



THE COMMITTEE MINUTES

for the Special meeting

Wednesday 10 April 2019

Colonel Light Room,
Town Hall, Adelaide



Present - The Right Honourable the Lord Mayor [Sandy Verschoor];
Councillor Martin (Chair)
Councillors Abiad (Deputy Lord Mayor), Abrahamzadeh, Couros, Donovan, Hou, Knoll,
Moran (Deputy Chair) and Simms.

Acknowledgement of Country

At the opening of the Special Committee Meeting, the Chair stated:

'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.'

Apologies and Leave of Absence

Councillors Hyde and Khera.

Discussion Forum Item

Strategic Alignment - Corporate Activities

1. Item 3.1 - Draft 2019-20 Integrated Business Plan and Budget Discussions [TC]

Discussion Facilitators:

Steve Mathewson, Director Services, City of Adelaide
Tracie Dawber, Associate Director Finance, City of Adelaide
Alex Brown, Manager Financial Planning & Analysis, City of Adelaide
Nick Begakis, Chair & Jodie Kannane, General Manager, Adelaide Central Market Authority
Peter Joy, Chair & Johanna Williams, General Manager, Rundle Mall Management Authority

Precis of topic:

- To finalise the draft position for the draft 2019-20 Integrated Business Plan.

During item -

- Councillor Abiad (Deputy Lord Mayor) entered the Colonel Light Room at 5.36pm.
- Councillor Simms left the Colonel Light Room at 5.37pm and re-entered at 5.38pm.
- Councillor Couros entered the Colonel Light Room at 5.38pm.
- Councillor Donovan entered the Colonel Light Room at 5.46pm.
- Councillor Moran left the Colonel Light Room at 6.33pm and re-entered at 6.35pm.
- Councillor Hou left the Colonel Light Room at 6.42pm and re-entered at 6.43pm.

The PowerPoint slides utilised during the Discussion Forum are attached for reference after the Minutes of this meeting.

Closure

The Special meeting closed at 6.55pm.

Councillor Phillip Martin,
The Committee Chair

Documents Attached Below for Reference

Discussion Forum Item – Minute 1 – Item 3.1 - Draft 2019-20 Integrated Business Plan and Budget Discussions – PowerPoint Presentation

2019-20 Integrated Business Plan and Budget

Workshop Purpose:

To finalise the draft Budget position for the draft 2019-20 Integrated Business Plan

PROGRAM: **Finance & Businesses**

AUTHOR: Tracie Dawber | APPROVING OFFICER: Steve Mathewson

The Committee Special Meeting - Minutes - 10 April 2019

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Objective of this evening's discussion

Overview

Subsidiaries

Balancing Considerations

Proposed Position

Long Term Financial Plan

Emerging Priorities

Next Steps

Subsidiary Budgets	Proposed Balancing Approach	Long Term Financial Plan	Next Steps
<p>Consider the draft budgets for</p> <ul style="list-style-type: none"> • Adelaide Central Market Authority • Rundle Mall Management Authority 	<p>Consider the proposed approach to balancing the draft budget following direction from the workshop on Saturday 23 March, including:</p> <ul style="list-style-type: none"> • Revenue levers • Proposed changes to Projects and the Infrastructure Program • Balancing Operational Efficiency Target 	<p>Consider the Long Term Financial Plan and the key assumptions informing the plan.</p>	<p>Confirm the process to finalise the draft Integrated Business Plan for public consultation.</p>

Next Steps

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Next Steps

- Wednesday 10 April ● 2019-20 Integrated Business Plan and Budget discussions
- Presentation of Subsidiary Budgets:
 - Adelaide Central Market Authority
 - Rundle Mall Management Authority
 - Long Term Financial Plan
 - Additional information requested to be provided
- Tuesday 16 April ● Committee to consider the draft 2019-20 Integrated Business Plan and other balancing considerations
- Tuesday 30 April ● Council to approve the draft 2019-20 Integrated Business Plan for Public Consultation**
- Wednesday 8 May ● Public Consultation opens for 21 days**
- Wednesday 15 May ● Public Forum to present the draft Budget
- Tuesday 28 May ● Public Meeting to hear submissions from the Community
- Wednesday 29 May ● Public Consultation closes at midnight
- Monday 4 June ● Consider Public Consultation submissions and consider final changes to 2019-20 Budget
- Tuesday 18 June ● Committee to consider the 2019-20 Integrated Business Plan in preparation for adoption
- Tuesday 25 June ● Council to adopt the 2019-20 Integrated Business Plan**

Summary of Proposed Position

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\$'m	2019-20 LTFP (QF2 Baseline)	Current Draft 2019-20 Budget	Variance to LTFP	Unfunded
Business Operations Surplus	26.7	26.3	(0.4)	
General Operations Surplus	33.9	37.0	3.1	
Operating Surplus	60.6	63.3	2.7	
Projects	(15.7)	(20.3)	(4.6)	
Infrastructure Program & Renewals	(44.9)	(43.0)	1.9	
Underlying Surplus/(Deficit)	-	-	-	-
Major Projects (City Transformation Investments)	(4.1)	(4.1)	-	
Business Projects (Aquatic, Golf & UPark)	-	-	-	(4.7)
Commercial Opportunities	-	(1.3)	(1.3)	
<i>Carry Forwards already approved</i>	(10.5)	(10.5)	-	
City of Adelaide Surplus/(Deficit)	(14.6)	(15.9)	(1.3)	(4.7)
Subsidiaries (including Capital)	(1.6)	(1.6)	-	(1.7)
Total Net Funding Surplus/(Deficit) before property proceeds	(16.2)	(17.5)	(1.3)	(6.4)
Proceeds from potential property activities	30.0	30.0	-	
Total Net Funding Surplus/(Deficit) after property proceeds	13.8	12.5	(1.3)	(6.4)
Forecast borrowings at 30 June 2019	(78.1)	(78.1)	-	
Total Cash/(Borrowings) at End of Year before property proceeds	(64.3)	(65.6)	(1.3)	(6.4)

