

# 2019-20 Draft Integrated Business Plan for Public Consultation

**ITEM 5.10** 16/04/2019  
**The Committee**

2018/03947  
Public

**Program Contact:**  
Tracie Dawber, AD Finance 8203  
7002

**Approving Officer:**  
Steve Mathewson, Director  
Services

## EXECUTIVE SUMMARY:

The Integrated Business Plan is the annual operational and financial planning document for the City of Adelaide. It describes the services and projects that we plan to deliver in the upcoming financial year, and how we plan to allocate the budget. It also provides an overview of our rating policies and how the Integrated Business Plan delivers on our strategic plan and priorities.

The draft budget has been formed through a rigorous review undertaken by Administration and discussions with the Council Members at Committee Workshops on 4 February 2019, 7 March 2019, 18 March 2019, 23 March 2019 and 10 April 2019. Feedback from Council Members during the workshop on Wednesday 10 April 2019 has been incorporated in the draft 2019-20 Integrated Business Plan as follows:

1. Forecast rate income of \$108.4m arising from valuation uplift and growth in new developments, noting that the rate in the dollar has been fixed for the fifth consecutive year. Administration will continue to verify the rates valuation model, providing confirmation of the final budget in June.
2. The valuation cap for the Discretionary Rate Rebate remaining at 10%.
3. On-street parking fees increased by 50c compared to 2018-19 fees to achieve \$0.7m additional income.
4. The shortfall of \$0.5m in achieving a balanced underlying position has been funded through an efficiency target.
5. The allocation of a further \$1.7m for Adelaide Central Market Authority capital works, increasing the allocation of loan funding to the Adelaide Central Market Authority to \$3.3m for the 2019-20 financial year.

The earlier feedback on Projects and the Infrastructure Program and Renewals as presented at the workshop on 10 April has also been incorporated in the draft Integrated Business Plan.

\$4.6m of efficiencies were identified during the 2019-20 budget cycle in addition to \$2.4m implemented within the 2018-19 financial year. This has created capacity to absorb significant cost pressures and respond to emerging priorities while freezing the rate in the dollar. A strong commercial approach with stretch targets has been applied in the development of the budget for business operations. This approach will deliver supplementary revenue streams from existing assets whilst addressing key business risks.

Based on the discussions to date, this delivers an underlying balanced funding position for 2019-20 where Projects and the Infrastructure Program have been funded by the surpluses from General and Business Operations.

The draft Budget includes a forecast funding surplus of \$10.7m and a cumulative funding position at end of year which is within Council's current Prudential Borrowing Limits.

## RECOMMENDATION:

### THAT THE COMMITTEE RECOMMENDS TO COUNCIL

#### That Council:

1. Notes the revisions made to the draft 2019-20 Integrated Business Plan based on Elected Member feedback from discussions held during the Committee Workshop on 10 April 2019. These revisions are outlined in the discussion section of this report and have been incorporated in Attachment A to Item 5.10 on the Agenda for the meeting of The Committee held on 16 April 2019.
  2. Approves the balancing adjustments for the draft 2019-20 Budget document following the Committee Workshop on Wednesday 10 April 2019 including:
    - 2.1. Forecast rate income of \$108.4m arising from valuation uplift and growth in new developments, noting that the rate in the dollar has been fixed for the fifth consecutive year.
    - 2.2. The valuation cap for the Discretionary Rate Rebate remaining at 10%.
    - 2.3. On-street parking fees increased by 50c compared to 2018-19 fees to achieve \$0.7m additional income.
    - 2.4. The short fall of \$0.5m in achieving a balanced underlying position has been funded through an efficiency target.
    - 2.5. The allocation of a further \$1.7m for Adelaide Central Market Authority capital works, increasing the allocation of loan funding to the Adelaide Central Market Authority to \$3.3m for the 2019-20 financial year.
  3. Approves the draft 2019-20 Integrated Business Plan document set out in Attachment A to Item 5.10 on the Agenda for the meeting of The Committee held on 16 April 2019 for the purpose of public consultation.
  4. Endorses the public consultation process to commence on Wednesday 8 May 2019 and conclude on Wednesday 29 May 2019.
  5. Authorises the Chief Executive Officer to make any necessary changes to the draft 2019-20 Integrated Business Plan document arising from this meeting, together with any editorial amendments and finalisation of the document's formatting and graphic design.
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## IMPLICATIONS AND FINANCIALS:

