2 July 2020 and concluded on Thursday 23 July 2020.
18. The consultation process sought feedback from target audiences including our creatives, young people, entrepreneurs and key stakeholders that we have previously engaged with as well as those that participated in strategic planning workshops. Feedback was also be proactively sought from our customers and ratepayers by our Customer Experience Team.
19. Consultation feedback was sought on our Key Activities, Services and Projects, investment, and financial levers. What we heard from the 109 surveys received can be summarised as follows:
- 19.1 **Key Activities:** 94% of respondents were supportive of all or some of the Key Activities.
- 19.1.1 An opportunity to comment further was provided for this question. One third of comments received were about businesses in the city or the local economy while over a quarter related to movement and transport in the City (i.e. bikeways).
- 19.2 **Services:**
- 19.2.1 Economic Growth was considered the most important service category, followed by Waste, Natural Resources and Environmental Services.
- 19.2.2 Regulatory Services and Corporate Support Services were considered the least important service categories, followed by Commercial Operations.
- 19.2.3 Waste, Natural Resources and Environmental Services was considered the best performing service category, followed by Arts, Community Development and Civic Services.
- 19.2.4 Economic Growth was considered the worst performing service category, followed by Policy and Planning Services.
- 19.3 **Investment:** Economic Growth and Infrastructure and Asset Management were seen as priorities for investment and Corporate Support Services was seen as a priority for reduced investment.
- 19.4 **Financial levers:** Investing in new revenue streams, using borrowings for major projects and new infrastructure (noting Council's policy position is to borrow to purchase income generating assets and invest in strategic capital projects) and unfreezing the rate in the dollar (residential and non-residential) were identified as the top three preferred options for Council to use to improve its financial position.
20. Public consultation included a virtual Public Meeting on the evening on Tuesday 21 July 2020 which provided an opportunity for members of the community to present their submissions to Council.

Further Financial Assistance for City businesses and residents

21. In July Council considered options to provide further financial assistance to businesses and residents financially impacted by COVID-19 restrictions. Options considered included:
- 21.1 An extension / variation of the existing City Support Package, offering small business lessees (SME's) in Council-owned buildings, Adelaide Central Market tenants and sporting and community lease / licence holders a 50% waiver or 50% deferral of lease and licence fees
- 21.2 An extension of the rates hardship assistance measures
- 21.3 A rate waiver for residential ratepayers (owner occupiers) unemployed through COVID-19
- 21.4 A 50% rates remission for sectors most impacted by COVID-19 restrictions
- 21.5 Options for a City wide rate waiver of 10%, 20% and 50% for one quarter
- 21.6 Options for a COVID-19 discretionary rate rebate and varying the existing special discretionary rate rebate that caps valuation increases to 10% in a given year
22. On 14 July Council resolved to:
- 22.1 Offer small business lessees (SME's) in Council-owned buildings, Adelaide Central Market tenants and sporting and community lease / licence holders a 50% deferral in rent and licence fees for the first quarter of 2020-21 (1 July 2020 to 30 September 2020).
- 22.2 Extend the existing hardship assistant measures as outlined below:
- 22.2.1 Postponement of payment for the 1st quarter rates (issued 19-21 August and due 30 September 2020) for three months until 31 December 2020

- 22.1.2 No fines or interest to be charged on any 1st quarter outstanding rates (due 30 September 2020) until 31 December 2020
 - 22.1.3 Fines and interest to be suspended on all historic rates outstanding until 31 December 2020
 - 22.1.4 Repayment arrangements (weekly, fortnightly or monthly), based on an agreed amount
 - 22.1.5 No new debt recovery action to be instigated for any business that enters into a financial arrangement with Council (including any pre-existing debt)
23. The cash flow implications of these measures have been incorporated in the final changes to the 2020-21 Budget.

Legislative Requirements

24. The draft 2020-21 Business Plan and Budget has been developed in accordance with section 123 of the Local Government Act 1999 (the Act), and sections 6 and 7 of the Local Government (Financial Management) Regulations 2011 including:
- 24.1 *Council must have, for each financial year:*
 - 24.1.1 *an annual business plan; and*
 - 24.1.2 *a budget.*
 - 24.2 *Council's annual business plan must:*
 - 24.2.1 *include a summary of Council's long-term objectives (as per the City of Adelaide 2016-20 Strategic Plan)*
 - 24.2.2 *include an outline of:*
 - 24.2.2.1 *Council's objectives for the financial year (i.e. key activities that are scheduled for delivery in year 4 of the 2016-20 Strategic Plan);*
 - 24.2.2.2 *the activities that Council intends to undertake to achieve those objectives (i.e. Council Services and Projects);*
 - 24.3 *set out a summary of Council's proposed operating expenditure, capital expenditure and source of revenue;*
 - 24.4 *set out the rates structure and policies for the financial year;*
 - 24.5 *assess the impact of the rates structure and policies on the community; and*
 - 24.6 *consider Council's long-term financial plan and the management and development of infrastructure and major assets.*

Next Steps

25. On 28 July 2020, at a Special Council Meeting, Council will consider feedback from public consultation and before a Special Meeting of The Committee will consider the final amendments to the draft 2020-21 Business Plan and Budget.
26. On 5 August 2020, at a Special Committee Meeting, Council will consider the:
- 26.1 2020-21 Business Plan and Budget
 - 26.2 Rundle Mall Management Authority 2020-21 Business Plan and Budget
 - 26.3 Adelaide Central Market Authority 2020-21 Business Plan and Budget
 - 26.4 Adoption of Valuations
 - 26.5 Declaration of Rates
 - 26.6 Declaration of Rundle Mall Special Rate
27. On 13 August 2020, Council will adopt the 2020-21 Business Plan and Budget and all other reports presented at the 5 August 2020 Special Committee Meeting.

ATTACHMENTS

Attachment A – Draft 2020-21 Annual Business Plan and Budget

Attachment B – Proposed amendment to the 2020-21 Business Plan and Budget

Attachment C – Recovery Principles

- END OF REPORT -



2020 – 2021
**Annual Business
Plan and Budget**
DRAFT FOR CONSULTATION

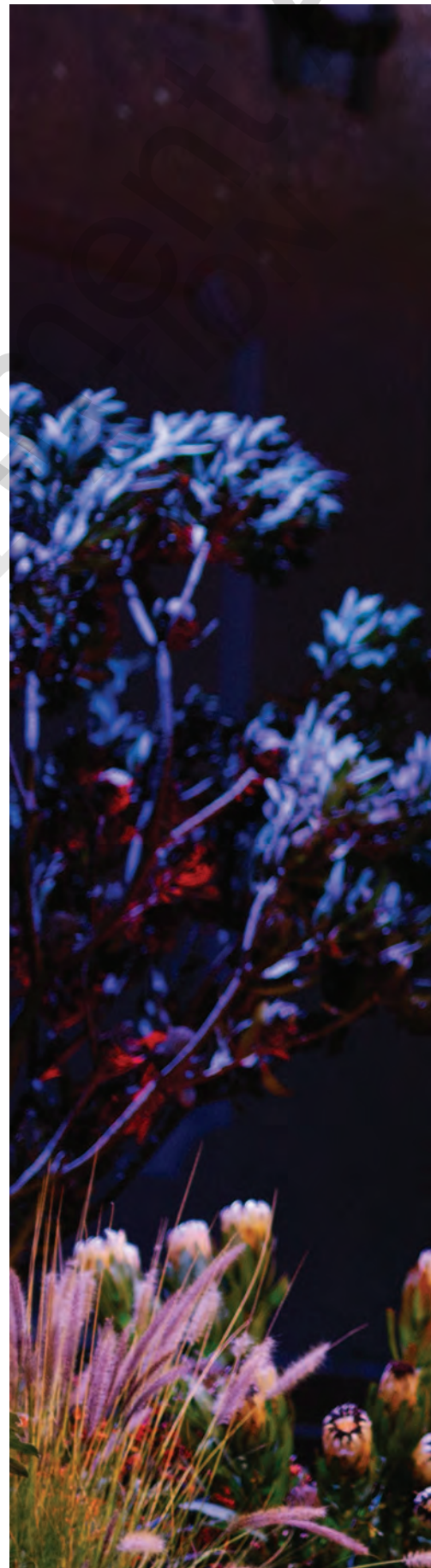


Kurna Acknowledgement

City of Adelaide acknowledges the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations.





Contents

About our Plan	5
About our City	6

OUR STRATEGY

2020-2024 Strategic Plan	9
Community Outcomes	10

OUR PLAN

Significant Influences and challenges	17
Opportunities and Key Activities	18
Services and Projects	24
Infrastructure and Capital Works	46

OUR BUDGET

Budget Overview	53
Funding framework	54
Borrowings	55
Implications for future years	55
Rates	56
Fees and Charges	59
External Funding	60
Long Term Financial Plan	62
Dashboard	64
Analysis	66
Reporting and Monitoring	68

APPENDICES

1. Long Term Financial Plan
2. Funding Position (Financial Statement)
3. Infrastructure and Capital Works list
4. Analysis of Capital Expenditure and Maintenance



About our plan

This Plan forms the delivery of the first year of the 2020 - 2024 Strategic Plan and is the key annual operational and financial planning document for the City of Adelaide. It describes our priorities, what services and projects we plan to deliver for the 2020 - 2021 financial year, our sources of revenue, and how we propose to allocate our budget.

Under the *Local Government Act 1999* Council must develop and adopt 'strategic management plans' which identify the Council's objectives, how a Council intends to achieve its objectives, how they fit with the objectives of other levels of government, performance measures and estimates of revenue and expense. Our Plan has also been prepared considering the challenges and opportunities arising from COVID-19.

The City of Adelaide is also guided by the following documents, which comprise our suite of 'strategic management plans':

- *Adelaide: The most liveable city in the world*, 2020 - 2024 Strategic Plan
- Long Term Financial Plan
- Infrastructure and Asset Management Plans.

Council's Strategic Framework



About our City

First shaped by the Kurna People of the Adelaide Plains, then by Colonel William Light, Adelaide is a dynamic, accessible and safe city, that offers an enviable quality of life.

We are an inclusive City that is strengthened and enriched by the diversity of its people. We put our people first, supporting healthy and resilient communities.

Adelaide is full of beautiful, surprising places and an abundance of natural open spaces, which promote wellbeing and reward curiosity.

The City of Adelaide aspires to be the most liveable city in the world. Adelaide. Designed for Life, our City brand, underpins and drives this vision of our 2020 - 2024 Strategic Plan, which gives us momentum for progress now and into the future.

Adelaide is the world's only City in a park, surrounded by nationally heritage listed Park Lands

We are a creative City of makers and innovators and celebrate our status as an UNESCO City of Music

Our Ten Gigabit Adelaide network empowers our businesses to realise their global potential

We are environmental leaders, powered by 100 per cent renewable energy, and committed to a carbon neutral future

City of Adelaide snapshot:

Estimated 2019 Residential Population **25,456**

Residents born overseas **44.2%**

Residents aged 18 - 34 years **51%**

Residents with a bachelor or higher degree **37%**

Population density (persons per hectare) **16.35**

Biggest industry sectors by total contribution to the City's economy:

Financial and insurance services

Public administration and safety

Professional, scientific and technical services

Health care and social assistance

Education and training

Source: Australian Bureau of Statistics; EconomyID; ProfileID



image: artwork Chris Oaten

Our Strategy

The 2020 – 2024 Strategic Plan was built with Council Members and the community over June 2019 to March 2020. Our consultation included over 3,000 interactions which generated hundreds of ideas and feedback from our community:

“a city where we have nature and natural systems woven into built infrastructure”

“Adelaide is already amongst top 10 cities to live in the world. If there can be more job opportunities, then it would be great”

“be at the forefront of change and action in Adelaide”

“I love the city and its heritage. The tangible benefits can be brought out and showcased to the world”

“there’s always room for improvement, but Council must remember that progress over perfection is the way to move”

“a city that supports its citizens to live happy and healthy lives - not just focused on economic success, but also physical, mental and social wellbeing”

“a city that not only welcomes, but invites the community into it”

Community Outcomes

The 2020 – 2024 Strategic Plan provides four community outcomes and enabling priorities that reflect how we will deliver on our vision.

Our community outcomes are:

- Thriving Communities
- Strong Economies
- Dynamic City Culture
- Environmental Leadership.

The Strategic Plan also articulates **Strategic Priorities** for the next four years and beyond:

- Ensure Adelaide is globally recognised as an affordable and innovative place to do business
- Support the wellbeing of our communities
- Celebrate our city's unique built, natural and cultural heritage
- Lead the way in climate action and manage water, waste, transport and greening in a sustainable way
- Transform the way people move around and connect with each other.





THRIVING COMMUNITIES

What we want to achieve:

- Healthy and resilient communities
- Safe and welcoming community spaces
- Well-planned and inclusive residential population growth
- Functional zero homelessness
- A safe, affordable, accessible, well-connected city for people of all ages and abilities, and all transport modes
- Increase community use of and access to the Adelaide Park Lands.

Operational Activities

\$'000s

Adelaide Leaders & Community led Neighbourhood Development

Deliver four Neighbourhood Development projects across the year that encourage active citizenship and participation in city life, enable community connection, promote understanding of diversity and celebrate local City life

\$40

Community Development Grants

Grants that enable the community and eligible service organisations to work together with the City of Adelaide in delivering community programs, activities and events

\$497

Free City Connector

Operations of the Free City Connector bus service that links the major tourist, retail, business, educational and residential precincts of the City and North Adelaide.

\$923

Homeless and Vulnerable People

Collaboration with city communities, community groups and homelessness service providers on strategies that address the needs of people experiencing homelessness and other vulnerable people. *Fully funded through grant funding

\$40*

Hutt St Activation - Cultural & Recreational Hub

Funding to activate two vacant properties within Hutt Street to create a cultural and recreational hub

\$210

Noise Management

Minimise noise conflict between residential and non-residential land users to ensure that the mixed-use vitality of the City and residential amenity are compatible

\$39

Online Advertising

On line advertising for reach and engagement across interstate and local websites and digital platforms

\$70

Recreation & Sports Grants

Grants that enable applicants to work in partnership with Council to deliver initiatives that support all people to be active with a particular focus on city residents and the inclusion of under represented population groups

\$182

Safer City Policy 2019-22

Funding to cover new actions identified as part of the Safer City Policy and Action Plan

\$65

Public Relations

Build awareness of City of Adelaide plans and strategies and consolidate relationship with residents, businesses and customers of the city

\$40

Web and Digital Development

Ongoing enhancement of the City of Adelaide website and digital platforms

\$120

TOTAL

\$2,186

STRONG ECONOMIES

What we want to achieve:

- The lowest-cost capital city with the least red tape
- Greater digital capabilities and connectivity through Ten Gigabit Adelaide, enhancing capacity for innovation
- Attraction and retention of a broad range of businesses and investment
- Be a test bed for innovation in diverse industries
- Main streets and laneways activated for economic growth.

Operational Activities

\$'000s

Adelaide Convention Bureau Funding

Funding contribution to support the Adelaide Convention Bureau to attract business conventions, exhibitions, incentives tourism and other events to Adelaide

382

Business Activation & Support

Encourage businesses to leverage from and participate in city events by offering incentive programs including dressing kits and promotional opportunities

151

City Activation

Provide a platform for City businesses and the community to trial and test initiatives aimed at increasing visitation and economic growth in the City

290

City and Corporation Brand

Promote Adelaide to local, national and international markets, increasing awareness and enhancing the reputation of the City to help deliver economic, sociocultural and environmentally sustainable outcomes for the City

50

City Growth

Contribute to city growth by attracting and retaining business investment and property development, building business growth and capability and supporting retail precincts. Researching the future of retail, business activations across our sponsored events, supporting the entrepreneurial sector, driving growth across city living and ensuring research and insights are available to inform future activity across all areas

869

Cultural Entrepreneurs Incubator Program

Lead, develop and deliver a unique 90-day program that is a business incubator for creative start-ups and practitioners, offering enterprise training and mentoring to aspiring entrepreneurs in the visual, performing arts and creative industries

50

Education Adelaide Funding

Funding contribution to support Study Adelaide to promote Adelaide as a destination for international students

274

International Relations (Sister Cities)

Promote cultural, economic and social connections between Adelaide and international communities through Sister Cities and other partnerships

100

Renew Adelaide Funding

Funding contribution to Renew Adelaide, an external not-for-profit urban renewal organisation that works to revitalise under-used and empty buildings and shopfronts with projects of economic benefit to the community

225

Visitor Growth

Funding to deliver initiatives that will contribute to visitor growth and the visitor experience in the City

217

TOTAL

\$2,608

DYNAMIC CITY CULTURE

What we want to achieve:

- Aboriginal and Torres Strait Islander peoples and cultures strongly represented in City life
- Beautiful, surprising places
- Global connections and collaborations
- Celebration of diverse community, culture and creativity
- New cultural and civic infrastructure
- Protection, preservation and promotion of our unique built, natural and cultural heritage.