Emerging pressures of (\$3.5m) within 2018-19 (beyond QF2) could increase forecast borrowings to \$69.1m inclusive of proceeds from property activities. If potential property activities do not proceed in 2019-20, forecast borrowings (inclusive of the emerging pressures) would be \$99.1m.

Subsidiaries

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- Adelaide Central Market Authority
- Rundle Mall Management Authority

Adelaide Central Market Authority

Operating Budget & Capital Expenditure Budget FY 2019/2020

Purpose:

To review:

- Adelaide Central Market Operating Budget & Capital Expenditure Budget for FY 2019/20



Our Market



Summary

1. Funding for the 2019 -2020 Capital Expenditure Budget is sought from CoA for the purpose of compliance works, maintaining and enhancing the iconic standing of the Market.
2. The lease rent and car park revenue budgeted for 2019/20 is \$9.3m, operating expenditure \$5.8m, rent payable to Council \$3m with a further \$0.5m for Upark management fee.
3. Operating expenditure is utilised to ensure the Market is recognised as a vibrant, diverse and unique fresh produce market community.

Budget Commentary – Capital Works

Capital Works Timeline

July 2016	Council resolution for ACMA and CoA Administration to work together on a long-term sustainable capital budget that addresses legacy issues
October 2016	Lucid Consulting Engineers engaged to undertake a full building services review (completed January 2017)
February 2017	Report presented recommending works over the next 10 years, including works which should have been undertaken over the previous years as assets/services had reached the end of their operating life or were at risk of imminent failure, often with replacement parts no longer available
2017-2018	Capital Works expenditure funding approved \$3,746m
2018-2019	Capital Works expenditure funding approved \$3,734m

Projects - Capital Works

The ACMA 2019-2020 Capital Expenditure Budget has been formulated in line with the ACMA 10-Year Capital Works Program, based on the 2017 Building Services Audit Report provided by Lucid Engineers.

Project	Budget \$'000	Comment
Fire & Emergency System Renewal	20	Engaging the incumbent fire and life safety maintenance contractor to relocate the Very Early Smoke Detection Apparatus (VESDA)
Main Switch Board Replacement	341	Residual Current Device (RCD) audit and rectification works, installation of standby generator, implement Power Monitoring Units
Waste Water Compliance	105	Waste water infrastructure to meet compliance - trade waste
Escalator/Lift Renewal	132	Scope escalator works in 2019-20 with replacement planned for 2020-21. Replacement of glazing to lift shafts.
Stall Mezzanine Safety Renewal	800	Compliance works to stalls
IT Upgrade Fund	30	IT upgrade for operational effectiveness
Sub Total	1,428	
HVAC Renewal	1,868	New indirect evaporative cooling unit to replace existing system which is beyond its recommended operating life. Gas heaters to dining precinct. <i>Currently flagged as 'unfunded emerging priority'.</i>
Total	3,296	

HVAC Renewal Works

PROJECT	\$000's	
Market Cooling Upgrade	1,668	Installation of indirect evaporative unit to replace existing direct evaporative system which is beyond its recommended operating life.
Market Heating (Perimeter Seating Areas)	200	Installation of gas fired heaters to dining precincts. Improved customer comfort resulting in increased customer dwell time and spend. Gas fired radiant heat is efficient and will avoid electrical demands. The Market currently has sufficient gas capacity for this project.
TOTAL	1,868	

Current Cooling System	Proposed Cooling System	Summary
<p>Current direct evaporative system:</p> <ul style="list-style-type: none"> • The units were second hand units upon purchase and were installed some 20 years ago. They are well beyond their recommended life (15-20 years). • Unpleasant, warm and humid environment for general public during peak summer conditions which is not conducive to increase dwell time and greater produce purchase. Prolong summer conditions store heat within heavy weight building fabric of the market ground floor. This thermal mass re-radiates stored heat increasing heat load of the space. • Inappropriate working environment for traders during peak summer conditions - cooking, serving, lifting, stocking cause perspiration and high humidity supply air is not effective in cooling at a high latent load. • During days of extreme heat the system operates 24 hours a day to combat high temperatures. This is outside recommended operating guidelines and not sustainable. The units are not at current energy and efficiency levels. • The units need to be manually controlled for 50-60% of the year to provide cooling when the humidity is high which create management and control issues. 	<p>Proposed indirect evaporative system:</p> <ul style="list-style-type: none"> • Improve thermal comfort and does not add moisture to the supply air stream • Improve temperature control is important for all traders, particularly fruit and vegetable operators. • Temperature sensors and the BMS will remove/reduce need for manual operation which will increase efficiency. • Low operational costs. • Comparatively minor works associated for installation. • Minimise ongoing repairs & maintenance works which are required with current system. 	<ul style="list-style-type: none"> • These works are included within the ACMA 10 Year Capital Works Plan, presented in 2017 based on an audit of the ACMA Services and Property. • This is one of the top priorities of the Market Traders and is a standing agenda item for the Traders Advisory Group. • It will ensure that our Market diverse and exciting culture shopping experience provides also meets basic customer expectations. • The project is vital to compete with increasing retail competition and future proof the Market.

Operations – Budget Assumptions

1. The ACMA 2019-2020 Operating Budget has been prepared to ensure efficient operation of the Market in an increasingly competitive environment, and received ACMA Board approval on 21 February 2019 for submission to Council as a draft budget for public consultation purposes.
2. A review of the ACMA Charter, which includes the ACMA Head Lease and Operating Agreement with CoA, is currently in progress. All rental calculations and other budget assumptions are in line with the current ACMA Charter 2014.

Operations – Budget Assumptions

ACMA Administration

- Depreciation & Interest on Capital Expenditure funding is excluded from cash-based budget.

ACMA Car Park

- Increased Car Park expenditure relates to CoA UPark Management Fee (\$46k) and Star Car Park Rent adjustment for CPI (\$32k).

ACMA Market Complex

- Tenant revenue has increased \$175k or 5% with renewals and new lessees which are in line with the Leasing Framework.

CoA Head Lease

- Rent payable to CoA is calculated at 30% of gross revenue per the ACMA Charter 2014 and Head Lease.

Sustainable budget position – items to be reviewed:

- Electricity charge (CoA contract renewal 1 January 2020)
- Other

Operations – Finance Summary

\$'000	2017-18 Actual	2018-19 QF2 Forecast	2019-20 Budget
ACMA Administration	(1,729)	(1,486)	(1,451)
ACMA Car Park	1,483	1,518	1,318
ACMA Market Complex	(103)	9	95
Operating Budget (Cash)	(349)	41	(38)

Operating - Income

\$'000	2017-18 Actual	2018-19 QF2 Forecast	2019-20 Budget
ACMA Administration	41	109	54
ACMA Car Park	4,937	4,880	4,799
ACMA Market Complex	4,323	4,427	4,474
Operating Income Budget (Cash)	9,301	9,416	9,327

Operating - Expenditure

\$'000	2017-18 Actual	2018-19 QF2 Forecast	2019-20 Budget
ACMA Administration	1,743	1,563	1,489
ACMA Car Park	1,912	1,796	1,915
ACMA Market Complex	3,194	3,083	3,009
CoA Head Lease	2,801	2,933	2,952
Operating Expenditure Budget (Cash)	9,650	9,375	9,365



Thank you

RMMA BUSINESS PLAN & BUDGET SUMMARY

FY 2019-20

OVERVIEW

Preparing a Strategic Plan, Business Plan and Budget are all requirements of the Rundle Mall Management Authority Charter 2017

Strategic Plan

- The Board agreed to maintain the strategic direction of “Attract, Stay, Enjoy” at the Board strategic planning day on 30 October 2018