Operational Activities	\$'000s
Adelaide New Year's Eve Produce and deliver a high quality and free community NYE celebration in the heart of the City	371
Adelaide Prize Awarded as part of the yearly Institute of Architects Awards for projects that deliver exceptional contribution to the City	30
Arts & Cultural Grants Grants that provide financial support to the community to deliver inspiring art, cultural and multicultural projects	257
Australia Day Sponsorship Support for the Australia Day in the City parade, concert and fireworks	179
ANZAC Day Support the delivery of a professional and memorable ANZAC Day event in the City	58
Built Heritage Management Grants Support owners in the conservation, upgrade and use of their heritage places through the Heritage Incentives Scheme	1101
Built Heritage Management Promotion Conservation of built heritage and historic character streetscapes through promotional and education activities	64
Christmas in the City Delivery of new decorations, lighting displays, events, retail activations and promotions, and provision of a grant to n Precinct Groups for Christmas activities and decorations	350
Content Production Provision of online content to promote Adelaide through video, Adelaide Living, photography and authored content	100
Festival & Event Sponsorship Financial support to the community to assist in the staging of a diverse range of events and activities within the City	1811
Festivals Adelaide Initiative A 3 year strategic partnership to support the growth of Adelaide's premier arts and cultural festivals and promote Adelaide as Australia's best festival city.	66
History Festival Major sponsorship/partnership of the only state-wide History Festival in Australia.	30
Live Music Strategic Partnership Final year of current three-year strategic partnership with Music SA to promote and strengthen the live music industry	10
NAIDOC Week Celebrations Demonstrate Council's commitment to reconciliation, celebrated with the flag raising ceremony, awards, live entertainment, civic event and celebrations in Rundle Mall.	50
Umbrella Winter Festival Partner with Music SA to deliver the Umbrella Winter City Sounds Festival in city venues, places and Park Lands.	40
TOTAL	\$4,517

ENVIRONMENTAL LEADERSHIP

What we want to achieve:

- One of the world's first carbon neutral cities by 2025, where sustainability is core
- A transition to low carbon and circular economies
- Enhanced greening and biodiversity
- A climate ready organisation and community
- Integrated and sustainable development.

Operational Activities

\$'000s

Climate Change Action Initiatives Fund

Deliver a range of projects, programs and incentives that underpin the achievement of Council's targets for carbon neutral operations, the City of Adelaide being a carbon neutral city, and build climate resilience in Council operations and the community.

1629

TOTAL

\$1,629

ENABLING PRIORITIES

What we want to achieve:

- Bold leadership and partnerships to meet challenges and take up new opportunities
- A cohesive and integrated set of strategies and plans to deliver community outcomes
- Transparent decision-making based on data and evidence
- Community consultation underpins everything we do
- Robust financial management
- New efficiencies and revenue streams
- Share and celebrate what we do.

Operational Activities

\$'000s

Business Systems Roadmap

Implementation of 2020/21 Information Management Roadmap

3000

Efficiency & Service Review

The Business Improvement function is responsible for the delivery of ongoing service and activity reviews

50

Employment & Activity Snapshot (Business Insights)

Survey of city businesses to determine main activities, number of employees, longevity, previous locations and online activity

120

Finance System Upgrade

To support financial sustainability through improvements to the finance systems

120

Household Insights Survey

Survey to support City of Adelaide business operations and improve our evidence base for decision-making advocacy

40

TOTAL

\$3,330



Our Plan

Significant influences and challenges

Our shared experience of COVID-19 has confirmed that Adelaide is one of the safest and most liveable cities in the world, demonstrating that we have a resilient community and all the qualities that make a liveable city. The City of Adelaide is ready to expand on these local strengths.

The COVID-19 pandemic has impacted City businesses, our residents and the wider community as well as Council's revenue base.

Many of the city's small businesses closed their doors during the period of shutdown and we know that some will not reopen. Others transitioned to new operating models. While it is a time of great stress for many business owners and their employees, for some it has also been a time of innovation.

The restrictions on social gatherings and the temporary closure of venues and cultural institutions, coupled with border closures and many businesses closing or supporting their people to work remotely, has changed the landscape of the city dramatically.

The absence of people in our City has directly affected Council's revenue from sources such as the Adelaide Town Hall, our UParks and on-street parking and expiations. The pressure on our revenue and cash-flow was immediate and the effect is anticipated to be long-term.

Council is putting measures in place to significantly reduce its operating expenditure. We know that in 2020 - 2021 we need to reduce our operating expenditure by \$20 million.

As people return to the City our focus in 2020 - 2021 is on implementing a range of actions to safely and sustainably steer the City through the COVID-19 pandemic and into recovery. We will do this by concentrating on the opportunity of change: to lead and to do things differently.

Some challenges facing the City of Adelaide were already present in our pre-COVID-19 world: climate change; homelessness; changing demographics; economic growth; waste management; heritage protection; and the downturn in the local economy.

Our 2020 - 2021 Business Plan and Budget is a clear statement of what the City of Adelaide will do to reimagine our business and our place in the State, the economy, and the lives of our communities over the next 12 months.

Opportunities and Key Activities

We are presented with the opportunity for the City of Adelaide to make the very best of our available resources, diversify our revenue streams, and to plan for the changing expectations of our communities in these challenging times.

We now have the opportunity to:

- **Support our residents'** wellbeing and connectivity to their local neighbourhoods to enable them to participate more fully in City life
- **Embrace Adelaide's** creative identity and further support the arts and cultural sector in actively growing the City's vibrancy and economy
- **Strengthen our businesses** and entrepreneurs to be innovative and to grow
- Rebuild the international education and tourism markets
- **Diversify our revenue streams**
- **Forge partnerships** to advance projects of mutual interest
- Attract and sustain investment in the **City's infrastructure**
- **Target our sponsorship and grant funding** to best support art, cultural, community organisations and sports and recreation groups, and
- Reshape the business of the City of Adelaide to **operate more efficiently.**

Council has prioritised a range of activities, projects and infrastructure to be delivered in 2020 – 2021, leveraging these opportunities to deliver on our Strategic Plan.



KEY ACTIVITIES FOR 2020 - 2021 FOR THRIVING COMMUNITIES

We will work with key partners to reduce homelessness in the City.

Delivered by: June 2021

Strategic Plan Key Action:

1.03 Continue support for the Adelaide Zero Project and other initiatives to achieve functional zero homelessness

Strategic Project (s):

Don Dunstan Foundation Strategic Partnership (\$0.1m)

Implementation of East-West and North-South bikeways, providing safe access for people riding bikes in the city.

Delivered by: June 2021

Strategic Plan Key Action:

1.08 Implement City Access projects (walking, cycling and public transport) in partnership with the State Government, including the North-South and East-West city bikeways

Strategic Project (s):

City of Adelaide Bikeways – East West (\$5.6m)
City of Adelaide Bikeways – North South (\$2.2m)



KEY ACTIVITIES FOR 2020 - 2021 FOR STRONG ECONOMIES

Secure the preferred proponent and obtain project development approvals.

Delivered by: June 2021

Strategic Plan Key Action:

2.01 Develop 88 O'Connell Street

Strategic Project (s):

Eighty Eight O'Connell (\$0.15m)

Progress design development to secure project development approval and commence early site works.

Delivered by: June 2021

Strategic Plan Key Action:

2.02 Redevelop Adelaide Central Market Arcade and Market District

Strategic Project (s):

Central Market Arcade Redevelopment (\$0.5m)

Develop a program to create a range of experiences and opportunities to support local businesses and the community.

Delivered by: June 2021

Strategic Plan Key Action:

2.09 Activate main streets and develop unique precincts to support a diverse range of businesses and communities

Strategic Project (s):

Hutt Street Project (\$.3m)
Market to Riverbank (\$6.3m)
Moonta Street (\$2.2m)

Establish a new subsidiary of Council under Section 42 of the Local Government Act 1999 to accelerate economic growth through attracting investment and supporting the growth of business, residents, visitor, events, festivals and students.

Delivered by: June 2021

Strategic Plan Key Action:

2.10 Implement a City Wide Business Model

Strategic Project (s):

-



KEY ACTIVITIES FOR 2020 - 2021 FOR DYNAMIC CITY CULTURE

Work in partnership with the Kaurna community to deliver Reconciliation projects and to ensure Kaurna Culture is both recognised and supported through integration into Council strategies, project planning and other initiatives.

Delivered by: June 2021

Strategic Plan Key Action:

3.01 Support, promote and share Aboriginal and Torres Strait Islander cultures and pay homage to the Kaurna people as traditional owners

Strategic Project (s):

Kaurna-led Stretch Reconciliation Action Plan initiatives (\$0.1m)
Kids on Country (\$0.04m)
Reconciliation Action Plan 2021-24 Build (\$0.01m)

Deliver new and diverse play spaces, undertake further planning to guide future works and complete improvements to existing activity spaces.

Delivered by: June 2021

Strategic Plan Key Action:

3.07 Deliver diverse parks and playspaces

Strategic Project (s):

City Dirt Masterplan (\$0.04m)
City Skate Park (\$2.8m)
Josie Agius Park/Wikaparntu Wirra (Park22) (\$0.02m)
Pelzer Park / Pityarilla (Park 19) (\$0.1m)
Quentin Kenihan Inclusive Playspace (\$0.8m)

Work with our partners to deliver musical laneways and support, events and activations to celebrate Adelaide's culture of live music and performance.

Delivered by: June 2021

Strategic Plan Key Action:

3.11 Expand Adelaide's global reputation as a 'magnet city' and UNESCO City of Music, through world class events, live music, festivals and activation

Strategic Project (s):

Umbrella Winter Festival (\$0.04m)
Splash incorporating winter lights (\$0.8m)



KEY ACTIVITIES FOR 2020 - 2021 FOR ENVIRONMENTAL LEADERSHIP

Increase tree plantings, greening of streets and garden beds in identified parts of the City and design and construct greening and paths around Whitmore Square.

Delivered by: June 2021

Strategic Plan Key Action:

4.01 Increase street tree canopies and green infrastructure in city hot spots and public spaces

Strategic Project (s):

Whitmore Square Greening (\$0.9m)
Greening in the City's North West and South West (\$0.2m)

Delivery of a new Waste and Recycling Strategy and Programs to support our residents, businesses and community to reduce waste and improve recycling and organics outcomes.

Delivered by: June 2021

Strategic Plan Key Action:

4.02 Implement improvements to city-wide waste and recycling services to support transition to the circular economy

Strategic Project (s):

City Wide Waste and Recycling Program (\$1.0m)

Delivery of feasibility assessments and design work for a River Torrens Wetlands and Urban Nature Space.

Delivered by: June 2021

Strategic Plan Key Action:

4.05 Enhance biodiversity in the Park Lands and connect our community to nature

Strategic Project (s):

Kirrawirra Park / River Torrens Wetlands and Urban Nature Space (\$0.3m)



KEY ACTIVITIES FOR 2020 - 2021 FOR ENABLING PRIORITIES

Expand access to and availability of data and insights through online tools and integrated Council reporting and workshops

Delivered by: June 2021

Strategic Plan Key Action:

Strategic Project (s):

5.01 Review and improve the way we collect and present data to share insights with the community

-

Understand the value and importance of services to deliver efficient outcomes to our community and review corporate services to deliver efficient internal support.

Delivered by: March 2021

Strategic Plan Key Action:

Strategic Project (s):

5.06 Review Council services to balance efficiencies with meeting community expectations

-

Develop a new policy covering the way council buys goods and services, with a focus on best value for money and improving social, environmental, cultural and local business outcomes.

Delivered by: December 2020

Strategic Plan Key Action:

Strategic Project (s):

5.07 Implement Sustainable (financial, environmental, social, cultural) Procurement Policy

-

Services and Projects

The City of Adelaide delivers a broad range of services to our community. These services bring our Strategic Plan to life, ensure we deliver on essential community needs, fulfil our duties as a Capital City Council and enable our organisation to thrive.

In 2020 - 2021 the City of Adelaide will continue to review its services, including how we best partner with key stakeholders, how the community values and prioritises services and how the organisation is best placed to deliver on these.

The following pages present the ten service categories that encompass over 90 services. Each service category defines the value we provide to the community and strategic plan alignment. The addition of the service budgets provides a level of transparency and clearly articulates what services are delivered to our community.



The below table shows each service category and the percentage share of that category of the total amount of FTEs, income and expenditure across all ten categories.

Service categories	FTE	Income	Expenditure
Arts, Community Development & Civic Services	14.02%	0.89%	11.72%
Asset Maintenance	28.16%	0.68%	18.91%
Commercial Operations	8.03%	13.85%	11.36%
Corporate Support Services	9.48%	0.06%	12.74%
Economic Growth	8.02%	7.12%	15.18%
Infrastructure and Asset Management	9.23%	0.00%	10.96%
Policy and Planning Services	3.71%	0.02%	3.40%
Property Management	1.61%	4.64%	0.66%
Regulatory and Statutory Services	15.66%	72.71%	11.46%
Waste, Natural Resources and Environmental Services	2.08%	0.03%	3.61%
TOTAL	100%	100%	100%

Glossary:

Definition:	How Council defines the service category, including the services contained within
Community Value:	The value that the community should expect from the services within the category
FTE:	The Full Time Equivelant staff that deliver a service
Income:	Funds that a service receives (through fees and charges, grants etc)
Expenditure:	The total amount of operational funds to be spent in the delivery of each service (not including capital, infrastructure, plant, fleet and equipment)
Net:	Total budget based on income less expenditure

Arts, Community Development and Civic Services

We have a community that feels connected, accessible, vibrant, safe and resilient, and celebrates cultural diversity.

Celebrate Adelaide's unique arts and culture through our many events and festivals

Experience and explore Adelaide's iconic Town Hall

Access life long learning and library services online or in person

Visit our Community Centres and access community programs

Access information and items that share Adelaide's history

Enjoy community sporting and recreational facilities throughout our Park Lands

Experience brilliant customer service from a Council who works with our partners to achieve great outcomes for our City

Services provided for community benefit, to respond to community needs and provide programs that deliver community experiences as well as meet civic responsibilities in representing the interests of the city.

What our services deliver:

- Preserve, display and provide access to Adelaide's unique historic items
- Develop strong, inclusive, united and resilient city communities
- Support vulnerable people to reduce social isolation
- Enhance recreation and sport facilities to support active lifestyles
- Deliver creative and cultural experiences through events, activations, library services, community centres and lifelong learning activities
- Develop partnerships with arts and culture and creative industries to drive cultural vitality
- Provide support and advice to Lord Mayor and Council Members
- Develop intergovernmental and strategic partnerships to improve community outcomes.

Linked Strategic Plan Key Actions:

Thriving Communities	1.01	Leverage the Adelaide Park Lands to promote health, wellbeing and lifestyle experiences
	1.02	Build and be guided by the Wellbeing Dashboard
	1.04	Develop diverse places, and facilities with and for young people
	1.06	Support volunteerism to build community capacity and connectedness
Strong Economies	1.09	Pursue affordable, reliable links to airports, regions and suburbs
	2.06	Support and develop diverse creative and social industry sectors
	2.08	Facilitate creative uses of the public realm and underutilised city buildings
	2.09	Activate main streets and develop unique precincts to support a diverse range of businesses and communities
Dynamic City Culture	3.04	Support development of new cultural and civic infrastructure for the city
	3.07	Deliver diverse parks and playspaces
	3.08	Expand public art throughout the city in collaboration with the private sector
	3.09	Connect City users to place through curated city experiences
	3.10	Support community diversity, cultural expression, experiences and participation
	3.11	Expand Adelaide's global reputation as a 'magnet city' and UNESCO City of Music, through world class events, live music, festivals and activation
	5.02	Demonstrate bold governance leadership in the Local Government Sector
Enabling Priorities	5.03	Build on effective advocacy and partnerships, locally, globally and nationally
	5.09	Encourage and support new ideas and concepts

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (net)
Civic Collection Management	3.3	\$6	-\$401	-\$394
Community Capacity Building (community centres, sport and recreation, community wellbeing and resilience)	15.8	\$356	-\$3,375	-\$3,020
Creative and Cultural Experiences (libraries, Town Hall, events)	44.6	\$1,275	-\$8,559	-\$7,285
Creative and Cultural Planning and Partnerships (cultural strategy, creative enterprises and social industries)	10.1	-	-\$2,060	-\$2,060
Customer Experience	32.1	\$1	-\$3,688	-\$3,687
Lord Mayor and Council Members Administration	7.4	-	-\$1,974	-\$1,974
Partnerships and Intergovernmental Relations	1.1	-	-\$254	-\$254
TOTAL Service Category	114.4	\$1,637	-\$20,311	-\$18,674

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Christmas in the City Deliver and install Christmas decorations in the City including banners, lighting, decorations and the Christmas tree. Preparation of a new 5 year Christmas in the City Action Plan.	-\$100	-\$200 -\$200*
New Winter Event Funding to secure confidential Public Art outcome	-\$300	-
Public Art Deliver a range of public art capital projects that will surprise, delight and attract people and contribute to the development of Adelaide as the premier international arts market.	-	-\$216 -\$36*
Shared Arts and Cultural Grants (subject to SA Govt matched funding) Establish a new Arts and Cultural Grants category in partnership with the State Government to meet an identified need for the funding for the development, delivery and celebration of Aboriginal and Torres Strait Islander creative cultural practices in the City.	-\$50	-
Splash incorporating Winter Lights Champion creative responses to the challenges of our city through a series of innovative partnerships, precinct based activations, community led ideas, projects and experiments.	-\$710 -\$100*	-
Terrence Plowright Sculpture Installation Philanthropist Basil Sellers has gifted to the Art Gallery of South Australia (AGSA) a substantial sculpture by renowned artist Terrance Plowright, which AGSA have offered on loan to the City of Adelaide to install in a prominent Park Land setting		-\$178*
Umbrella Winter Festival Funding for 2020 - 2021 delivery of the 2019 - 2020 Umbrella Festival, postponed due to COVID-19.	-\$40	-
Welcoming City Places and Spaces For community engagement to understand the needs and wants of our city of multicultural communities.	-\$25*	-
TOTAL Projects	-\$1,325	-\$830

Asset Maintenance

We provide safe, clean and well maintained public spaces for City users.