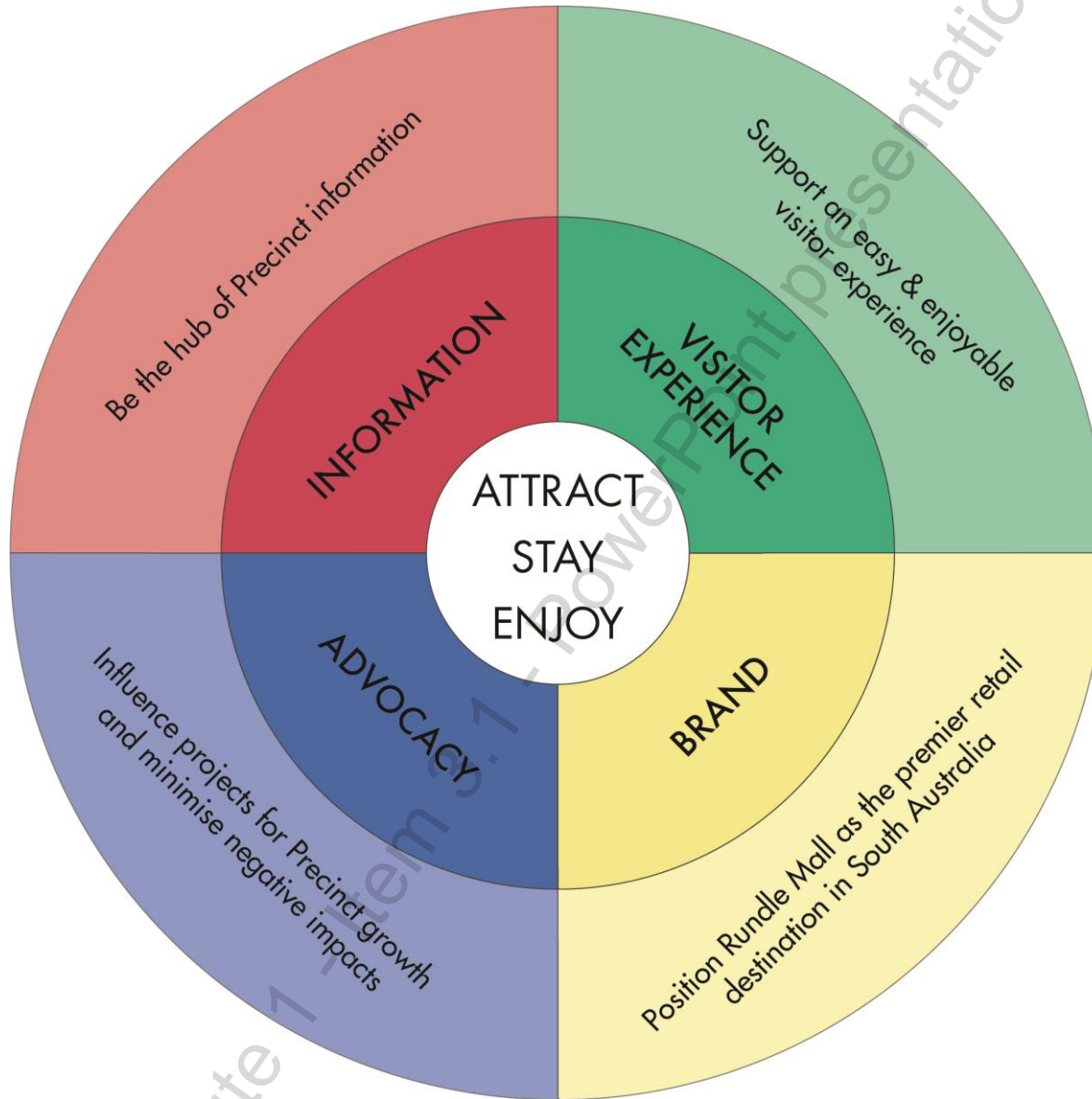
Business Plan

- Business Plan outlines ‘how’ the Year 3 Strategic Plan Actions can be achieved

Budget

- Actions outlined in the Business Plan have been budgeted for

2019-20 BUSINESS PLAN



2019-20 BUDGET

BUDGET ASSUMPTIONS

Rundle Mall Levy

- Differential rate in the dollar frozen
- Levy income assumed to achieve a 1% increase, based on average property valuations

Additional Income

- Concessions (pop-up) income increase reflects a strategic focus on activation, partnership, and supplementary revenue opportunities for major events. It also includes income from a new powered site, and factors in a reduction for Gawler Place Canopy site due to development
- Sponsorship – Income based on successful sponsorship events and having quantifiable examples of success in 2018-19

Administrative/Operational Expenditure

- Labour costs based on business structure designed to support strategic priorities
- Security costs maintained but will be reviewed throughout 2019-20

BUDGET ASSUMPTIONS

Marketing/Activation Expenditure

- Activate 4 key campaigns throughout the year, plus promotion of key retail and public holiday periods
- Expenditure on Strategic priorities including:
 - Information
 - Key precinct stats collated including analysis with Data Analyst, CoA and market research with systems and online solutions
 - Visitor Experience
 - Implement a digital wayfinding solution and integrated CRM system
 - Advocacy
 - Support CoA with the Gawler Place Redevelopment Project and Masterplan
 - Brand
 - Budget included to deliver new RM brand – logo, assets and campaign.
 - 4 x major events including Christmas (utilising existing capital assets), Vogue Festival & Tasting Australia. A reduction in Fringe/Festival expenditure however contra partnership opportunities to be explored
 - New digital and social media focus including delivery of new website

FINANCE SUMMARY

\$'000	2017-18 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Budget
Income (including rollover)	4,244	4,126	4,232	4,286
Accumulated Surplus Carry Forward	381	380	38	-
Marketing Expenditure	(2,824)	(2,665)	(2,540)	(2,458)
Administrative Expenditure	(1,763)	(1,842)	(1,730)	(1,828)
Total	38	-	-	-

INCOME SUMMARY

Income	2017-18 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Budget
Rates Levy	3,719	3,724	3,729	3,741
Other Revenue (Concessions, CML & Sponsorships)	525	403	503	545
Total Income	4,244	4,127	4,232	4,286

2019/20 Notes:

- The 2018/19 budget assumes an increase in the levy based on property valuations at 1%
- Other income streams to increase compared to FY18/19 based on a strategic focus on activation, partnerships and concession stands

MARKETING/ACTIVATION EXPENDITURE

Marketing Activation Expenditure	2017-18 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Budget
Business to Consumer Marketing Campaigns, Activation & Events	(2,203)	(1,814)	(1,776)	(1,683)
Business to Business Marketing Campaigns	(18)	(25)	(18)	(15)
Digital Investment	(75)	(75)	(90)	(131)
Services	(330)	(455)	(373)	(501)
Strategic/Other	(198)	(296)	(283)	(128)
Total Marketing Activation Expenditure	(2,824)	(2,665)	(2,540)	(2,458)

2019/20 Notes:

- Reduction in Business to Consumer activity spending in line with a reduction in rollover (\$0)
- Budget allows to activate 4 key campaigns including Vogue Festival, Christmas, Festival Season & Food – reduced spending on major campaigns
- Increased investment in digital with the delivery of a new website
- Support for the RMMA team with expert service providers and delivery of Wayfinding solution
- Implement strategic projects such as research and Gawler Place redevelopment. Reduction due to CRM being finalised and delivered in FY18/19

ADMIN/OPERATIONS EXPENDITURE

General Expenditure	2017-18 Actual	2017-18 Budget	2018-19 Forecast	2019-20 Budget
Resource Costs	(1,052)	(1,067)	(1,023)	(1,105)
Security	(256)	(259)	(269)	(271)
CoA Recovery	(221)	(216)	(220)	(224)
Other Admin Costs	(234)	(300)	(218)	(228)
Total Administrative Operational Expenditure	(1,763)	(1,842)	(1,730)	(1,828)

2019/20 Notes:

- Labour cost based on business structure and strategic priorities
- Investment in Security to support public and stakeholder perceptions of the Precinct
- CoA recovery increase in line with Public Realm presentation and support
- Travel and training & development to continue insight into best practice retail/precinct marketing

Balancing approach and options

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Balancing adjustments	\$m's
Business Operations Target	1.5
Projects of \$20.3m (increased from \$15.7m baseline)	(4.6)
Infrastructure Program & Renewals of \$43.0m (reduced from \$44.9m baseline)	1.9
Forecast efficiencies in procurement processes and utility management	1.0
An increase in On Street Parking revenue by increasing fees by 50 cents	0.7
Discretionary Rate Rebate: increase the rate capping threshold from 10% to 15% (based on 2018-19 valuations)	0.5
A Balancing Efficiency Target	2.0

	LTFP Baseline	Current Position	Variance/Unfunded
Business Operations	26.7	26.3	(0.4)
General Operations	33.9	37.0	3.1
Projects	(15.7)	(20.3)	(4.6)
Infrastructure Program	(44.9)	(43.0)	1.9
Underlying Surplus/(Deficit)	0.0	0.0	0.0

Efficiencies achieved to date

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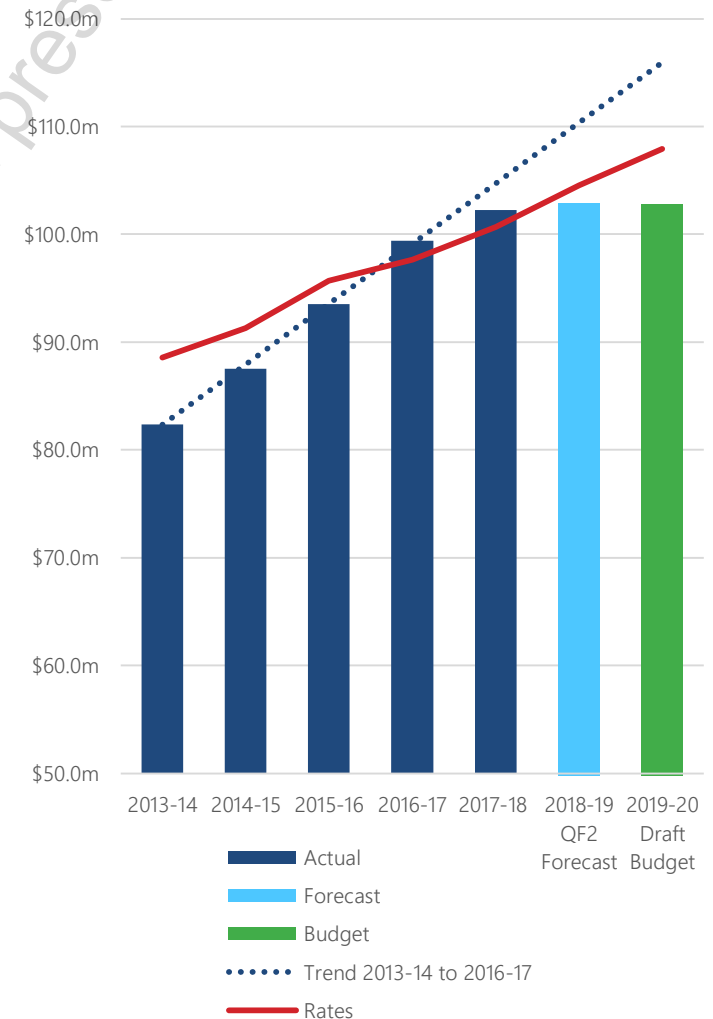
Emerging Priorities

Next Steps

- **2016-17: \$1.1m efficiencies**
Efficiencies realised for organisational restructure in 2015-16
- **2017-18: \$2.5m efficiencies**
Efficiencies incorporated from the Program Reviews \$2.5m
- **2018-19: \$2.4m efficiencies**
Additional efficiencies from the Program Reviews \$0.2m
Additional costs absorbed within General Operations \$2.2m
- **2019-20: \$4.1m efficiencies**
 - Reduction of FTEs and temporary labour \$0.9m
 - Reduction in consultancy and contract labour \$0.8m
 - Reduction in contractual services \$0.9m
 - Materials and other expenditure \$0.5m.
 - Off contract procurement spend \$0.8m
 - Utilities management \$0.2m

Further efficiency target of circa \$2.0m

Rates vs General Operations Expenditure



Discretionary Rate Rebate

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City of Adelaide has a special discretionary rate rebate granted to ratepayers to ensure the annual increase in general rates arising from an increase in valuations is capped at 10%.

Out of the 24,417 total assessments in 2018-19, 15% (3,680) received the 10% Cap relief.

The value of the discretionary rebate in 2019-20 will be dependent on the property valuations.

\$'m	Modelling of rebates based on 2018-19 valuations		
	10% cap	15% cap	20% cap
Commercial	1.66	1.27	1.00
Residential	0.24	0.14	0.10
Total Rebate	1.91	1.41	1.10

Proposal to increase the cap from 10% to 15%, reducing the discretionary rate rebate and increasing rate income by \$0.5m based on 2018-19 valuations.