Clean and accessible city spaces through our well maintained roads, paths, laneways and Park Lands

Walk or ride safely surrounded by shaded, green and attractive spaces

Explore unique and natural places and enjoy our vibrant culture and ecologically biodiverse Park Lands and watercourses

Maintenance of the city's public infrastructure assets

What our services deliver:

- Construct, maintain, clean and ensure safe streets, bikeways, footpaths, Park Lands, playspaces and street furniture
- Establish and maintain beautiful natural areas within an urban environment
- Improve and maintain ecological value of watercourses and biodiversity in Park Lands
- Maintain and create signage for streets and parking
- Develop and implement sustainable green waste solutions to reduce our carbon footprint
- Procure, manage, maintain plant and fleet management.

Linked Strategic Plan Key Actions:

- | | |
|--------------------------|---|
| Environmental Leadership | 4.01 Increase street tree canopies and green infrastructure in city hot spots and public spaces |
| | 4.05 Enhance biodiversity in the Park Lands and connect our community to nature |
| | 4.08 Protect and conserve the heritage listed Adelaide Park Lands |

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (net)
Arboriculture	14.6	-	-\$2,267	-\$2,267
Biodiversity	5.3	-	-\$592	-\$592
Capital Works	0.0	-	\$0	\$0
Cleansing	53.4	\$33	-\$7,410	-\$7,377
Facilities Management	5.4	-	-\$583	-\$583
Irrigation	4.7	\$5	-\$889	-\$884
Lines and Signs	14.4	\$450	-\$2,417	-\$1,967
Mowing	18.1	-	-\$2,503	-\$2,503
Nursery	6.0	\$625	-\$1,137	-\$512
Park Lands Maintenance	25.3	\$3	-\$2,993	-\$2,990
Plant and Fleet Management	16.7	\$10	\$917	\$927
Playground Maintenance	2.8	-	-\$345	-\$345
Road and Footpath Maintenance	26.7	-	-\$4,233	-\$4,233
Streetscape Maintenance	9.3	-	-\$2,708	-\$2,708
Trade Services	11.9	\$102	-\$3,504	-\$3,402
Urban Elements Maintenance	15.0	-	-\$2,029	-\$2,029
TOTAL Service Category	229.7	\$1,229	-\$32,690	-\$31,462

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Not Applicable	-	-

Plant, fleet and equipment \$'000s	Trade in Value	Replacement Value	Total (net value)
Excavator	\$5	-\$50	-\$45
Mower	\$23	-\$210	-\$187
Roller	\$5	-\$50	-\$45
Sweeper	\$62	-\$330	-\$268
Fleet	\$656	-\$1,841	-\$1,185
TOTAL Plant, fleet and equipment	\$751	-\$2,481	-\$1,730

Commerical Operations

We sustainably and financially operate Council businesses to meet Council and community needs and to drive increased visitation, participation and physical activity.

Experience year round sport and recreation facilities that offer swimming pools, sauna, steam rooms, health club and creche

Play a round of Golf at a premium 18 hole Golf Course along the river bank all complete with function spaces surrounded by a picturesque backdrop

Visit the city and have access to safe, accessible and competitively priced off-street undercover car parking at multiple locations

Council operated and maintained business operations.

What our services deliver:

- Support physical activity, healthy lifestyles and wellbeing by providing access to the Adelaide Aquatic Centre through a variety of services and activities (eg. Recreational and Lap swimming, Swimming Lessons, Gymnasium Activities, Sporting and Educational water activities and Allied Services)
- Maintain and operate the North Adelaide Golf Course (2 x 18 Hole courses - North & South) 1 x 18 Hole Par 3 Course & Kiosk, Club House and Ancillary Activities)
- Operate and provide off-street parking in nine UPark locations (Casual, Early Bird, Unreserved / Reserved and UPark Plus parking) and Temporary Event Parking Provision.

Linked Strategic Plan Key Actions:

Strong Economies 2.05 Reduce and streamline Council policies, permits and fees to reduce the cost base of doing business in the City

Dynamic City Culture 3.05 Upgrade major recreational facilities

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (net)
Aquatic Centre	32.4			
Commercial Business Marketing and Communications	2.2			
Golf Links	11.8			
Off Street Parking	19.1			
Off Street Parking - Park Lands	0.0			
TOTAL Service Category	65.5	\$25,398	-\$19,661	\$5,738

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Not Applicable	-	-

Plant, fleet and equipment \$'000s	Total
UPark	
Golf Course	
Aquatic Centre	
TOTAL Plant, fleet and equipment	-\$841

Corporate Support Services

We have effective governance and sustainably use our resources so that the community trusts Council's decision making.

Engage with a committed and customer centric workforce

Be assured your capital city is ready and prepared to respond to disasters and emergencies

Be provided a fair and equitable approach to how Council procures products or services

Easy to find online services and information that are digitally secure

Internal enabling and supporting services for the organisation.

What our services deliver:

- Deliver services in an efficient and effective manner
- Provide procedural and technical advice to support decision making and ensure legislative compliance
- Provide cost effective and confidential print services through an internal print room
- Ensure compliance and preparedness to Emergency and Disaster Management Plans
- Collect and facilitate payments and grants to customers, businesses and employees
- Support corporate systems and technologies to deliver services in line with Council objectives
- Deliver in house legal advice and coordinate external legal services
- Provide specialist support and advice for network and communications, server and cloud environments and deliver a high level of cybersecurity resilience.
- Deliver internal communications, learning and development, recruitment and talent acquisition, human resource support and reward and recognition services to improve employee experiences
- Procure goods and services sustainably with a financial, environmental, social and cultural focus
- Ensuresafe ways of working in line with Work Health and Safety requirements and PSSI compliance.

Linked Strategic Plan Key Actions:

Enabling Priorities	5.01 Review and improve the way we collect and present data to share insights with the community
	5.05 Develop new revenue opportunities for Council operations
	5.06 Review Council services to balance efficiencies with meeting community expectations
	5.07 Implement Sustainable (financial, environmental, social, cultural) Procurement Policy
	5.09 Encourage and support new ideas and concepts

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (net)
Business Improvement	2.8	-	-\$431	-\$431
Council Governance	3.8	-	-\$532	-\$532
Council Print Services	1.0	-	-\$116	-\$116
Emergency Management	1.1	-	-\$143	-\$143
Financial Services	10.9	\$25	-\$3,024	-\$2,999
Helpdesk & Application Support Services	9.1	\$40	-\$4,620	-\$4,580
IT Business Engagement	10.8	-	-\$4,449	-\$4,449
Legal	1.1	-	-\$1,058	-\$1,058
Network & Telecommunications Services	2.1	-	-\$1,017	-\$1,017
People Experience	15.5	-	-\$2,972	-\$2,972
Procurement and Contract Management	12.1	-	-\$1,526	-\$1,526
Safety and Wellbeing	4.0	\$25	-\$883	-\$858
Server and Cloud Administration	3.1	\$23	-\$1,254	-\$1,232
TOTAL Service Category	77.3	\$113	-\$22,025	-\$21,912

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Representation Review A comprehensive review of Council's representation structure for the purpose of determining whether our community would benefit from an alteration to its composition or ward structure (as guided by legislation)	-\$50	-
TOTAL Projects	-\$50	-

Plant, fleet and equipment \$'000s	Total
Server replacement	-\$175
Network connectivity and security	-\$536
Telecommunications	-\$144
PC replacement	-\$348
Printer / MFD replacement	-\$62
Corporate applications	-\$15
Handheld equipment	-\$140
TOTAL Plant, fleet and equipment	-\$1,420

Economic Growth

We have increased visitors, residents, productivity, expenditure and investment within the city.

Visit the Adelaide Central Markets, providing a diverse range of food and beverage traders, offering sustainable, new and locally sourced products and produce

Enjoy a unique shopping experience in Rundle Mall with events and attractions happening year round

Explore a vibrant city, with an international profile that attracts visitors and residents through our unique city offerings

Be a part of a growing city known for smart city initiatives, big data, hyper-connectivity and entrepreneurship where we support business owners to grow and develop their capability

Provision of services that aim to increase visitor and resident growth and provide economic benefit to the city.

What our services deliver:

- Promote and manage Rundle Mall, the premier retail destination in South Australia
- Promote and manage operations and leasing for the iconic Adelaide Central Market
- Deliver capability building programs and investment attraction services
- Support main streets and precincts to drive business growth
- Analyse and market the city as a great place to live, through property owners, agents and developers
- Develop relationships with State Government to increase investment and attraction
- Deliver a suite of innovative content, design and marketing services to achieve a consistent brand
- Collaborate across the organisation to create and accelerate innovation and leverage emerging opportunities
- Deliver proactive media relations to enhance ratepayer and community awareness of our role, services and priorities
- Support growth in visitor numbers and increased spending by raising Adelaide's international profile.

Linked Strategic Plan Key Actions:

Thriving Communities	1.06 Support volunteerism to build community capacity and connectedness
Strong Economies	2.03 Establish a Smart Visitor Experience Centre
	2.04 Provide connections, opportunities and a supportive environment for start-ups to test, trial and innovate
	2.06 Support and develop diverse, creative and social industry sectors
	2.09 Activate main streets and develop unique precincts to support a diverse range of businesses and communities
	2.10 Implement a City Wide Business Model
Dynamic City Culture	3.09 Connect City users to place through curated city experiences
	3.11 Expand Adelaide's global reputation as a 'magnet city' and UNESCO City of Music, through world class events, live music, festivals and activation
Enabling Priorities	5.01 Review and improve the way we collect and present data to share insights with the community

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (net)
ACMA Marketing & Events	2.7	\$14	-\$587	-\$573
ACMA Operations & Leasing	3.0	\$8,736	-\$8,347	\$389
ACMA Strategic Mgmt, Governance, Finance & Admin	2.1	\$49	-\$788	-\$738
City Growth	6.3	\$2	-\$2,156	-\$2,154
Content and Social Media	3.2	-	-\$474	-\$474
Graphic Design	3.2	-	-\$336	-\$336
Innovation	6.7	\$170	-\$1,622	-\$1,452
Marketing Strategy, Brand and Consumer Insights	3.8	-	-\$676	-\$676
Media Relations	3.8	-	-\$687	-\$687
Programme Marketing and Communications	8.2	-	-\$1,410	-\$1,410
(RMMA) Marketing Events and Activation	6.0	\$2,102	-\$2,615	-\$513
(RMMA) Retail and General Operations	1.8	\$1,036	-\$998	\$38
(RMMA) Strategic Management and Governance	1.8	\$947	-\$472	\$475
Small Business Advice and Support	0.0	-	-	-
Visitor Growth	9.2	-	-\$4,391	-\$4,391
Web, digital and visual content	3.8	-	-\$851	-\$851
TOTAL Service Category	65.4	\$13,055	-\$26,410	-\$13,355

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Adelaide Free Wi-Fi To provide a high-performing and ubiquitous wireless broadband network throughout the City of Adelaide, providing critical digital infrastructure for connecting communities, citizens and businesses, enabling an enhanced digital experience throughout the city.	-\$900	-
Shop Front Improvements To provide city businesses with financial incentives to make physical enhancements to their building frontage.	-\$50*	-
Ten Gigabit Adelaide Milestone Infrastructure To provide contributions towards the Infrastructure of the Ten gigabit network	-\$2,000*	-
TOTAL Projects	-\$2,950	-

Infrastructure and Asset Management

We design, plan, deliver and operate community assets in a safe and financially sustainable manner.

Explore world class infrastructure and design through many beautiful places that attract visitors, residents and businesses to our city

See our city's character come to life through the curation of sustainable and inclusive public spaces

Explore the City centre and beyond on an accessible and interconnecting transport network

Development and management of the city's public infrastructure assets and delivery of the Council's Capital Projects.

What our services deliver:

- Create sustainable and inclusive public spaces that enhance the city's character, culture and connection
- Monitor, manage and report on city infrastructure project planning and delivery to ensure projects are on time, within set financial budgets creating quality outcomes for the community
- Manage strategic infrastructure investments to align CoA strategic management plans with long term financial sustainability
- Manage infrastructure assets to ensure they perform as expected for the community and maximise infrastructure lifecycle
- Deliver beautiful places and spaces through city infrastructure projects to increase city activation and visitation
- Manage the road network to deliver an accessible, interconnecting and efficient transport network across the city and North Adelaide.

Linked Strategic Plan Key Actions:

Thriving Communities	1.01	Leverage the Adelaide Park Lands to promote health, wellbeing and lifestyle experiences
	1.10	Support delivery of welcoming civic infrastructure / third spaces to foster community connections through the adoption of universal and sustainable design principles
	1.11	Work with the State and Federal Government to future proof infrastructure for emerging modes of transport, and trial smart, sustainable forms of public transport
Strong Economies	2.08	Facilitate creative uses of the public realm and underutilised city buildings
Dynamic City Culture	3.04	Support development of new cultural and civic infrastructure for the city
	3.05	Upgrade major recreational facilities
	3.06	Develop asset management plans to provide for future generations
	3.07	Deliver diverse parks and playspaces
	3.08	Expand public art throughout the city in collaboration with the private sector

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (net)
Asset Information Services	7.0	-	-\$914	-\$914
Design Management	19.4	-	-\$2,514	-\$2,514
Design Strategy	1.4	-	-\$254	-\$254
Governance and Performance Office	7.7	-	-\$1,031	-\$1,031
Infrastructure and Asset Planning	3.7	-	-\$643	-\$643
Infrastructure and Asset Solutions	12.4	-	-\$8,858	-\$8,858
Project Management	16.5	-	-\$2,339	-\$2,339
Transport Operations	7.3	-	-\$2,389	-\$2,389
TOTAL Service Category	75.3	\$0	-\$18,940	-\$18,940

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Asset Management Transformation Program Implementation of a new Asset Management Information System to support the renewal and maintenance of the City's infrastructure	-\$442*	-
Gawler UPark Facade Structural Works to Gawler UPark facade and building	-\$1,971*	-
Melbourne, O'Connell & Hutt Streets Masterplan Preparation of Master Plans for Melbourne Street, O'Connell Street and Hutt Street. The plans will identify short, medium and long term actions to guide future investment in these streets, and include engagement with businesses and the local community	-\$232	-
Rundle Mall Wayfinding Provision of wayfinding technology for the Rundle Mall precinct	-\$50*	-
Torrens Lake Weir Designs Design works to improve cyclist safety on rails for weir 2 and 3	-\$16	-
TOTAL Projects	-\$2,711	-

Policy and Planning Services

We have a city that is beautiful, inspiring, safe, sustainable and values its heritage.

Play a part in our future and have your say about what's important to you through our community engagement activities

Participate in community programs that help build strong and resilient communities and support those who are most vulnerable in our community

Explore the unique heritage found throughout the City, including our National Heritage listed parklands

Celebrate Kurna culture and discover the history of our Aboriginal and Torres Strait Islander peoples

Services that provide insights into city planning, information and advice enabling Council to effectively set and implement policy and deliver strategic programs and projects.

What our services deliver:

- Deliver a research service to support decision making, service provision and reporting on Strategic Plan progress
- Provide training and support for best practice approaches to and delivery of engagement with community and key stakeholders
- Work with community groups to establish strong and resilient communities who welcome and engage people of all ages and backgrounds to participate in City life
- Preserve, promote and protect the city's unique heritage
- Protect, conserve and manage parks, squares and gardens
- Support planning policy and reform to shape a city that is beautiful, inspiring, safe and sustainable
- Provide delivery planning, corporate performance monitoring and reporting, strategy development and policy advice to achieve the delivery of the four-year Strategic Plan
- Develop transport strategies and programs to support the economic, environmental and social needs and aspirations of the city and its users now and into the future.