Proposed Changes: Projects

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\$'m	2019-20 Draft Budget
Projects proposed 22 February	(21.5)
Added Master Plans for Melbourne, O'Connell & Hutt Streets	(0.37)
Increased funding for homelessness recommendations	(0.2)
Increased funding for Splash & Activation to \$1.0m	(0.51)
Removed Business Systems Road Map	1.79
Reduced Place Brand Campaign Execution (\$250k from \$500k)	0.25
Reduced City Growth (\$1.91m from \$2.12m)	0.21
Reduced Façade Improvement Scheme (\$50k from \$100k)	0.05
Reduced Adelaide Living Magazine (\$80k from \$120k)	0.04
Revised Projects	(20.3)

Proposed Projects \$'m	2018-19 Adopted Budget	2019-20 Draft Budget
Pre-Committed	1.8	1.2
Grants & Sponsorships	6.2	5.8
Economic Development	2.8	2.7
Carbon Neutral Adelaide	1.4	1.6
Information Management	2.6	3.2
Other	2.5	5.8
Total Projects	17.3	20.3

Proposed Changes: Infrastructure Program & Renewals

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\$'m	2019-20 Draft Budget
Program proposed on 5 March	(44.3)
Adoption of Scenario 2 generating \$5m capacity	5.0
Included Whitmore Square Safety Improvements	(0.8)
Included Greening South West & North West (revised estimate)	(0.8)
Included Jeffcott Street	(1.7)
Included Public Conveniences in Park 27B	(0.35)
Increase Community & Recreation Design Projects (\$50k to \$100k)	(0.05)
Revised Program & Renewals	(43.0)

The forecast Asset Sustainability Ratio is 83%.

\$'m	2019-20 Draft Program
Streets	7.2
Park Lands (previously City Landscapes)	3.0
City Works	
Roads, Footpaths and Kerbs	7.0
Traffic Signals	1.2
Bridges	0.3
Lighting & Electrical	1.5
Water Infrastructure	2.1
Urban Elements	0.6
Park Land Renewals	1.1
Asset Management Services	-
Design Services	0.0
	13.8
Buildings	6.9
Total Infrastructure Projects	30.9
Plant and Fleet	1.0
ICT Renewals	1.4
Capital Works before overhead costs	33.3
Capital Works Program Management	7.3
Total Capital Works Program (before Gawler Place)	40.6
Allocation for Gawler Place	2.4
Total Capital Works Program incl. Gawler Place	43.0

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General Operations Surplus	33.9	37.0	3.1	
Operating Surplus	60.6	63.3	2.7	
Projects	(15.7)	(20.3)	(4.6)	
Infrastructure Program & Renewals	(44.9)	(43.0)	1.9	
Underlying Surplus/(Deficit)	-	-	-	-
Major Projects (City Transformation Investments)	(4.1)	(4.1)	-	
Business Projects (Aquatic, Golf & UPark)	-	-	-	(4.7)
Commercial Opportunities	-	(1.3)	(1.3)	
<i>Carry Forwards already approved</i>	(10.5)	(10.5)	-	
City of Adelaide Surplus/(Deficit)	(14.6)	(15.9)	(1.3)	(4.7)
Subsidiary Capital	(1.6)	(1.6)	-	(1.7)
Total Net Funding Surplus/(Deficit) before property proceeds	(16.2)	(17.5)	(1.3)	(6.4)
Proceeds from potential property activities	30.0	30.0	-	
Total Net Funding Surplus/(Deficit) after property proceeds	13.8	12.5	(1.3)	(6.4)
Forecast borrowings at 30 June 2019	(78.1)	(78.1)	-	
Total Cash/(Borrowings) at End of Year before property proceeds	(64.3)	(65.6)	(1.3)	(6.4)

General Operations
Incorporates \$2.0m efficiency target, On Street Parking \$0.7m and Discretionary Rate Rebate \$0.5m

Projects
Changes outlined on Slide 6 noting \$2.3m reduction in Projects from 23 March

Infrastructure Program & Renewals
Changes outlined on Slide 7 noting \$3.6m reduction from 23 March

Emerging pressures of (\$3.5m) within 2018-19 (beyond QF2) could increase forecast borrowings to \$69.1m inclusive of proceeds from property activities. If potential property activities do not proceed in 2019-20, forecast borrowings (inclusive of the emerging pressures) would be \$99.1m.

Balancing approach and options

The initial review of the valuations for General Rates is indicating an increase of at least \$2.2m above the 3.3% forecast in the existing draft 2019-20 Budget (inclusive of the Discretionary Rate Rebate cap increasing to 15%).

Balancing options \$m's	Value
Business Operations Target	1.5
Projects of \$20.3m	(4.6)
Infrastructure Program & Renewals of \$43.0m	1.9
Efficiencies from procurement & utility management	1.0
Potential balancing options that could be reduced	
A Balancing Efficiency Target	2.0
On Street Parking fee increase	0.7
Discretionary Rate Rebate	0.7

Further potential options include:

- Capacity to respond
- Additional funding for Projects
- Additional funding for the Infrastructure Program and Renewals
- Emerging priorities

Long Term Financial Plan Assumptions

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Key assumptions for the Long Term Financial Plan include:

- Rates growth 3.3% based on
 - 2.3% valuation increase
 - 1% growth in new development and additions
- Other Income 2.3%
- Operational expenditure 2.3%
- Projects and the Infrastructure Program and Renewals based on 2019-20 allocations, and indexed at 2% per annum
- Proceeds from property activities occurring in 2019-20 included (as forecast in the draft 2019-20 Budget)
- Property activities beyond 2019-20 excluded and subject to business case
- Subsidiaries fully funded beyond capital requirements in 2019-20

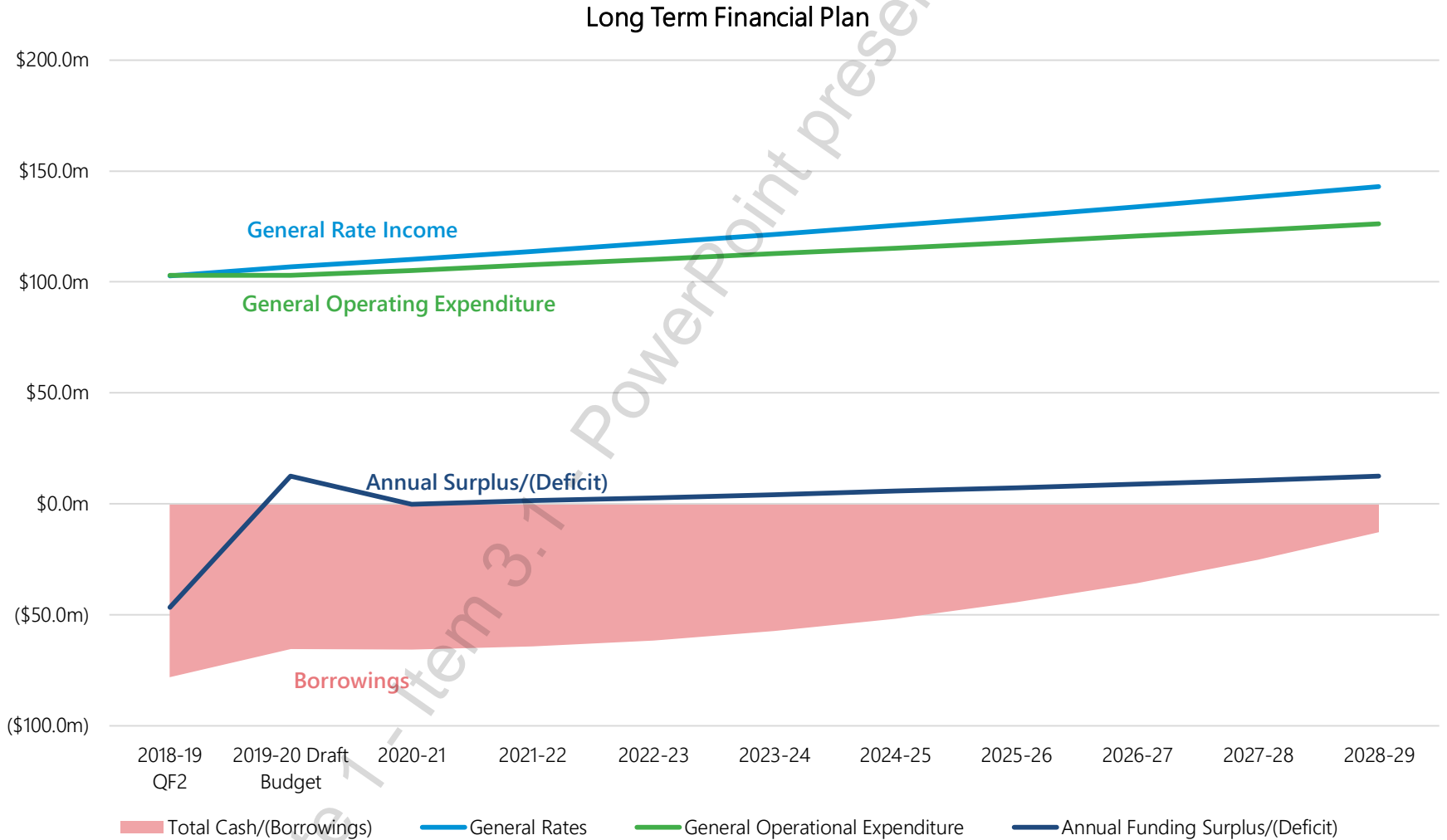
Revised Long Term Financial Plan

	2018-19 QF2	2019-20 Draft Budget	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
\$'m											
General Operations											
General Rates	102.8	106.7	110.2	113.9	117.6	121.5	125.5	129.7	134.0	138.4	142.9
Other Revenue	33.8	33.1	33.9	34.7	35.5	36.3	37.1	38.0	38.9	39.8	40.7
Expenditure	(102.9)	(102.9)	(105.3)	(107.7)	(110.2)	(112.7)	(115.3)	(117.9)	(120.7)	(123.4)	(126.3)
General Operations Surplus	33.8	37.0	38.9	40.9	43.0	45.1	47.4	49.7	52.2	54.7	57.3
Business Operations											
Revenue	45.4	48.5	49.6	50.8	52.0	53.2	54.4	55.6	56.9	58.2	59.6
Expenditure	(21.1)	(22.2)	(22.7)	(23.2)	(23.8)	(24.3)	(24.9)	(25.4)	(26.0)	(26.6)	(27.2)
Business Operations Surplus	24.3	26.3	26.9	27.6	28.2	28.8	29.5	30.2	30.9	31.6	32.3
Amount available for Projects	58.1	63.3	65.8	68.5	71.2	74.0	76.9	79.9	83.1	86.3	89.7
Projects (inc. Grants & Sponsorships)	(17.0)	(20.3)	(20.8)	(21.2)	(21.7)	(22.2)	(22.7)	(23.3)	(23.8)	(24.4)	(24.9)
Capital Works Program											
Infrastructure Program	(31.6)	(30.9)	(33.4)	(34.2)	(35.0)	(35.8)	(36.6)	(37.5)	(38.3)	(39.2)	(40.1)
Other Asset Renewals	(3.2)	(2.4)	(3.1)	(3.2)	(3.2)	(3.3)	(3.4)	(3.5)	(3.6)	(3.6)	(3.7)
Capital Works Program Management	(6.4)	(7.3)	(7.5)	(7.6)	(7.8)	(8.0)	(8.2)	(8.4)	(8.6)	(8.8)	(9.0)
Capital Works Program	(41.2)	(40.6)	(44.0)	(45.0)	(46.1)	(47.1)	(48.2)	(49.3)	(50.4)	(51.6)	(52.8)
Underlying Current Year Funding Surplus/(Deficit)	(0.1)	2.4	1.1	2.2	3.4	4.6	5.9	7.3	8.8	10.3	12.0
City Transformation Investments	0.8	(6.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Opportunities	(13.7)	28.7	(1.0)	(0.8)	(0.6)	(0.4)	(0.3)	(0.1)	0.0	0.1	0.4
Current Annual Funding Surplus/(Deficit)	(13.0)	24.6	0.0	1.4	2.7	4.2	5.7	7.3	8.8	10.5	12.4
Project retiming	(28.9)	(10.5)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Annual Funding Surplus/(Deficit) excl. Subsidiaries	(41.9)	14.1	(0.1)	1.4	2.7	4.2	5.7	7.3	8.8	10.5	12.4
Subsidiaries	(4.8)	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Annual Funding Surplus/(Deficit) incl. Subsidiaries	(46.7)	12.5	(0.1)	1.4	2.7	4.2	5.7	7.3	8.8	10.5	12.4
Total Cash/(Borrowings) at End of Year	(78.1)	(65.6)	(65.7)	(64.4)	(61.7)	(57.5)	(51.8)	(44.5)	(35.7)	(25.2)	(12.8)

The Long Term Financial Plan is sensitive to assumptions to the forecast growth in general rate income relative to the indexation on expenditure.

Revised Long Term Financial Plan

- Overview
- Subsidiaries
- Balancing Considerations
- Proposed Position
- Long Term Financial Plan**
- Emerging Priorities
- Next Steps



The Long Term Financial Plan is sensitive to assumptions to the forecast growth in general rate income relative to the indexation on expenditure.

Emerging Priorities

This is a draft list of emerging priorities, noting that it is not exhaustive nor presently inclusive of all suggestions.