Linked Strategic Plan Key Actions:

Thriving Communities	1.01	Leverage the Adelaide Park Lands to promote health, wellbeing and lifestyle experiences
	1.02	Build and be guided by the Wellbeing Dashboard
	1.03	Continue support for the Adelaide Zero Project and other initiatives to achieve functional zero homelessness
	1.05	Support health and housing for vulnerable people and young people
	1.07	Develop plans to improve mobility and physical and digital access and connectedness
Strong Economies	1.08	Implement City Access projects (walking, cycling and public transport) in partnership with the State Government, including the North-South and East-West city bikeways
	1.09	Pursue affordable, reliable links to airports, regions and suburbs
	2.07	Develop spatial plans to support the growth in the city
Dynamic City Culture	2.08	Facilitate creative uses of the public realm and underutilised city buildings
	3.01	Support, promote and share Aboriginal and Torres Strait Islander cultures and pay homage to the Kurna people as traditional owners
	3.02	Pursue world and State heritage listing for the Adelaide Park Lands and city layout
	3.03	Encourage smart, creative, adaptive reuse of heritage assets, including through incentives and promotion
Environmental Leadership	4.08	Protect and conserve the heritage listed Adelaide Park Lands
	Enabling Priorities	5.01
5.08		Implement new approaches to engaging the community in Council decision-making

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (net)
City Insights and Evidence	2.4	-	-\$587	-\$587
Community Engagement	3.8	-	-\$512	-\$512
Community Planning and Strategy (social inclusion, reconciliation)	5.7	\$45	-\$830	-\$785
Heritage Management	5.6	-	-\$1,911	-\$1,911
Park Lands Management	3.0	-	-\$726	-\$726
Spatial Planning	6.5	-	-\$861	-\$861
Strategy and Planning	3.4	-	-\$488	-\$488
Transport Planning	0.0	-	-	-
TOTAL Service Category	30.4	\$45	-\$5,916	-\$5,871

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Chinatown and Market District Safety To fund the implementation of a Local Trader CCTV Rebate Scheme	-\$50*	-
City Plan A 10+ year Council plan to inform, prioritise and coordinate the City of Adelaide's asset and long term financial planning, and planning system activities	-\$200	-
CoA Reconciliation Action Plan (RAP) 2021 - 2024 Build Support the resourcing of the community engagement phase from which a draft Stretch Reconciliation Action Plan 2021 – 2024 will be created	-\$15	-
Don Dunstan Foundation Strategic Partnership Partnership with Don Dunstan Foundation to deliver the Adelaide Zero Project and Social Capital Residencies	-\$115	-
Kaurna-led Stretch Reconciliation Plan 2018-21 Initiatives To cohesively work in collaboration with and support the Kaurna community to meet common objectives of cultural respect and cultural responsibilities	-\$100	-
Kids on Country Deliver the Kids on Country event, an annual Kaurna Cultural event providing a unique and strongly supported opportunity for primary school students from a wide variety of regions	-\$40	-
Men's Shed Development of an Adelaide Men's Shed to enhance wellbeing and community resilience by providing opportunities for men to gather informally in the City	-\$30	-
Park Lands Services Funding to deliver strategic projects in the Adelaide Park Lands and commence a review of Adelaide Park Lands Management Strategy	-\$100	-
World Heritage Listing Explore the options and viability of a World Heritage Listing bid for the Adelaide Park Lands and city layout	-\$50	-
Vietnamese Boat People Memorial A value add contribution towards the Vietnamese Boat People Memorial installation for seating, interpretative signage and landscaping	-	-\$20*
TOTAL Projects	-\$1700	-\$20

Property Management

We have access to beautiful and surprising places through the promotion, management and development of council owned property.

Opportunities for sporting clubs, businesses and individuals to lease Council facilities in great locations

Be part of City shaping projects that help grow our economy and support new communities to thrive

Access to information and the ability to influence proposed changes about the city's public road network

Services that manage a diverse portfolio of properties and provide an important source of funding in addition to rates revenue.

What our services deliver:

- Manage the city's public road network and Council owned land
- Provide property management and leasing of Council owned buildings to ensure maximum occupancy and return on investment
- Manage the acquisition, disposal and redevelopment of Council's property portfolio to deliver strategic, community and commercial outcomes.

Linked Strategic Plan Key Actions:

Strong Economies	2.01	Develop 88 O'Connell Street
	2.02	Redevelop Adelaide Central Market Arcade and Market District
	2.08	Facilitate creative uses of the public realm and underutilised city buildings
Enabling Priorities	5.04	Implement Strategic Property Review

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (net)
Land Tenure Services	1.2	-	-\$207	-\$207
Property Management	6.9	\$8,508	\$70	\$8,577
Property Strategy	5.0	-	-\$1,000	-\$1,000
TOTAL Service Category	13.1	\$8,508	-\$1,137	\$7,370

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Central Market Arcade Redevelopment Progress the Central Market Arcade Redevelopment with project development partner, ICD Property	-\$500	-
88 O'Connell Progress with the selected developer the development of the 88 O'Connell site	-\$150	-
Strategic Property Investigations Progress the implementation of the Strategic Property Review including detailed investigations / business case development, associated with site disposal, re-purposing and redevelopment of assets	-\$100	-
TOTAL Projects	-\$750	-

Regulatory and Statutory Services

We have a safe, accessible and well planned city.

Visit restaurants, bars, cafes, pools and tattoo parlours with confidence knowing we work with them to meet hygiene and safety standards

Park in the City safely and with ease

Submit your development application with ease and get access to planning advice and support

Have your building assessed by our trained building assessment and compliance team to ensure that buildings and tenancies are safe to occupy

Register your dog or cat

Access your right to Freedom of Information

Celebrate your wedding or host an event in the Park Lands

Regulatory and statutory functions prescribed by legislation for planning, access, amenity, and public health and safety.

What our services deliver:

- Provide assessment for building rules consent to ensure all buildings are appropriate and safe to occupy
- Assess and issue permits for customers to activate and access the public realm
- Review and monitor compliance within the public realm and educate city users to ensure public safety
- Proactive and reactive advice to support a positive risk management culture and organisational compliance
- Educate, advise and enforce legislation to protect public health
- Provide transparent and confident reporting of finances and utilisation of resources to maximise outcomes for the City
- Manage and facilitate on street parking controls and ensure safety, traffic flow and vehicle turnover
- Provide planning advice and assessment for development applications to proponents/developers and impacted residents
- Collect rates revenue to maintain city assets and provide community services
- Provide records management services and the use of archives for the preservation of historic items.

Linked Strategic Plan Key Actions:

Strong Economies	2.05 Reduce and streamline Council policies, permits and fees to reduce the cost base of doing business in the city
Enabling Priorities	5.01 Review and improve the way we collect and present data to share insights with the community
	5.05 Develop new revenue opportunities for Council operations

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (nett)
Building Assessment and Compliance	10.7	\$64	-\$1,271	-\$1,208
Business Centre	11.2	\$1,951	-\$1,319	\$631
Community Safety	6.3	\$34	-\$767	-\$733
Compliance	2.3	-	-\$425	-\$425
Enterprise Risk	1.4	-	-\$1,171	-\$1,171
Environmental Health	6.3	\$223	-\$912	-\$690
External Reporting (financial, statutory reporting)	3.3	-	-\$527	-\$527
Financial Planning and Analysis	14.5	-	-\$1,935	-\$1,935
On-Street Parking	44.1	\$14,935	-\$6,169	\$8,766
Planning Assessment	12.3	\$362	-\$1,553	-\$1,191
Rating	6.8	\$115,706	-\$2,657	\$113,049
Records & Archival Management	8.4	\$6	-\$1,106	-\$1,100
TOTAL Service Category	127.7	\$133,280	\$-19,811	\$113,469

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
Not Applicable	-	-

Waste, Natural Resources and Environmental Services

We are a sustainable city that minimises our environmental impact and prepares for a changing climate.

Help build a climate ready and sustainable city through community based projects and education

Experience a clean and green City that manages natural resources sustainably

Drive your electric vehicle around the City with ease, knowing there are plenty of charging stations available

Recycle and dispose of waste through our collection services and public facilities

Services that deliver both strategic and operational management of waste as well as broader environmental services to ensure the long-term sustainability of our city.

What our services deliver:

- Deliver and maintain a carbon neutral certified organisation
- Support the promotion of community greenhouse gas emission reductions and celebrate achievements at all levels
- Position the city for a climate ready, sustainable future
- Support the event industry to move together and implement the Sustainable Event Guidelines and promote community awareness
- Develop and implement a Waste and Recycling Strategy to support a sustainable city and community.
- Deliver waste collection, processing, recycling and disposal services to residential and commercial customers and in public places, in a sustainable and cost-effective way.

Linked Strategic Plan Key Actions:

- | | | |
|---------------------------------|------|--|
| Environmental Leadership | 4.01 | Increase street tree canopies and green infrastructure in city hot spots and public spaces |
| | 4.02 | Implement improvements to city-wide waste and recycling services to support transition to the circular economy |
| | 4.03 | Educate and support our community to be zero-waste, water sensitive, energy efficient and adaptive to climate change |
| | 4.04 | Support our community to transition to a low carbon economy through education, incentives and appropriate infrastructure |
| | 4.05 | Enhance biodiversity in the Park Lands and connect our community to nature |
| | 4.06 | Implement the Carbon Neutral Strategy for the city and achieve carbon neutral certification for our operations |
| | 4.07 | Support all CBD businesses to be green accredited |
| Enabling Priorities | 5.02 | Demonstrate bold governance leadership in the Local Government Sector |
| | 5.03 | Build on effective advocacy and partnerships, locally, nationally and globally |
| | 5.09 | Encourage and support new ideas and concepts |

Resources, Budget and Projects

Services \$'000s	FTE	Income	Expenditure	Total (nett)
Carbon Neutral and Efficient Organisation	4.1	-	-\$939	-\$939
Supporting a Low Carbon City	4.5	-	-\$730	-\$730
Sustainable and Climate Ready City	4.8	-	-\$1,127	-\$1,127
Sustainable Event Support	0.0	-	-	-
Waste and Recycling	2.6	-	-\$525	-\$525
Waste Management	0.9	-	-\$2,921	-\$2,871
TOTAL Service Category	17.0	\$50	-\$6,241	-\$6,192

Projects \$'000s (net budget) (*Carry Forward from 2019-20)	Project	Capital
City Wide Waste and Recycling Program Position City of Adelaide as a world class resource recovery leader through delivery of new waste and recycling systems in our operations, including the introduction of a new City-Wide Waste and Recycling Program that supports our residents, businesses and community to transition to a zero-waste city	-\$1,000	-
Kirrawirra Park/River Torrens Wetlands and Urban Nature Space Design an inline wetland along a section of Torrens Lake incorporating board walks, an outdoor education area and interpretative signage, including a complementary floating wetland to enhance water quality outcomes	-\$300	-
TOTAL Projects	-\$1,300	-

Infrastructure and Capital Works

The City of Adelaide is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for city users. We are committed to having Asset Management Plans in place for all infrastructure assets to ensure we continue to provide effective and comprehensive management of our asset portfolio.

The development of these Asset Management Plans indicates our ongoing commitment to operate and maintain asset portfolio efficiently to meet both strategic and legislative requirements and deliver value for the community.

The Infrastructure Program provides the basis for our capital asset management renewal program developed as part of the Business Plan and Budget process.



Total expenditure per Infrastructure and Capital Works category:

\$'000s	Expenditure
Major Projects	\$22,238
New and Significant Upgrade	\$4,587
Renewals and Essential Works	\$21,988
TOTAL Infrastructure and Capital Works	\$50,789

A summary of each category is provided in the following pages, with a full detailed listing available as appendix 3 at the end of this document.

Glossary for the service category pages:

- Major Projects:** Large scale infrastructure projects, will usually result in new assets that increase the levels of service provided to the community
- New & Significant Upgrade:** The upgrade of assets that increase the level of service above the current provision, new represents the acquisition of new assets expanding the level of service provided
- Renewals and Essential Works:** Essential investments to ensure we provide a safe, efficient and accessible network throughout the city. The asset renewal program includes: Roads, Kerbs and Footpaths, Traffic Signals, Bridges, Lighting and Electrical, Water Infrastructure, Park Land and Streetscape Greening Renewals and Urban Elements.

Major Projects

Projects / Infrastructure \$'000s	Total
Moonta Street SA Government contribution \$2.0m Joint Funded Project to establish Moonta Street as the next key linkage in connecting the Central Market to Riverbank Precinct through north-south road laneways	\$2,200
City of Adelaide Bikeways – East West* SA Government contribution \$2,913m Continuous and separated bikeways through the City of Adelaide from East to West	\$5,826
City of Adelaide Bikeways – North South* SA Government contribution \$1,475m Continuous and separated bikeways through the City of Adelaide from North to South	\$2,949
City Skate Park* SA Government contribution \$2,897m Integrating a new City Skate Park within Gladys Elphick Park / Narnunnga (Park 25) to extend Narnunnga as a sports hub and key Park Lands destination with a range of recreation options for different ages and abilities	\$2,897
Denise Norton Park / Pardipardinyilla (Park 2) East Enhancement** SA Government contribution \$1,663m Enhancements to meet the recreation and open space needs of the existing and growing communities in North Adelaide and surrounds	\$1,663
Gawler Place Development** Final stage of upgrade of Gawler Place between North Terrace and Grenfell Street	\$316
Josie Agius Park / Wikaparntu Wirra (Park 22)* SA Government contribution \$0.025m Final works following state funded Netball Court Upgrade in Park 22	\$25
Market to Riverbank* SA Government contribution \$1,995m A joint project by City of Adelaide and State Government (through Renewal SA) to create an exciting and vibrant connection between the Adelaide Central Market and the Adelaide Riverbank	\$3,900
Pityarilla / Pelzer Park (Park 19)** SA Government contribution \$0.035m Final stage of Pityarilla / Pelzer Park (Park 19) upgrade	\$35
Quentin Kenihan Inclusive Playspace* SA Government contribution \$0.827m The Quentin Kenihan Inclusive Playspace is an opportunity to create an exemplary regional playspace in Rymill Park / Murlawirrapurka (Park 14). The inclusive playspace will provide play through the provision of social, active, cognitive and creative play and recreation opportunities for all ages, abilities and cultures serviced by the wider park facilities and amenities for the local and surrounding areas	\$827
Whitmore Square Greening SA Government contribution \$0.9m Joint funded project to deliver the first stage of the masterplan to establish pleasant walking paths and extend the valued leafy character of the square from its centre to its edges	\$900
North Terrace Public Realm Upgrade Purchase of pavers for future year upgrade to North Terrace Public Realm	\$700
TOTAL Major Projects	\$22,238

*Re-Timed projects which were approved at quarter 3 in 2019/20

**Re-Timed projects which will be approved at quarter 4 in 2019/20

New and significant upgrade

Projects / Infrastructure \$'000s	Total
City Dirt Masterplan Detailed design and cost planning for the enhancement of the BMX facility in Blue Gum Park / Kurangga (Park 20) and connections to the TreeClimb facility	\$40
Greening in the City's North West and South West Project to increase greening and tree canopy of the city's south west and north west	\$235
Hutt Street Project Quick win of Hutt Street Masterplan, including infill street trees, revitalisation of the verge and median garden beds between South Terrace and Halifax Street, aligning with planned renewals (\$700k)	\$325
Flinders Street Pedestrian Crossing Improvements Subject to the final route on the East-West bikeway being approved by Council, prepare a detailed design for cost estimation for kerb extensions on Flinders Street adjacent Pilgrim Lane for the further consideration of Council	\$10
North Terrace / George Street Cyclist Safety Measures Detailed design and cost estimation for a bicycle hook turn and western pedestrian crossing at the intersection of North Terrace and George Street for Council's further consideration	\$40
Kingston Terrace Stormwater Stormwater investigations and design on Kingston Terrace – West for Council's further consideration	\$6
City Greening* Project to increase greening and tree canopy cover to 20% in the City's south west and north west	\$141
Decorative Lighting Program* Implementation of festoon lighting to Ebenezer Place and decorative lighting to Hurtle Square	\$162
Hindley Street* Implementation of short-term and medium-term actions on Hindley Street	\$231
Paxton's Walk and Vaughan Place Design* Design project to improve connection between North Terrace and Rundle Street via Paxton's Walk complementing the new tram stop	\$30
Union Street Streetscape* Streetscape upgrade to Union Street, implementing kerb less environment and new lighting to enable activation	\$1,182
Whitmore Square Pedestrian Safety Improvements* Intersection safety improvements to the North West intersection of Whitmore Square	\$710
Events Infrastructure Rundle Park* Design and construction of services (e.g. water and power) to the east Park Lands area (Rundle Park / Kadlitpina) to improve the facilitation of key festival events within the City of Adelaide	\$814
Place of Reflection* Project to create a landscaped area for reflection with seating and artwork in Rymill Park / Murlawirrapurka (Park 14), co-funded through Stolen Generation Reparations Fund	\$262
Wattle Grove Memorial* Concept design to explore the opportunity to enhance Golden Wattle Park / Mirnu Wirra (Park 21W). Concept to include the reinstatement of the grove of wattle trees adjacent Sir Lewis Cohen Avenue and options for a new war memorial. Construction subject to future funding endorsement by Council	\$43
Tavistock Lane** Co-funded upgrades to Tavistock Lane to facilitate a taxi drop-off area and the lane being upgraded and operating as a public road	\$150
Peace Park / Town Clerk's Walk** Peace Park irrigation, turf management and tree succession planning. Infill tree planting along Town Clerk's Walk	\$171
Field Street (Design)** Design of an upgrade to Field Street which creates a green, pedestrian-friendly destination to foster this new edgy dining and creative quarter in the city's Market district	\$20
Integrated Water Management** Installation of software to support smart water meters installed in City of Adelaide owned buildings	\$15
TOTAL New and significant upgrade	\$4,587

*Re-Timed projects which were approved at quarter 3 in 2019/20

**Re-Timed projects which will be approved at quarter 4 in 2019/20

Renewals and essential works

Projects / Infrastructure \$'000s	Total
Transport Essential roadworks to ensure we continue to provide a safe, efficient and accessible road and footpath network, including resurfacing Grote Street, Prospect Road and Main North Road	\$4,174
Traffic Signal Investment in Traffic Signal infrastructure to ensure accessible and safe movement throughout the City for residents, visitors and the public, including critical underground cables and conduits replacement works in West Terrace and Currie Street	\$1,003
Bridges Investment in the Council's bridge infrastructure to ensure accessible and safe movement throughout the City, including replacing Victoria Bridge expansion joints as well renewing several minor footbridges in the Park Lands	\$657
Lighting & Electrical Essential works on Lighting and Electrical Infrastructure to support a safe, secure and continuous service to the residents, visitors and community	\$953
Water Infrastructure Essential works on Council's Stormwater Infrastructure	\$1,880
Urban Elements Essential Urban Elements works to ensure the provision of a safe, accessible, clean and well maintained urban environment including Public Art refurbishment	\$565
Park Land & Open Spaces Ensures that landscape features located within our streets and Park Lands are actively managed to enhance our streets giving consideration to legislative requirements and safety.	\$80
Buildings Continuation of Building Renewal and Compliance Program	\$968
Jeffcott Street Stage 2* Construction project to continue works to address drainage and flooding issues, prioritising conserving, and enhance the street's character (trees and bluestone kerbing)	\$1,990
Grote Street (Morphett Street to West Terrace)* Greening to new median to align with Road Renewal, Kerb and Water Table and footpath works	\$1,728
Hazardous Material Removal Program* Annual assessment, identification, and removal of hazardous material within buildings	\$274
Building Renewal and Compliance Program* Upgrade of the Building Management System and the Building Security to enable corporate needs and meet legislative requirements	\$126
Hutt Street* Design project to investigate improvements including greening and pedestrian amenity, pram ramps and DDA compliance opportunities aligning to renewals	\$59
Public Conveniences* Installation of a new public convenience in Mary Lee Park (Park 27b)	\$216
Park Lands and Open Spaces* Ensures that landscape features located within our streets and Park Lands are actively managed to enhance our streets giving considerations to legislative requirements and safety	\$400
Chesser Arbour* Project to address the structural issues of the Chesser Arbour	\$60
Lighting & Electrical* Continuation of essential works on Lighting and Electrical Infrastructure to support a safe, secure and continuous service to the residents, visitors and community	\$704