	Commercial Opportunities and Business Operations	Infrastructure		Other
		Enhancements	Renewals, Compliance, Safety	
Overview	<ul style="list-style-type: none"> Central Market Arcade Redevelopment Golf Master Plan Adelaide Aquatic Centre future state Aquatic Centre: Short Term Operations Golf Course Irrigation Wyatt UPark Façade and Lift 	Master Plans, Concept Plans and Strategies <ul style="list-style-type: none"> Adelaide Park Lands Master Plan Rundle Mall Master Plan Rymill Park Whitmore Square Streetscapes and Areas <ul style="list-style-type: none"> Currie/Grenfell Elder Park Gilbert Place Grote/Wakefield Hindley Street Hutt Street Kintore Ave (East) Louder's Riverbank Precinct Melbourne Street Moonta St/Chinatown North Tce West O'Connell Street Park Lands Park Lands Cycling Improvements Synagogue Place Victoria Park Water Feature Victoria Square 	Asset Management Plans <ul style="list-style-type: none"> Roads, footpaths & kerbs Bridges including Adelaide Bridge and Victoria Bridge Lighting (LED project) Urban items Buildings Compliance & Safety <ul style="list-style-type: none"> CCTV Electrical DDA Public safety Specific Works <ul style="list-style-type: none"> Central Market Arcade Contingency and Activation Improvements Town Hall Works 	<ul style="list-style-type: none"> Commonwealth Games Visitor Information Centre Digital Strategy CCTV Platform Upgrade
Subsidiaries				
Balancing Considerations				
Proposed Position				
Long Term Financial Plan				
Emerging Priorities				
Next Steps				

Next Steps

Overview
Subsidiaries
Balancing Considerations
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Long Term Financial Plan
Emerging Priorities
Next Steps

- Wednesday 10 April**

 - Placeholder for draft 2019-20 Integrated Business Plan and Budget discussions
 - Presentation of Subsidiary Budgets:
 - Adelaide Central Market Authority
 - Rundle Mall Management Authority
 - Long Term Financial Plan
 - Additional information requested to be provided
- Tuesday 16 April**

 - Committee to consider the draft 2019-20 Integrated Business Plan other balancing considerations
- Tuesday 30 April**

 - Council to approve the draft 2019-20 Integrated Business Plan for Public Consultation**
- Wednesday 8 May**

 - Public Consultation** opens for 21 days
- Wednesday 15 May**

 - Public Forum to present the draft Budget
- Tuesday 28 May**

 - Public Meeting to hear submissions from the Community
- Wednesday 29 May**

 - Public Consultation closes at midnight
- Monday 4 June**

 - Consider Public Consultation submissions and consider final changes to 2019-20 Budget
- Tuesday 18 June**

 - Committee to consider the 2019-20 Integrated Business Plan in preparation for adoption
- Tuesday 25 June**

 - Council to adopt the 2019-20 Integrated Business Plan**