*Re-Timed projects which were approved at quarter 3 in 2019/20

**Re-Timed projects which will be approved at quarter 4 in 2019/20

Projects / Infrastructure \$'000s	Total
Brownhill Keswick Creek* The City of Adelaide is part of regional subsidiary that is responsible for the development and delivery of the Brown Hill Keswick Creek project which aims to mitigate significant flooding risk to properties in metropolitan Adelaide	\$80
Bridges Renewal Program** Continuation of essential works on City of Adelaide bridge assets, including works to Adelaide Bridge	\$96
Design Services CITB Levy* Annual payment to CITB based on total construction value	\$51
Transport** Essential roadworks program to ensure we continue to provide a safe, efficient and accessible road and footpath network, including Caldwell Lane, Brougham Place, Torrens Path (Behind Adelaide Zoo) and North Terrace (King William Street to Kintore Ave)	\$1,901
Torrens Lake Weir Component Renewals** This program of works is dedicated to the renewal of Torrens Weir components which are critical to the operation of the Torrens Lake	\$88
Rundle UPark* Required treatment works to increase the serviceability of the Rundle Street UPark	\$3,472
UPark Buildings - Topham Mall** Fire service compliance upgrades	\$50
Colonel Light Centre Renewals* Delivery of new cooling tower to CLC - essential for air quality (safety)	\$423
TOTAL Renewals & Essential Works	\$21,998

*Re-Timed projects which were approved at quarter 3 in 2019/20

**Re-Timed projects which will be approved at quarter 4 in 2019/20





Our Budget

Budget Overview

Our draft budget has been formed through a series of discussions about the City of Adelaide's financial position in the context of the unforeseen, significant impact of COVID-19 on our City, our finances, and our community since March 2020. These discussions included consideration of the financial levers available to Council, and Recovery Principles to help the City recover from the impacts of COVID-19 and the City of Adelaide's long term financial sustainability.

The 2020 -2021 Budget

COVID-19 is forecast to have an ongoing impact on Council's operational income into 2020 -2021 with a reduction in excess of \$20m for our user fees and charges. This is primarily attributable to the impact of COVID-19 on utilisation of parking, social distancing implications for the Aquatic Centre, Town Hall and Park Land events, and the challenging economic environment for our property tenants.

The total funding requirement for 2020-2021 is \$236.7m derived from:

- Rates \$115.6m
- Fees and Charges \$62.7m
- External Funding (including Grants and Subsidies) \$19.8m
- Other \$5.1
- Borrowings \$33.4m.

Our budgeted expenditure of \$236.7m focuses on the prioritisation of core community and civic services, activities that support the City's cultural and economic development, and projects that maintain and upgrade infrastructure within the City and Park Lands.

An ongoing \$20m reduction to expenditure has been foreshadowed in 2020 -2021 due to the impacts from COVID-19. As the city recovers, we continue to review our services to ensure they are delivered efficiently and meet the needs of our community.

Recovery Principles

We have developed Recovery Principles to assist our future decision making in light of COVID-19 and to support our long term financial sustainability. These principles seek to ensure an equitable approach to rating, a prudent approach to the utilisation of borrowings and proceeds from the sale of assets, and sustainable investment in our infrastructure and delivery of services.

- Our rates, fees and charges approach is fair and equitable
- Financial borrowings adjusted to stimulate growth
- Proceeds from selling assets will build a 'future fund'
- Asset renewals will be prioritised based on audit condition and risk
- Asset enhancements will be delivered through partnerships
- We will seek Government funding for new infrastructure
- Our service delivery will reflect the needs of the community
- Investment is prioritised to support recovery.

Funding Framework

Our services, projects and infrastructure works are predominantly funded through rates, fees and charges, and grants and subsidies. Borrowings are principally utilised for major infrastructure projects, including city shaping projects such as the development of 88 O'Connell Street and Central Market Arcade, or commercially focused projects with a financial return on investment.

Funding sources to deliver services

Non-Residential Rates	\$88.4m
Residential Rates	\$27.2m
Fees and Charges	\$62.7m
External Funding (including grants and subsidies)	\$19.8m
Other funding	\$5.1m



Funds from borrowings **\$33.4m**



Net outlays on:

Delivery of services	\$173.1m
Strategic Projects	\$5.8m
Infrastructure and renewals	\$18.1m
Major Projects	\$3.1m
Project Retimings	\$41.2m
Subsidiary Capital	\$4.5m
Other	-\$9.1m*

*Other expenditure includes the ongoing \$20m reduction in operational expenditure, plant, fleet & equipment renewals, and other corporate activities not directly attributed to the delivery of services

Funding

Net Lending / (Borrowing)	2020 - 2021 Budget \$'000s	2019 - 2020 Forecast \$'000s
Operating Surplus/(Deficit)	(33,641)	(19,964)
Project Related Write Off	4,472	5,467
Net Adjustment for Leases	(1,551)	(1,204)
Funding Surplus	(30,720)	(15,700)
Net Outlays on Existing Assets	(41,811)	(33,557)
Net Outlays on New and Upgraded Assets	(10,460)	(10,700)
Depreciation	50,845	50,158
Equals: Net Lending / (Borrowings)	(32,146)	(9,800)

Council will generate an operating deficit in 2020 - 2021.

Where Council generates an operating surplus, it is applied to meet capital expenditure requirements in relation to new assets in accordance with the Strategic Plan objectives and Capital City responsibilities. In addition, part of Council's operating surplus may be held for capital expenditure needs in future years by either increasing financial assets or, where possible, reducing debt.

Where Council generates an operating deficit, it is funded either by an increase in borrowings or, where possible, previous years' operating surplus that has not been utilised to increase financial assets or reduce debt.

Borrowings

Borrowing is undertaken in accordance with our Treasury Policy (available online at cityofadelaide.com.au). This policy underpins our decision making in relation to funding of our operations in the context of cash flow, budgeting, borrowings and investments. It is an important financial management tool and as such, links closely to our overall strategic management plans in the context of:

- Strategic planning for the future of the City of Adelaide, covering short, medium and long term spending and investment issues
- Current and estimated future revenues and the ability to increase the revenue stream through taxation, user charges, additional grant funds or business activities
- Intergenerational equity considerations in terms of the ratepayers who benefit from the expenditure
- Current and future funding needs for both operating and capital expenditures
- Potential movements in interest rates
- Any other strategic imperative that is linked to revenue and expenditure capacities.

Implications for Future Years

In developing the Long Term Financial Plan and Annual Business Plan, borrowings have been considered in relation to the budget principles and the maximum borrowing indicators as defined by our prudential limits specified in our Treasury Policy. All borrowing terms and conditions will be in accordance with the Treasury Policy and all costs have been taken into account in our Long Term Financial Plan.

Borrowings at the end of 2020 - 2021 will be impacted by the timing of cash flows, and retiming of projects through the quarterly revised forecast process. This will then flow through to the 2021 -2022 opening balance for borrowings. The impact may result in a balance lower than the cumulative funding position shown in the Long Term Financial Plan and within our current Prudential Borrowing Limits.

Your Rates in 2020 - 2021

Council intends to freeze the general rate in the dollar for 2020 - 2021 at the same level as 2019 - 2020 for both Residential and Non-Residential ratepayers.

Full valuations for 2020-21 have been undertaken in-house by Council's valuers for the first time since 2014 - 2015. Based on updated valuations the average rates payable will decrease.

We offer monthly, quarterly and annual payment options for Council Rates and access to rates hardship provisions.

Quarterly instalments will be due in September 2020, December 2020, March 2021 and June 2021.

Rates

In formulating the proposed rates for the 2020 - 2021 financial year, we have considered the amount of revenue required to fund the delivery of the services and projects. We have also considered our other sources of revenue, the broader economic environment and the distribution of rate contributions between various categories of ratepayers.

Valuation Method

Land in the City of Adelaide area is valued according to the 'Annual Value' method, as defined in the *Valuation of Land Act 1971*, for the following reasons:

- The majority of residential and non-residential properties in the City are leased (i.e. not owner occupied)
- Annual Value has been used for many years and is understood by the majority of the City's ratepayers
- The availability of a significant volume of annual market rental information makes the Annual Value method more efficient to administer
- This method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation.

Ratepayers may lodge an objection to the attributed land use and/or the Annual Value of their property in accordance with the *Local Government Act 1999*.

Where a ratepayer does not feel that a valuation or rating issue has been dealt with satisfactorily in accordance with our Rating Policy, an established grievance procedure is available. This includes internal and external options for escalation and resolution of the matter.

Rates Modelling

Our rates are determined by multiplying the applicable rate in the dollar by the valuation of rateable land in the Council area. Property valuations for the purpose of calculating rates payable are prepared based on 'Annual Value'.

For 2020 - 2021, growth from new developments and other capital improvements undertaken during 2019 - 2020 are projected to increase the total rateable value of land, resulting in an increase in rate revenue of 2.0%. In addition, a full revaluation of all land in the Council area has been undertaken resulting in an increase in rate revenue of 1.1%.

Rating Structure

Our Rating Structure is developed in accordance with the requirements of the *Local Government Act 1999*. Key considerations include:

- The taxation principles of equity, benefit, ability-to-pay, efficiency and simplicity have been identified and applied as guiding principles to our Rating Policy
- We are committed to maintaining a transparent and equitable rating system. Accordingly, we undertake to manage the rating policy to ensure the greatest level of equity for ratepayers by maintaining a non-punitive rating structure
- It has been determined that implementation of a significant minimum rate would represent a regressive taxation structure and contradict the identified guiding taxation principles
- We will continue our practice of identifying and valuing all land in the Council area. Once identified, each separate occupation of land will be assessed for rateability
- A Differential General Rate will be applied to all rateable land in accordance with Section 147 of the *Local Government Act 1999*. Differentiation factors previously endorsed by Council are 'Residential' and 'Non-Residential' land uses

- The application of a Differential General Rate is generally intended to alter the amount payable for particular land uses and approximate the benefit principle. For 2020 - 2021, and consistent with prior years, it is expected non-residential rates will represent approximately 80% of general rates revenue.

Landscape Levy

From 1 July 2020, the *Landscape South Australia Act 2019* will replace the *Natural Resources Management Act 2004*. The Adelaide and Mount Lofty Ranges Natural Resources Management Board (NRM Board) will be replaced with the Green Adelaide Board.

Separate Rates

Separate rates will continue to be levied for the purposes of managing and marketing the Rundle Mall Precinct, and to recover funds on behalf of the Green Adelaide Board.

- The activities and initiatives funded by the Rundle Mall Differential Separate Rate promote Rundle Mall as a destination for shopping and enhance the vibrancy of the precinct. In 2020 - 2021, the separate rate will generate approximately \$3.8 million
- The Landscapes Levy is a state tax which the City of Adelaide is obliged, by virtue of the *Landscape South Australia Act 2019*, to impose and collect. The proceeds are paid to the Green Adelaide Board. The contribution from the City of Adelaide is estimated to be \$1.8 million in 2020 - 2021.

What Assistance is Available?

Rebates of rates will be granted to ratepayers where the applicant satisfies the eligibility criteria for mandatory rebates under Sections 159 to 165 of the *Local Government Act 1999*.

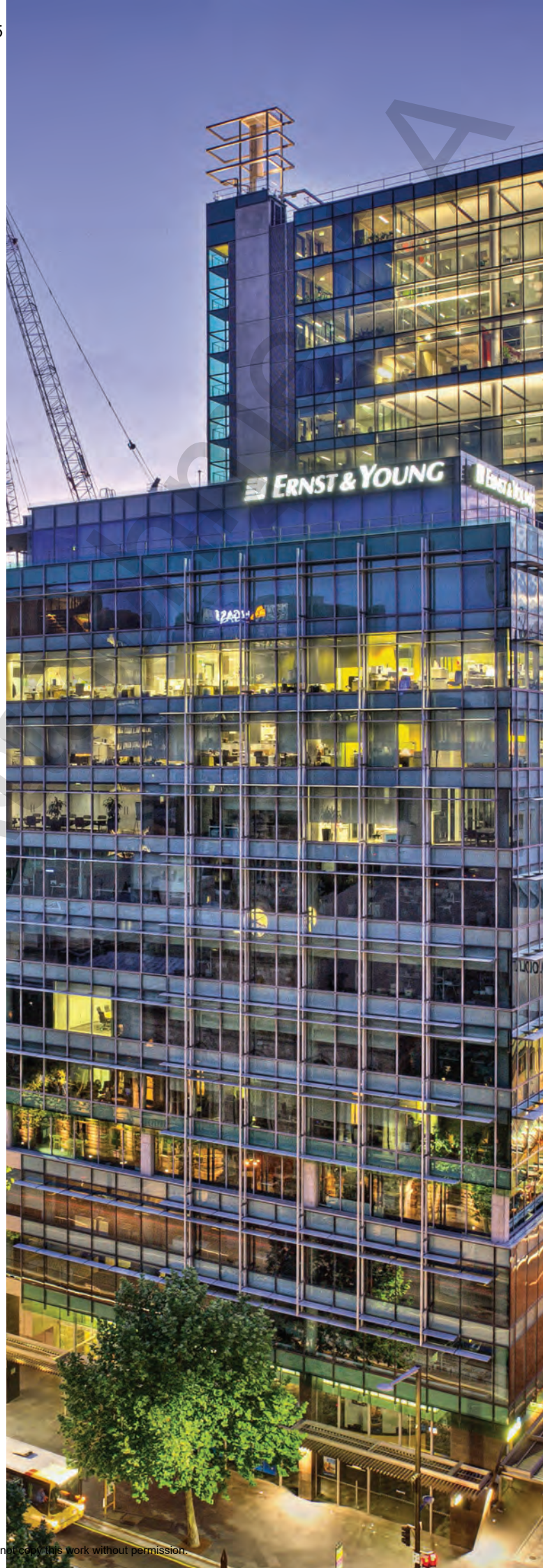
Applications for discretionary rebates will be considered in accordance with the statutory provisions of Section 166 of the *Local Government Act 1999*, together with policy criteria as detailed in the Discretionary Rate Rebate Policy.

In providing discretionary rebates, consideration is given to whether applicants were previously proclaimed, the type and level of service delivered to people within the City of Adelaide area, the community need that is being met by activities carried out on the land, and whether the activities are those that the City of Adelaide would otherwise need to support.

We consider it appropriate that ratepayers who are experiencing financial hardship may apply for a postponement or remission of rates. Ratepayers who may be having difficulty paying their rates are encouraged to contact our Rates Officer as soon as they can. Ratepayers with good recent payment history who commit to a formal written payment arrangement for rates will not be liable for fines during the agreed payment period, provided they contact us prior to the rates falling into arrears. In the event of default, penalties will apply in accordance with Section 181(8) of the *Local Government Act 1999*.

We will apply those provisions of the *Local Government Act 1999* that offer a discretionary City of Adelaide funded remission of rates to eligible ratepayers: pensioners and low-income beneficiaries (maximum of \$100) and self-funded retirees (maximum of \$50).

We will apply those provisions of the *Local Government Act 1999* that allow a Postponement of Rates Scheme for eligible State Seniors Card holders. Eligible seniors may postpone rates in excess of \$500, less any concession entitlement. Interest will accrue on postponed balances as per Section 182A (12) of the Act.



Fees and Charges

City of Adelaide's fees and charges are reviewed each year in conjunction with the development of the Business Plan and Budget. The review ensures that the fees:

- Reflect (or move progressively toward) the cost of the services given
- Are comparable with market rates, where appropriate
- Take into account benefit derived by users of community facilities
- Are consistent with directions articulated through our existing policies or plans
- Are consistent with our Strategic Financial Parameters.

Council determined in June 2020 that the majority of fees and charges will not increase from 1 July to help reduce financial pressure on our residents, businesses and visitors due to the impacts of COVID-19.

Fees and charges are consistently and fairly determined, in recognition of our policy direction, ratepayers' expectations and relevant legislation. Statutory fees have been updated in line with the State Government Gazette and are included in the Fees and Charges Schedule available online and for public inspection at Council's Customer Centre, 25 Pirie Street, from July 2020.

Section 188 of the *Local Government Act 1999* provides the legal context for fees and charges:

- Fees and charges are determined by resolution of Council either as a direct resolution, by by-law or via delegation
- A council is unable to fix or vary fees or charges prescribed under other Acts
- In respect of fees for the use of facilities, services or works requests, a council need not fix fees or charges by reference to the cost to the council
- Council is required to keep the list of fees and charges on public display and provide updates where fees and charges are varied during the year.

The below table summarises the projects and services for which the City of Adelaide has secured to date a budgeted external funding component over 2020 – 2021:

External Funding \$'000s	Services	Capital Projects
Federal Government Funding		
Financial Assistance Grant - Roads to Recovery	-	\$346
Local Roads and Community Infrastructure Program	-	\$337
Local Government Financial Assistance Grant (via State Government)	\$514	-
Commonwealth Home Support Program (CHSP)	\$242	-
State Government Funding		
Moonta Street	-	\$2,000
Whitmore Square Greening	-	\$900
Rymill Park Public Convenience Renewal - Changing Places Grant	-	\$150
City of Adelaide Bikeways*	-	\$4,388
City Skate Park*	-	\$2,897
Denise Norton Park/Pardipardinyilla (Park 2) East Enhancement*	-	\$1,663
Josie Agius Park/Wikaparntu Wirra (Park 22)*	-	\$25
Market to Riverbank*	-	\$1,950
Pityarilla/Pelzer Park (Park 19)*	-	\$35
Quentin Kenihan Inclusive Playspace*	-	\$827
Place of Reflection*	-	\$150
Park Land Related Activities Subsidy	\$1,634	-
State Library - Operating Grant	\$205	-
State Library - Materials Grant	-	\$261
SA Health - School Immunisation Program	\$114	-
SA Housing Authority - Vulnerable & Homeless People Project	\$45	-
Category sub-totals	\$2,754	\$15,929
TOTAL of all External Funding: \$18,683		

*funding received in prior year, activity being delivered in 2020 - 2021

Long Term Financial Plan

The City of Adelaide's Long Term Financial Plan (LTFP) seeks to ensure that Council can deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner.

The LTFP is a forecast of Council's financial position based on its strategic plans, anticipated service levels and economic and political indicators. It is reviewed quarterly and updated on an iterative basis to reflect the latest available information.

Outputs of the LTFP include a comprehensive set of financial indicators and statements as per legislative requirements. The LTFP provides guidance to support Council decision making, and confirm that Council has the financial capacity to meet its longer term commitments.

Key Inputs and Influences

- An assessment of our current financial position and financial sustainability
- Alignment with Council's Strategic Plan and Asset Management Plans
- Economic and political indicators
- Governance principles
- Corporate Programs and internal support strategies
- Service provision and delivery standards
- Revenue and financing guidelines, including the Rating Policy and Treasury Policy.

The assumptions and outcomes underpinning the LTFP include:

- Rates valuation growth, on average, is assumed in line with forecast inflation, excluding growth from new developments
- Other revenue and expenditure growth, in general, is assumed in line with forecast inflation
- Statutory charges reflect dollar increments or percentage increases as specified by statute
- Salaries and wages forecasts are based on current and expected enterprise agreement outcomes
- Interest rates are relative to market expectations
- Capital expenditure is in line with the Asset Management Plans.





Long Term Financial Plan Dashboard

Financial Indicator	Indicator Explanation	Target
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%
Net Financial Liabilities	Financial liabilities and a percentage of operating surplus	Less than 80%
Asset Sustainability Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%
Interest Expense Ratio	Number of times General Rates Revenue (less NRM Levy) can service the annual interest expense	Maximum 10%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less NRM Levy)	Maximum 1.5 years
Borrowings	Total borrowings	Within Prudential Limits
Operating Surplus	Operating Income less Expenditure	Financial sustainability

2019 - 2020 QF3	2020 - 2021 Budget	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030
-10%	-18%	-2%	-3%	-2%	2%	2%	4%	3%	5%	3%
40%	66%	60%	70%	62%	45%	42%	38%	33%	42%	57%
37%	65%	67%	100%	100%	100%	100%	100%	100%	100%	100%
20%	26%	24%	30%	24%	20%	18%	15%	13%	19%	28%
1.0%	1.5%	1.5%	1.7%	1.8%	1.5%	1.4%	1.3%	1.3%	1.4%	1.9%
0.6	0.8	0.7	0.9	0.7	0.6	0.5	0.4	0.3	0.5	0.8
71.7	91.6	86.1	109.4	94.7	73.6	68.3	60.3	50.8	76.9	116.1
(20.0)	(33.6)	(4.7)	(5.7)	(3.9)	3.7	3.7	10.6	8.5	12.8	6.8

Long Term Financial Plan Analysis

Operating Surplus Ratio

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 1999* 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 - 2020 through to 2023 - 2024 financial years are forecasted to fall outside the target range, as a result of reduced income due to COVID-19. Council's response to remediate is to reduce operating expenditure by \$20m in the 2020 - 2021 Financial Year. This ongoing saving improves the ratio and over time operating surpluses are generated to reduce borrowings and reinvest from 2024 - 2025.

Net Financial Liabilities

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.

Asset Sustainability Ratio

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 ratio lower than 100% suggests that Council is not maintaining assets and infrastructure in order to optimise asset lives. A higher ratio than 100% suggests that Council is replacing assets earlier than needed. Adoption of a target ratio between 90% and 110%, is in line with the *Local Government Act 1999*.

Analysis: The Infrastructure and Asset Management Plans (AMPs) are currently being reviewed and updated including asset levels of service, taking into account community needs, population density/growth impacts and asset management principles.

Impacts of reducing the Infrastructure Program in 2020 - 2021 will increase the renewal funding required over the longer term (to enable the renewal backlog to be undertaken), reducing capacity to deliver new and significant upgrade projects, major projects and emerging priorities in the short to medium term.

As a result of the sustainability ratio falling below that target range for 2019 - 2020 through to 2021 - 2022, consideration will need to be made for the Long Term Financial Plan funding to take a longer term view on asset replacement to ensure it does not interfere with renewals over the life of the plan.

Prudential Limits (Borrowings)

The maximum level of debt is prescribed by Council by way of prudential limits. While Council does not place a physical monetary limit on the level of borrowings, an upper limit is determined through its financial indicators. When borrowing, Council will consider these financial indicators.

Target: The Prudential Limits set within the Treasury Policy are:

- Asset Test Ratio Maximum 50% of saleable assets
- Interest Expense Ratio Maximum 10% of general rates revenue
- Leverage Test Ratio Maximum 1.5 Years.

Analysis: City of Adelaide's borrowings are within the prescribed target.

Reporting and monitoring

Our Strategy and Our Plan

At the end of each financial year the City of Adelaide prepares an Annual Report. The Annual Report states to what extent the City of Adelaide achieved what it set out to deliver in the year. The Annual Report is the primary means by which the City of Adelaide reports back to the community on progress for the financial year and, in so doing, progress on the 2020 - 2024 Strategic Plan.

Progress reports are prepared throughout the year on major projects and initiatives and are available to everyone to access in our Council agenda papers. These reports are essential to monitoring our progress and delivery.

Our Budget

On a quarterly basis Council is presented with a publicly available forecast of their financial performance. It highlights for discussion projected savings and additional funding requests, projects that have been completed with savings and those that have changed in scope, timing, or priority. It also outlines how events in the past quarter have shaped our financial forecast going forward. Careful consideration is given to key financial indicators and ratios, and cashflows estimates in order to secure Council's continued financial sustainability. The report supports Council in responding to emerging economic challenges while continuing to support and deliver for community and business. Should the economic outlook worsen quarterly reviews provide a format to reprioritise services and agree upon necessary efficiency strategies.

The Audit Committee plays a critical role supporting the Council and Chief Executive Officer in the financial reporting framework of Council, by overseeing and monitoring the participation of management and external auditors in the financial reporting process. It also addresses issues such as the approach being adopted by Council and management to address business risks, corporate and financial governance responsibilities and legal compliance. Audit Committee reports to Council after every meeting to identify and present advice and recommendations on matters raised.





image: artwork Morgan Sette and Swift9Graffiti

Appendices

APPENDICES THAT SUPPORT THE CITY OF ADELAIDE 2020 - 2021 ANNUAL BUSINESS PLAN AND BUDGET

1. Long Term Financial Plan
2. Funding Position (Financial Statement)
3. Infrastructure and Capital Works list
4. Analysis of Capital Expenditure and Maintenance

Appendix 1

Long Term Financial Plan - financial statements

Uniform Presentation of Finances

\$'000s	2019 -	2020 -	2021 -	2022 -	2023 -	2024 -	2025 -	2026 -	2027 -	2028 -	2029 -	2029 -
	Forecast	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Income	196,432	186,122	201,370	206,560	211,905	225,052	231,149	236,986	242,938	249,009	255,200	
less Expenses	(214,961)	(217,707)	(203,129)	(205,635)	(210,535)	(216,954)	(223,405)	(222,886)	(230,359)	(228,742)	(239,445)	
Operating Surplus / (Deficit) before Capital Amounts	(18,529)	(31,584)	(1,758)	925	1,370	8,099	7,744	14,100	12,579	20,267	15,756	
<i>less Net Outlays on Existing Assets</i>												
Net Capital Expenditure on Renewal and Replacement of Existing Assets	33,557	41,811	30,679	59,001	61,846	56,418	57,096	56,731	57,764	95,438	110,453	
less Depreciation, Amortisation and Impairment	(50,158)	(50,845)	(49,926)	(48,956)	(50,201)	(50,912)	(54,656)	(50,669)	(54,642)	(49,112)	(55,428)	
less Amounts received specifically for Existing Assets	(2,828)	(864)										
Net Outlays on Existing Assets	(19,429)	(9,898)	(19,246)	10,045	11,645	5,506	2,440	6,062	3,123	46,326	55,025	
<i>less Net Outlays on New and Upgraded Assets</i>												
Net Capital Expenditure on New and Upgraded Assets	13,164	25,404	19,291	14,188	-	-	-	-	-	-	-	
less Amounts received specifically for New and Upgraded Assets	(2,463)	(14,944)	(1,276)	-	-	-	-	-	-	-	-	
less Proceeds from Sale of Assets	-	-	-	-	(25,000)	(25,500)	-	-	-	-	-	
Net Outlays on New and Upgraded Assets	10,700	10,460	18,015	14,188	(25,000)	(25,500)	-	-	-	-	-	
Net Lending / (Borrowing) for Financial Year	(9,800)	(32,146)	(526)	(23,308)	14,725	28,093	5,304	8,038	9,456	(26,060)	(39,270)	

Appendix 1

Long Term Financial Plan - financial statements

Statement of Comprehensive Income

\$'000s	2019 - 2020 Forecast	2020 - 2021 Budget	2021 - 2022 Plan	2022 - 2023 Plan	2023 - 2024 Plan	2024 - 2025 Plan	2025 - 2026 Plan	2026 - 2027 Plan	2027 - 2028 Plan	2028 - 2029 Plan	2029 - 2030 Plan
Income											
Rates Revenues	116,458	119,393	123,325	127,025	130,799	135,773	140,104	144,140	148,256	152,454	156,736
Statutory Charges	11,217	8,450	11,973	12,153	12,389	12,630	12,875	13,125	13,380	13,640	13,904
User Charges	59,300	54,262	61,985	63,213	64,466	72,313	73,747	75,209	76,700	78,221	79,772
Grants, Subsidies and Contributions	13,251	3,856	3,051	3,112	3,174	3,238	3,302	3,369	3,436	3,505	3,575
Investment Income	50	35	26	26	27	27	28	28	29	29	30
Reimbursements	525	691	705	719	733	748	763	778	794	809	826
Other Income	546	299	305	311	318	324	330	337	344	351	358
Total Income	199,261	186,987	201,370	206,560	211,905	225,052	231,149	236,986	242,938	249,009	255,200
Expenses											
Employee Costs	77,298	79,274	71,712	73,212	74,743	76,306	77,903	79,492	81,114	82,769	84,458
Materials, Contracts and Other Expenses	85,952	84,712	78,925	82,653	83,414	87,211	88,489	90,426	92,665	98,366	102,377
Depreciation, Amortisation and Impairment	50,158	50,845	49,926	48,956	50,201	50,912	54,656	50,669	54,642	49,112	55,428
Finance Costs	5,818	5,797	5,493	7,426	7,416	6,888	6,355	5,820	6,030	5,928	6,102
Total Expenses	219,225	220,628	206,056	212,246	215,773	221,318	227,403	226,407	234,451	236,174	248,365
Operating Surplus / (Deficit)	(19,964)	(33,641)	(4,686)	(5,686)	(3,868)	3,735	3,746	10,578	8,486	12,834	6,835
Asset Disposal and Fair Value Adjustments	-	(300)	-	-	3,590	(300)	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	377	3,293	1,276	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(19,587)	(30,648)	(3,410)	(5,686)	(278)	3,435	3,746	10,578	8,486	12,834	6,835
Total Comprehensive Income	(19,587)	(30,648)	(3,410)	(5,686)	(278)	3,435	3,746	10,578	8,486	12,834	6,835

Appendix 1

Long Term Financial Plan - financial statements

Statement of Financial Position

\$'000s	2019 -	2020 -	2021 -	2022 -	2023 -	2024 -	2025 -	2026 -	2027 -	2028 -	2029 -
	Forecast	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Current Assets											
Cash and Cash Equivalents	800	800	800	800	800	800	800	800	800	800	800
Trade and Other Receivables	25,259	9,433	10,206	10,469	10,740	11,406	11,715	12,011	12,313	12,620	12,934
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
Total Current Assets	26,843	11,003	11,763	12,014	12,275	12,932	13,232	13,521	13,815	14,117	14,425
Non-Current Assets											
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 and Equipment	1,822,807	1,834,405	1,836,438	1,853,353	1,880,276	1,854,340	1,851,071	1,854,327	1,851,673	1,888,456	1,932,436
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
Total Non-Current Assets	1,828,238	1,839,841	1,841,880	1,858,804	1,885,739	1,859,817	1,856,564	1,859,837	1,857,202	1,894,005	1,938,007
TOTAL ASSETS	1,855,081	1,850,844	1,853,643	1,870,819	1,898,014	1,872,749	1,869,796	1,873,357	1,871,017	1,908,122	1,952,432
Current Liabilities											
Trade and Other Payables	16,696	26,935	26,416	26,406	33,401	26,790	26,819	26,831	26,846	26,349	26,368
Provisions	14,157	11,606	11,838	12,074	12,316	12,562	12,813	13,070	13,331	13,598	13,870
Other Current Liabilities	1,506	1,050	707	946	1,278	1,712	2,151	1,684	1,598	2,125	1,871
Total Current Liabilities	32,359	39,590	38,961	39,427	46,995	41,064	41,784	41,585	41,775	42,071	42,108
Non-Current Liabilities											
Trade and Other Payables	293	1,000	7,000	7,000	-	-	-	-	-	-	-
Borrowings	71,700	91,590	86,117	109,425	94,700	73,607	68,303	60,265	50,809	76,869	116,138
Provisions	2,047	1,678	1,712	1,746	1,781	1,817	1,853	1,890	1,928	1,966	2,006
Other Non-Current Liabilities	14,215	13,165	19,444	18,497	17,220	15,508	13,356	14,540	12,942	10,817	8,946
Total Non-Current Liabilities	88,255	107,434	114,272	136,668	113,700	90,931	83,512	76,694	65,678	89,652	127,090
TOTAL LIABILITIES	120,614	147,024	153,233	176,095	160,695	131,995	125,296	118,279	107,453	131,723	169,198
Net Assets	1,734,467	1,703,820	1,700,410	1,694,724	1,737,319	1,740,754	1,744,500	1,755,078	1,763,565	1,776,399	1,783,234
EQUITY											
Accumulated Surplus	815,020	784,373	780,963	775,277	774,999	778,434	782,180	792,758	801,245	814,079	820,914
Asset Revaluation Reserves	917,788	917,788	917,788	917,788	960,661	960,661	960,661	960,661	960,661	960,661	960,661
Other Reserves	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659
Total Council Equity	1,734,467	1,703,820	1,700,410	1,694,724	1,737,319	1,740,754	1,744,500	1,755,078	1,763,565	1,776,399	1,783,234

Appendix 1

Long Term Financial Plan - financial statements

Statement of Changes in Equity

\$'000s	2019 - 2020 Forecast	2020 - 2021 Budget	2021 - 2022 Plan	2022 - 2023 Plan	2023 - 2024 Plan	2024 - 2025 Plan	2025 - 2026 Plan	2026 - 2027 Plan	2027 - 2028 Plan	2028 - 2029 Plan	2029 - 2030 Plan
Balance at the end of previous reporting period	1,754,054	1,734,467	1,703,820	1,700,410	1,694,724	1,737,319	1,740,754	1,744,500	1,755,078	1,763,565	1,776,399
a. Net Surplus / (Deficit) for Year	(19,587)	(30,648)	(3,410)	(5,686)	(278)	3,435	3,746	10,578	8,486	12,834	6,835
b. Other Comprehensive Income											
Total Comprehensive Income	(19,587)	(30,648)	(3,410)	(5,686)	(278)	3,435	3,746	10,578	8,486	12,834	6,835
Gain (Loss) on Revaluation of I, PP&E					42,873						
Balance at the end of period	1,734,467	1,703,820	1,700,410	1,694,724	1,737,319	1,740,754	1,744,500	1,755,078	1,763,565	1,776,399	1,783,234

Appendix 1

Long Term Financial Plan - financial statements

Statement of Cash flows

\$'000s	2019 - 2020 Forecast	2020 - 2021 Budget	2021 - 2022 Plan	2022 - 2023 Plan	2023 - 2024 Plan	2024 - 2025 Plan	2025 - 2026 Plan	2026 - 2027 Plan	2027 - 2028 Plan	2028 - 2029 Plan	2029 - 2030 Plan
Cash Flows from Operating Activities											
Receipts											
Operating Receipts	187,378	203,677	200,597	206,297	211,634	224,386	230,840	236,690	242,636	248,701	254,887
Payments											
Operating Payments to Suppliers and Employees	(169,400)	(156,850)	(150,360)	(155,709)	(159,117)	(164,097)	(166,729)	(169,769)	(173,732)	(177,211)	(181,578)
Net Cash provided by (or used in) Operating Activities	17,978	46,827	50,237	50,588	52,518	60,289	64,112	66,920	68,905	71,490	73,308
Cash Flows from Investing Activities											
Receipts											
Amounts Received Specifically for New/Upgraded Assets	377	3,293	1,276	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	-	1,000	6,000	-	25,000	18,500	-	-	-	-	-
Payments											
Expenditure on Renewal/Replacement of Assets	(33,557)	(41,811)	(30,679)	(59,001)	(61,846)	(56,418)	(57,096)	(56,731)	(57,764)	(95,438)	(110,453)
Expenditure on New/Upgraded Assets	(13,164)	(25,404)	(19,291)	(14,188)	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(46,343)	(62,922)	(42,694)	(73,189)	(36,846)	(37,918)	(57,096)	(56,731)	(57,764)	(95,438)	(110,453)
Cash Flows from Financing Activities											
Receipts											
Proceeds from Borrowings	24,300	17,646	-	23,308	-	-	-	-	-	26,060	39,270
Payments											
Repayment from Borrowings	-	-	(5,474)	-	(14,725)	(21,093)	(5,304)	(8,038)	(9,456)	-	-
Repayment of Principal portion of lease liability	(1,204)	(1,551)	(2,070)	(707)	(946)	(1,278)	(1,712)	(2,151)	(1,684)	(2,112)	(2,125)
Net Cash provided by (or used in) Financing Activities	23,096	16,095	(7,543)	22,601	(15,672)	(22,370)	(7,016)	(10,189)	(11,140)	23,948	37,145
Net Increase (Decrease) in Cash Held plus: Cash & Cash Equivalents at beginning of period	(5,269)	(0)	0	(0)	(0)	(0)	0	(0)	0	0	0
	6,069	800	800	800	800	800	800	800	800	800	800
Cash & Cash Equivalents at end of period	800	800	800	800	800	800	800	800	800	800	800

Appendix 2 Funding Position

Borrowings summary

The table below shows the details of borrowings, borrowings movement, and the principal repayments and interest repayments for the prior years' forecast and the next ten years as per the funding requirements in the Long Term Financial Plan.

The level of borrowings associated with the funding requirement is estimated to be below this level and within Council's current Prudential Borrowing Limits due to the timing of cash flows and retiming of projects through the quarterly revised forecast process.

Year	New Borrowings \$'000s	Principal Paid \$'000s	Loan Balance at 30 June \$'000s	Interest Paid/ (Received) \$'000s
2019 - 2020 Forecast	24,300	-	71,700	1,116
2020 - 2021 Budget	19,890	-	91,590	1,730
2021 - 2022 LTFP	-	5,474	86,117	1,729
2022 - 2023 LTFP	23,308	-	109,425	1,907
2023 - 2024 LTFP	-	14,725	94,700	1,985
2024 - 2025 LTFP	-	21,093	73,607	1,636
2025 - 2026 LTFP	-	5,304	68,303	1,381
2026 - 2027 LTFP	-	8,038	60,265	1,251
2027 - 2028 LTFP	-	9,456	50,809	1,080
2028 - 2029 LTFP	26,060	-	76,869	1,247
2029 - 2030 LTFP	39,270	-	116,138	1,885

Appendix 3 Infrastructure and Capital Works list

Renewals - Bridges	Description	\$'000
Bridges Renewals Program	Remedial minor works on Adelaide Bridge, Victoria Bridge, Morphett Bridge, University Footbridge and Park Lands footbridges	434
Design Program and Urgent Works	Design program for the 2021 - 2022 Renewals Program and urgent priority works emerging throughout the year	224
Total		657

Renewals - Buildings	Description	\$'000
Rymill Park Public Convenience Renewal	Renewal of the east toilet block including changeroom facilities (Includes \$150 Changing Places Grant Funding)	650
Public Conveniences Park 27B	Installation of a new public convenience in Mary Lee Park (Park 27b)	84
Design Program and Urgent Works	Design program for the 2021 - 2022 Renewals Program and urgent priority works emerging throughout the year	140
Glover South Public Convenience Design	Design works for renewal of public convenience in Glover South (Park 20)	40
Wyatt Street UPark Design	Detailed design for Wyatt Street Car Park relating to the façade and the lifts	54
Total		968

Renewals - Lighting and Electrical	Description	\$'000
Building Management System & CCTV	Renewal of the Building Management System and CCTV to enable corporate needs and meet legislative requirements	800
Lighting and Electrical Renewals program	Essential works on Lighting and Electrical Infrastructure to support a safe, secure and continuous service to the residents, visitors and community	98
Chinatown Safety Lighting	Chinatown and Market District Safety - Lighting	55
Total		953

Renewals - Park Lands and Open Spaces	Description	\$'000
Design Works for Parklands and Open Space	Design program for the 2021 - 2022 Renewals Program	80
Total		80

Appendix 3 Infrastructure and Capital Works list

Renewals - Transport	Description	\$'000
Assorted Design Works and Urgent Works	Design program for the 2021 - 2022 Renewals Program and urgent priority works emerging throughout the year	679
Footpath & Kerb and Water Table Renewal Program	George Street footpath renewal (East and West, North Terrace to Hindley Street)	227
Footpath & Kerb and Water Table Renewal Program	2021 Contribution - North Terrace West	200
Footpath & Kerb and Water Table Renewal Program	Currie Street and Grenfell Street, footpath serviceability works	50
Footpath & Kerb and Water Table Renewal Program	Kerb and water table reconstruction Prospect Road, between Fitzroy Terrace and O'Connell Street	383
Footpath & Kerb and Water Table Renewal Program	North Terrace West, footpath serviceability works	50
Road Renewal Program	Resurfacing Angas Street, between Queen Street and Pulteney Street	343
Road Renewal Program	Resurfacing Main North Road, between Robe Terrace and O'Connell Street	378
Road Renewal Program	Heavy patching serviceability works along the Currie-Grenfell Corridor	125
Road Renewal Program	Resurfacing Hutt Street, between Halifax Street and South Terrace	722
Road Renewal Program	Resurfacing Prospect Road, between Fitzroy Terrace and O'Connell Street	392
Road Renewal Program	Resurfacing of King William Street / Angas Street and King William Street / South Terrace intersections	245
Road Renewal Program	Resurfacing of Grote Street, between Morphett Street and Victoria Square	380
Total		4,174

Appendix 3 Infrastructure and Capital Works list

Renewals - Water Infrastructure	Description	\$'000
Brownhill Keswick Creek	Creek remediation, wetland and creek realignment in Park 16 and 20. The Ongoing Multi-Year Stormwater Project is an initiative of the Cities of Unley, Adelaide, Burnside, Mitcham and West Torrens	465
Water Infrastructure Renewal Program	Assorted Design program for the 2020 - 2021 renewals program and priority works emerging throughout the year	440
Water Infrastructure Renewal Program	Torrens Lake retaining structure renewal along the North and South banks	428
Water Infrastructure Renewal Program	Francis Street renewal	447
Water Infrastructure Renewal Program	Torrens Lake Weir 1 Seal Replacement	100
Total		1,880

Renewals - Traffic Signals	Description	\$'000
Traffic Signals Renewal Program	Renewal of conduits and cables	434
Traffic Signals Renewal Program	Renewal of audio tactile and push button	320
Traffic Signals Renewal Program	Renewal of traffic lanterns and signal controllers	249
Total		1,003

Renewals - Urban Elements	Description	\$'000
Playground renewals for QKIP	Renewal of Playground located within Rymill Park (Park 14) in alignment with Quentin Kenihan Inclusive Playspace	270
Design Program and Urgent Works	Design program for the 2021 - 2022 Renewals Program and urgent priority works emerging throughout the year	120
Public Art Refurbishment	Refurbishment of End Divided Paths, Doris May Graham Monument, Three Rivers Fountain, Montefiore Hill Balustrade and Colonel Light Statue Park 26	175
Total		565

Appendix 4

Analysis of Capital Expenditure and Maintenance

Net Outlays on Existing Assets

The following table summarises capital outlays on existing assets in accordance with local government sector guidelines.

Asset sustainability is best measured by comparing renewal and replacement capital expenditure with the optimal level identified in a soundly based Asset Management Plan (AMP). This approach should be used where a council is satisfied with the rigour of its AMP.

Council's AMP aims to predict infrastructure consumption and renewal needs and considers new infrastructure needs to meet future community service expectations. The revised Plans will be subject to a rigorous process of consultation and evaluation. Key elements of the process are as follows:

- Long term capital planning which integrates with the Council's Strategic Management Plans
- Listing of all known capital projects, prioritised within classes of assets on the basis of evaluation criteria
- Transparent process for evaluating and prioritising capital projects.

Net Outlay on Existing Assets	2019 - 2020 Budget \$'m	2018 - 2019 Forecast \$'m
Gross Expenditure on Renewal / Replacement of Assets	37.4	29.2
Gross Expenditure on Renewal / Replacement of Subsidiary Assets	4.5	4.3
Depreciation	(50.8)	(50.2)
Proceeds from Sale of Replaced Assets	-	-
Amounts received specifically for Renewal / Replacement of Assets	(0.9)	(2.8)
EQUALS: Net Outlays on Existing Assets	(9.9)	(19.4)

Net Outlays on New and Upgraded Assets

The following table summarises capital outlays on new and upgraded assets in accordance with local government sector guidelines. Ongoing maintenance and depreciation expenses associated with capital expenditure for new and upgraded assets are factored into Council's Long Term Financial Plan.

Net Outlay on New and Upgraded Assets	2019 - 2020 Budget \$'m	2018 - 2019 Forecast \$'m
Gross Expenditure on New / Upgraded Assets	28.0	13.2
Gross Expenditure on New / Upgraded Subsidiary Assets	-	-
Proceeds from Sale of Surplus Assets	-	-
Amounts received specifically for New / Upgraded Assets	(16.2)	(2.5)
EQUALS: Net Outlays on New and Upgraded Assets	11.7	10.7



25 Pirie Street Adelaide
South Australia 5000
cityofadelaide.com.au

2020-21 Business Plan & Budget

Final proposed changes



BUDGET REVISIONS

Operations and Subsidiaries

Operational Budgets

The final budget incorporates Council decisions and budget revisions since the presentation of the draft budget in June.

Key changes include:

- Finalisation of rates with the increase revised to 2.2% (previously 3.1%)
- Adjustments following the decision to remove the expiation reminder notices

The 50% rent deferral option for Council property tenants and Park Lands licence fee holders have been incorporated into the revised budget. However, these do not alter the budgeted income as they only alter the timing of the cash receipts, and the additional interest expense can be accommodated within the existing budget.

\$20m reduction in operational costs
Proposed operational savings of \$2.5m have been identified to date.



Budget Revision \$'000	Draft Budget	Revision	Revised Budget
Operations			
Rates: Finalisation of rates with growth in new developments and additions 1.3% and valuation uplift 0.9%.	119,393	(939)	118,454
Expiations: Forecast increase in late payment fees following the removal of the expiation courtesy letter and reduction in search fees and postage. Council ID 20356	4,903	557	5,460
Commercial Income: Forecast reduction in income associated with Ad Shel bus shelters due to COVID-19.	918	(258)	660
Interest Expense: Forecast reduction due to lower opening borrowings and the timing of cash flows during the financial year.	(1,730)	200	(1,530)
Free City Connector Bus: Public consultation on the Free City Connector Bus.	-	(40)	(40)
Recycled Water: Forecast increase in water usage for 2020-21.	(898)	(188)	(1,086)
Business Systems Roadmap: Reduction due to the reprioritisation and retiming of key projects.	(3,000)	1,000	(2,000)
	119,586	332	119,918
Subsidiaries - Adelaide Central Market Authority			
Increased marketing due to the Central Market Arcade Redevelopment.	-	(210)	(210)
Increase in operational costs.	(813)	(42)	(855)
	(813)	(252)	(1,065)
Total	118,773	80	118,853

BUDGET REVISIONS

Projects and Infrastructure

Budget Revision \$'000	Draft Budget	Revision	Revised Budget
Strategic Projects			
Outdoor Activation Grant Program Funded by the South Australian Government, Recognition of \$300,000 income and expenditure, zero bottom line.	-	-	-
	-	-	-
Infrastructure			
Union Street Several stakeholders in the Union Street precinct have expressed their concerns with implementing the Union Street project now, following the tough times they have experienced through Covid-19. The three month construction would be in a time where their businesses are just picking up again. We are recommending to defer the project to a future year, giving them time to rebuild and align the works to the completion of Lot 14 and revitalisation of the area.	1,182	1,182	-
Resource allocation Reduction in resource allocation for the delivery of projects due to a reduction in the Program for 2020-21	7,179	1,351	5,828
	8,361	2,533	5,828
Total	8,361	2,533	5,828

The capital request of \$4.456m for the Adelaide Central Market Authority, presently incorporated in the draft 2020-21 Business Plan and Budget, is still being considered and worked through in consultation with the Authority.



BUDGET REVISIONS

Funding Position

Funding Position

The Funding Position refers to the net funding (cash) required in a financial year to fund Council's operations and expenditure on infrastructure and assets. It is consistent with the increase/ (decrease) in borrowings for the financial year.

The forecast funding position is a deficit of (\$35.5m) which has increased by (\$3.4m). These are due to the following:

- 2019-20 Quarter 4 proposed re-timing adjustments (\$6.1m) that have been identified since the preparation of the draft 2020-21 Business Plan & Budget (to be presented on 5 August in the Quarter 4 Finance Report)
- The net favourable adjustment of \$80,000 to the Operations Budget as proposed on slide 2
- The net \$2.5m reduction in Infrastructure as detailed on slide 3



\$'m	Draft 2020-21 Budget	Final 2020-21 Budget
Income	186.1	186.3
less Expenses	(217.7)	(223.1)
Operating Surplus / (Deficit) before Capital Amounts	(31.6)	(36.8)
less Net Outlays on Existing Assets		
Net Capital Expenditure on Renewal & Replacement of Existing Assets	41.8	41.9
less Depreciation, Amortisation and Impairment	(50.8)	(53.7)
less Amounts received specifically for Existing Assets	(0.9)	(0.9)
Net Outlays on Existing Assets	(9.9)	(12.7)
less Net Outlays on New and Upgraded Assets		
Net Capital Expenditure on New and Upgraded Assets	25.4	26.0
less Amounts received specifically for New and Upgraded Assets	(14.9)	(14.7)
<i>less Proceeds from Sale of Assets</i>	-	-
Net Outlays on New and Upgraded Assets	10.5	11.3
Net Lending / (Borrowing) for Financial Year	(32.1)	(35.5)

BUDGET REVISIONS

Operational Summary

Operating Position

The Operating Position refers to the budgeted financial accounting surplus/(deficit), and reflects the net increase/ (decrease) in the organisation's financial value in a given year. This includes depreciation but excludes capital expenditure on assets.

The forecast operating position includes project re-timing adjustments of \$2.7m for 2019-20 projects.

These re-timing adjustments are the primary reason for the (\$2.8m) increase in the operating deficit of from (\$19.2m) to (\$22.0m) before the provision for structural re-alignment costs of (\$14.4m).

An adjustment has also been made to reflect the amortisation of the 2019-20 Quarter 4 rent waiver across the remaining term of each lease in line with the accounting standards.



\$m	Draft 2020-21 Budget	Final 2020-21 Budget
Income		
Rates	119.4	118.5
Statutory Charges	8.5	8.9
User Charges	54.3	53.4
Grants, Subsidies and Contributions	3.9	4.5
Investment Income	0.0	0.0
Reimbursements	0.7	0.7
Other Income	0.3	0.3
Total Income	187.0	186.3
Expenses		
Employee Costs	(64.9)	(63.9)
Materials, Contracts & Other Expenses	(84.7)	(88.3)
Depreciation, Amortisation & Impairment	(50.8)	(53.7)
Finance Costs	(5.8)	(2.4)
Total Expenses	(206.2)	(208.3)
Operating Surplus/(Deficit) before transition costs	(19.2)	(22.0)
Provision for structural re-alignment costs	(14.4)	(14.4)
Operating Surplus/(Deficit) after transition costs	(33.6)	(36.4)
Asset Disposal & Fair Value Adjustments	(0.3)	(0.3)
Amounts received specifically for New or Upgraded Assets	3.3	3.4
Total Comprehensive Income	(30.6)	(33.3)

Appendix 1

Financial Statements

- Uniform Presentation of Finances
- Statement of Comprehensive Income
- Statement of Finance Position
- Statement of Changes in Equity
- Statement of Cash Flows



APPENDIX 1 – FINANCIAL STATEMENTS

Long Term Financial Plan Dashboard

Financial Indicator	Explanation	Target	2019-20 EOY Forecast	Draft 2020-21 Budget	Final 2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	(7%)	(18%)	(20%)	(3%)	(2%)	(1%)	2%	2%	5%	4%	5%	3%
Net Financial Liabilities	Financial liabilities and a percentage of operating surplus	Less than 80%	40%	66%	69%	64%	73%	64%	48%	44%	40%	35%	43%	57%
Asset Sustainability Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	33%	65%	73%	67%	100%	100%	100%	100%	100%	100%	100%	100%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	14%	26%	26%	24%	30%	24%	19%	17%	15%	12%	18%	27%
Interest Expense Ratio	Number of times General Rates Revenue (less NRM Levy) can service the annual interest expense	Maximum 10%	1.0%	1.5%	1.3%	1.4%	1.5%	1.5%	1.2%	1.0%	0.8%	0.7%	0.8%	1.2%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less NRM Levy)	Maximum 1.5 years	0.4	0.8	0.8	0.7	0.9	0.7	0.5	0.5	0.4	0.3	0.5	0.7
Borrowings	Total borrowings	Within Prudential Limits	51.6	91.6	90.1	85.7	108.3	93.3	72.0	66.4	57.8	47.8	73.1	111.5
Operating Surplus	Operating Income less Expenditure	Financial sustainability	(14.2)	(33.6)	(36.4)	(5.2)	(5.1)	(3.2)	4.4	4.3	10.9	9.3	13.5	7.5

APPENDIX 1 – FINANCIAL STATEMENTS

Uniform Presentation of Finances

\$'m	2019-20 EOY Forecast	Draft 2020-21 Budget	Final 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	196.4	186.1	186.3	201.1	206.6	211.9	225.1	231.1	237.0	242.9	249.0	255.2
less Expenses	(215.3)	(217.7)	(223.1)	(206.1)	(209.2)	(214.0)	(220.2)	(226.6)	(225.9)	(232.4)	(230.6)	(240.8)
Operating Surplus / (Deficit) before Capital Amounts	(18.9)	(31.6)	(36.8)	(5.0)	(2.6)	(2.1)	4.8	4.6	11.1	10.6	18.4	14.4
less Net Outlays on Existing Assets												
Net Capital Expenditure on Renewal & Replacement of Existing Assets*	31.0	41.8	41.9	30.7	59.0	61.8	56.4	57.1	56.7	57.8	95.4	110.5
less Depreciation, Amortisation and Impairment	(52.9)	(50.8)	(53.7)	(52.8)	(52.5)	(53.8)	(54.4)	(58.2)	(54.1)	(57.3)	(51.7)	(57.7)
less Amounts received specifically for Existing Assets	(2.8)	(0.9)	(0.9)	-	-	-	-	-	-	-	-	-
Net Outlays on Existing Assets	(24.8)	(9.9)	(12.7)	(22.2)	6.5	8.1	2.0	(1.1)	2.6	0.5	43.7	52.8
less Net Outlays on New and Upgraded Assets												
Net Capital Expenditure on New and Upgraded Assets**	13.9	25.4	26.0	19.0	14.2	-	-	-	-	-	-	-
less Amounts received specifically for New and Upgraded Assets**	(2.9)	(14.9)	(14.7)	(1.1)	-	-	-	-	-	-	-	-
less Proceeds from Sale of Assets***	-	-	-	-	-	(25.0)	(25.5)	-	-	-	-	-
Net Outlays on New and Upgraded Assets	11.0	10.5	11.3	17.9	14.2	(25.0)	(25.5)	-	-	-	-	-
Net Lending / (Borrowing) for Financial Year	(5.1)	(32.1)	(35.5)	(0.7)	(23.3)	14.8	28.3	5.7	8.5	10.1	(25.3)	(38.4)

* Infrastructure Renewal Program inclusive of Renewals, Delivery Resources, Other Asset Renewals, and ACMA capital

** Major Projects, New Assets, and Commercial Opportunities

*** Sale of Assets as per Strategic Property Review and Commercial Opportunities

APPENDIX 1 – FINANCIAL STATEMENTS

Statement of Comprehensive Income

\$'m	2019-20 EOY Forecast	Draft 2020-21 Budget	Final 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												
Rates Revenues	116.5	119.4	118.5	123.3	127.0	130.8	135.8	140.1	144.1	148.3	152.5	156.7
Statutory Charges	11.2	8.5	8.9	12.0	12.2	12.4	12.6	12.9	13.1	13.4	13.6	13.9
User Charges	60.7	54.3	53.4	61.5	63.1	64.4	72.3	73.7	75.2	76.7	78.2	79.8
Grants, Subsidies and Contributions	13.7	3.9	4.5	3.1	3.1	3.2	3.2	3.3	3.4	3.4	3.5	3.6
Investment Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reimbursements	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8
Other Income	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Total Income	200.6	187.0	186.3	200.9	206.4	211.8	225.0	231.1	237.0	242.9	249.0	255.2
Expenses												
Employee Costs	77.3	79.3	78.3	71.7	73.2	74.7	76.3	77.9	79.5	81.1	82.8	84.5
Materials, Contracts & Other Expenses	82.5	84.7	88.3	79.0	82.7	83.5	87.4	88.7	90.6	93.7	99.4	103.4
Depreciation, Amortisation & Impairment	52.9	50.8	53.7	52.8	52.5	53.8	54.4	58.2	54.1	57.3	51.7	57.7
Finance Costs	2.1	5.8	2.4	2.5	3.0	3.0	2.5	2.1	1.8	1.6	1.6	2.2
Total Expenses	214.8	220.6	222.7	206.0	211.5	215.0	220.6	226.8	226.1	233.6	235.5	247.7
Operating Surplus / (Deficit)	(14.2)	(33.6)	(36.4)	(5.2)	(5.1)	(3.2)	4.4	4.3	10.9	9.3	13.5	7.5
Asset Disposal & Fair Value Adjustments	-	(0.3)	(0.3)	-	-	3.6	(0.3)	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	0.4	3.3	3.4	1.1	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(13.8)	(30.6)	(33.3)	(4.1)	(5.1)	0.4	4.1	4.3	10.9	9.3	13.5	7.5
Total Comprehensive Income	(13.8)	(30.6)	(33.3)	(4.1)	(5.1)	0.4	4.1	4.3	10.9	9.3	13.5	7.5

APPENDIX 1 – FINANCIAL STATEMENTS

Statement of Financial Position

\$'m	2019-20 EOY Forecast	Draft 2020-21 Budget	Final 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
ASSETS												
Current Assets												
Cash and Cash Equivalents	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Trade & Other Receivables	15.9	9.4	15.0	15.3	15.4	15.7	16.7	17.1	17.5	18.0	18.4	18.9
Other Financial Assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Inventories	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Total Current Assets	17.8	11.0	16.7	16.9	17.0	17.3	18.3	18.7	19.1	19.5	20.0	20.4
Non-Current Assets												
Financial Assets	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Equity Accounted Investments in Council Businesses	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Investment Property	2.9	2.9	2.9	2.9	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.2
Infrastructure, Property, Plant & Equipment	1,857.7	1,834.4	1,867.0	1,877.1	1,890.4	1,913.8	1,884.3	1,877.6	1,874.5	1,869.2	1,903.4	1,945.1
Other Non-Current Assets	1.3	1.7	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Total Non-Current Assets	1,862.7	1,839.8	1,872.1	1,882.1	1,895.4	1,918.8	1,889.4	1,882.6	1,879.6	1,874.3	1,908.5	1,950.2
TOTAL ASSETS	1,880.5	1,850.8	1,888.7	1,899.0	1,912.5	1,936.1	1,907.6	1,901.3	1,898.7	1,893.9	1,928.5	1,970.7
LIABILITIES												
Current Liabilities												
Trade & Other Payables	27.9	26.9	40.7	38.4	39.0	46.3	40.0	40.2	40.3	40.5	39.3	39.5
Borrowings	3.2	-	-	-	-	-	-	-	-	-	-	-
Provisions	13.9	11.6	11.3	11.5	11.8	12.0	12.3	12.5	12.7	13.0	13.3	13.5
Other Current Liabilities	4.8	1.1	3.3	5.1	5.1	5.3	5.4	5.5	4.5	3.3	4.1	3.5
Total Current Liabilities	49.8	39.6	55.3	55.0	56.0	63.6	57.7	58.2	57.6	56.8	56.7	56.5
Non-Current Liabilities												
Trade & Other Payables	-	1.0	1.0	7.0	7.0	-	-	-	-	-	-	-
Borrowings	51.6	91.6	90.1	85.7	108.3	93.3	72.0	66.4	57.8	47.8	73.1	111.5
Provisions	2.0	1.7	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.9	1.9
Other Non-Current Liabilities	36.8	13.2	33.7	46.8	41.6	36.4	30.9	25.4	20.9	17.6	13.5	10.0
Total Non-Current Liabilities	90.4	107.4	126.5	141.1	158.6	131.4	104.7	93.5	80.5	67.2	88.4	123.4
TOTAL LIABILITIES	140.2	147.0	181.7	196.1	214.6	195.0	162.3	151.7	138.1	124.0	145.2	179.9
Net Assets	1,740.3	1,703.8	1,707.0	1,702.9	1,697.9	1,741.2	1,745.3	1,749.6	1,760.6	1,769.9	1,783.3	1,790.8
EQUITY												
Accumulated Surplus	820.3	784.4	787.0	782.9	777.9	778.3	782.4	786.7	797.7	807.0	820.4	827.9
Asset Revaluation Reserves	918.4	917.8	918.4	918.4	918.4	961.2	961.2	961.2	961.2	961.2	961.2	961.2
Other Reserves	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Council Equity	1,740.3	1,703.8	1,707.0	1,702.9	1,697.9	1,741.2	1,745.3	1,749.6	1,760.6	1,769.9	1,783.3	1,790.8

APPENDIX 1 – FINANCIAL STATEMENTS

Statement of Changes in Equity

\$'m	2019-20 EOY Forecast	Draft 2020-21 Budget	Final 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	1,754.1	1,734.5	1,740.3	1,707.0	1,702.9	1,697.9	1,741.2	1,745.3	1,749.6	1,760.6	1,769.9	1,783.3
a. Net Surplus / (Deficit) for Year	(13.8)	(30.6)	(33.3)	(4.1)	(5.1)	0.4	4.1	4.3	10.9	9.3	13.5	7.5
b. Other Comprehensive Income												
Total Comprehensive Income	(13.8)	(30.6)	(33.3)	(4.1)	(5.1)	0.4	4.1	4.3	10.9	9.3	13.5	7.5
Gain (Loss) on Revaluation of I, PP&E						42.9						
Balance at the end of period	1,740.3	1,703.8	1,707.0	1,702.9	1,697.9	1,741.2	1,745.3	1,749.6	1,760.6	1,769.9	1,783.3	1,790.8

APPENDIX 1 – FINANCIAL STATEMENTS

Statement of Cash Flow

\$'m	2019-20 EOY Forecast	Draft 2020-21 Budget	Final 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
Cash Flows from Operating Activities												
<u>Receipts</u>												
Operating Receipts	196.8	203.7	188.8	200.8	206.3	211.5	224.1	230.7	236.6	242.5	248.6	254.7
<u>Payments</u>												
Operating Payments to Suppliers and Employees	(159.0)	(159.1)	(157.7)	(147.3)	(151.2)	(154.6)	(159.6)	(162.5)	(165.8)	(170.2)	(173.8)	(178.5)
Net Cash provided by (or used in) Operating Activities	37.8	44.6	31.1	53.5	55.1	56.9	64.5	68.2	70.7	72.3	74.7	76.2
Cash Flows from Investing Activities												
<u>Receipts</u>												
Amounts Received Specifically for New/Upgraded Assets	0.4	3.3	3.4	1.1	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	-	1.0	1.0	6.0	-	25.0	18.5	-	-	-	-	-
<u>Payments</u>												
Expenditure on Renewal/Replacement of Assets	(31.0)	(41.8)	(41.9)	(30.7)	(59.0)	(61.8)	(56.4)	(57.1)	(56.7)	(57.8)	(95.4)	(110.5)
Expenditure on New/Upgraded Assets	(13.9)	(25.4)	(26.0)	(19.0)	(14.2)	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(44.5)	(62.9)	(63.5)	(42.6)	(73.2)	(36.8)	(37.9)	(57.1)	(56.7)	(57.8)	(95.4)	(110.5)
Cash Flows from Financing Activities												
<u>Receipts</u>												
Proceeds from Borrowings	6.4	19.9	36.9	-	23.1	-	-	-	-	-	25.3	38.4
<u>Payments</u>												
Repayment from Borrowings	-	-	-	(5.9)	-	(14.8)	(21.3)	(5.7)	(8.5)	(10.1)	-	-
Repayment of Principal portion of lease liability	(4.7)	(1.6)	(4.9)	(5.1)	(5.1)	(5.2)	(5.3)	(5.4)	(5.5)	(4.5)	(4.6)	(4.1)
Net Cash provided by (or used in) Financing Activities	1.7	18.3	32.0	(11.0)	18.1	(20.0)	(26.6)	(11.1)	(14.0)	(14.6)	20.7	34.3
Net Increase (Decrease) in Cash Held	(4.9)	(0.0)	(0.3)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
plus: Cash & Cash Equivalents at beginning of period	6.1	0.8	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Cash & Cash Equivalents at end of period	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

Recovery Principles for the City of Adelaide 2020 – 2021 Business Plan and Budget

In response to the impact of COVID-19 on Council's revenue and expenditure, Recovery Principles have been developed to ensure the ongoing delivery of services and projects for our community and our long term financial sustainability. These principles are for Council to utilise when making decisions related to: the setting of rates; fees and charges; the utilisation of borrowings; proceeds from the sale of assets; future investment and infrastructure; government partnerships; and the review of Council's services.

Recovery Principle	Commentary
<p>Our rates, fees and charges approach is fair and equitable</p>	<p>The taxation principles of equity, benefit, ability-to-pay, efficiency and simplicity have been identified and applied as guiding principles to our Rating Policy. We are committed to maintaining a transparent and equitable rating system. Accordingly, we undertake to manage the rating policy to ensure the greatest level of equity for ratepayers by maintaining a nonpunitive rating structure.</p> <p>Effective recovery principles are those that ensure our rating policy supports the delivery of services while providing equity and administrative fairness.</p>
<p>Financial borrowings adjusted to stimulate growth</p>	<p>As a Capital City Council, we are accountable for city leadership and strategy development that delivers benefit for all South Australians. To stimulate economic growth and build capacity, financial borrowings may be adjusted to continue to grow community wealth.</p> <p>Effective recovery principles are those that enable Council to stimulate economic growth while managing strategic risk and ensuring all expenditure provides value for money.</p>
<p>Proceeds from selling assets will build a 'future fund'</p>	<p>As a custodian of public assets, we have a responsibility to invest in the future. Proceeds from the sale of Council assets, (such as from property sales) will be transferred and quarantined to a reserve fund (to be known as Future Fund) for the purpose of funding the future purchase(s) of new income generating assets or to fund new capital projects of a strategic nature, not to fund operational expenditure or the renewal of assets. This will enhance Council's capacity to respond to emerging opportunities in the future and facilitates the opportunity to grow community wealth without adding to public debt.</p> <p>Effective recovery principles are those that allow us to grow community wealth without adding to public debt.</p>
<p>Asset renewals will be prioritised based on audit condition and risk.</p>	<p>As a custodian of public assets, we have a responsibility to manage the risk to our community through the renewal of our assets. We also have a responsibility to ensure that we are financially sustainable now and in the future. Asset condition audits and risk will be used to prioritise our asset renewals and manage our long term financial sustainability. Council and its administration are responsible for ensuring all expenditure provides value for money and continues to grow community wealth.</p> <p>Effective recovery principles are those that allow us to prioritise investment in renewals in accordance with the management of strategic risk and financial sustainability.</p>

<p>Asset enhancements will be delivered through partnerships</p>	<p>To successfully deliver on Council's strategic priorities we will partner with government and private industry to leverage development and prioritise our asset enhancements.</p> <p>Effective recovery principles are those that support co-creation across policy, systems, processes, projects and resources.</p>
<p>We will seek Government funding for new Infrastructure</p>	<p>As the custodian of public assets and responsible for ensuring that all expenditure continues to grow community wealth and support our long term financial sustainability, we will seek government funding for new infrastructure that is not deemed viable through asset monetisation.</p> <p>Effective recovery principles are those that allow us to grow community wealth without adding to public debt.</p>
<p>Our service delivery will reflect the needs of the community</p>	<p>The services that Council delivers must work to meet our legislative requirements and deliver on the needs of the community in alignment with our Strategic Plan and the value placed on our services by the community.</p> <p>Mandatory work (such as that required by legislation) will be undertaken at a minimum community standard level to comply with the relevant, mandate unless additional work demonstrably contributes to a measurable increase in the achievement of strategic outcomes.</p> <p>Effective recovery principles are those that focus corporate effort on performing functions that are critical due to their contribution to the long term success of Council and the management of strategic risk.</p> <p>Functions that are necessary but not critical to the long term success of Council may be outsourced when it is demonstrably more cost efficient to do so and when the loss of internal capability through outsourcing does not create an increase in strategic risk to Council.</p> <p>Effective recovery principles are those that make it easy for people to do business with Council and where efficient and effective local government services are delivered in response to community needs.</p>
<p>Investment is prioritised to support recovery</p>	<p>Investment will be prioritised to support recovery efforts post COVID-19. Impact, cost and time and alignment with our mandatory services and strategic objectives are the measures that will be used to assess the merit and feasibility of future investment.</p> <p>Effective recovery principles are those that enable Council to stimulate economic growth while managing strategic risk.</p>