City of Adelaide 2016-2020 Strategic Plan	The deliverables and objectives set out in the draft 2019-20 Integrated Business Plan document are directly aligned to the delivery of year 4 of the 2016-2020 City of Adelaide Strategic Plan.
Policy	The draft 2019-20 Integrated Business Plan 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 2019-20 Integrated Business Plan will commence on Wednesday 8 May 2019 and conclude on Wednesday 29 May 2019.
Resource	The draft 2019-20 Integrated Business Plan identifies how Council's resources will be allocated in meeting the 2019-20 Strategic Plan deliverables and objectives.
Risk / Legal / Legislative	Council's draft 2019-20 Integrated Business Plan 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 Integrated Business Plan providing the community with an opportunity to provide feedback on the draft Integrated Business Plan. Community members can provide feedback on issues that affect them with the commitment of Council to provide pathways for their input.
18/19 Budget Allocation	Not as a result of this report.
Proposed 19/20 Budget Allocation	The draft 2019-20 Integrated Business Plan provides the proposed budget for the 2019-20 financial year.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report.
18/19 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

1. The draft 2019-20 Integrated Business Plan 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:
  - 1.1 *Council must have, for each financial year:*
    - 1.1.1 *an annual business plan; and*
    - 1.1.2 *a budget.*
  - 1.2 *Council's annual business plan must:*
    - 1.2.1 *include a summary of Council's long term objectives (as per the City of Adelaide 2016-20 Strategic Plan)*
    - 1.2.2 *include an outline of:*
      - 1.2.2.1 *Council's objectives for the financial year (i.e. Annual Objectives that are scheduled for delivery in year 4 of the 2016-20 Strategic Plan);*
      - 1.2.2.2 *the activities that Council intends to undertake to achieve those objectives (i.e. Council Services and Projects);*
    - 1.2.3 *set out a summary of Council's proposed operating expenditure, capital expenditure and source of revenue;*
    - 1.2.4 *set out the rates structure and policies for the financial year;*
    - 1.2.5 *assess the impact of the rates structure and policies on the community; and*
    - 1.2.6 *take into account Council's long term financial plan and the management and development of infrastructure and major assets.*
2. The Long Term Financial Plan and Uniform Presentation of Finances have intentionally been left blank and will be updated with the 2018-19 Quarter 3 Revised Forecast upon approval by Council on 30 April 2019, with the updated Long Term Financial Plan included in the draft Integrated Business Plan for public consultation.
3. The budget included in the draft 2019-20 Integrated Business Plan document is based on the discussions and feedback from Committee Workshops on 4 February 2019, 7 March 2019, 18 March 2019, 23 March 2019 and 10 April 2019.
4. Revisions to the draft budget following feedback from Elected Members during the Committee Workshop on 10 April 2019 including:
  - 4.1 Forecast rate income of \$108.4m arising from valuation uplift and growth in new developments, noting that the rate in the dollar has been fixed for the fifth consecutive year. Administration will continue to verify the rates valuation model, providing confirmation of the final budget in June.
  - 4.2 The valuation cap for the Discretionary Rate Rebate remaining at 10%.
  - 4.3 On-street parking fees increased by 50c compared to 2018-19 fees to achieve \$0.7m additional income.
  - 4.4 The short fall of \$0.5m in achieving a balanced underlying position has been funded through an efficiency target.
  - 4.5 The allocation of a further \$1.7m for Adelaide Central Market Authority capital works, increasing the allocation of loan funding to the Adelaide Central Market Authority to \$3.3m for the 2019-20 financial year.

The earlier feedback on Projects and the Infrastructure Program and Renewals as presented at the workshop on 10 April has also been incorporated in the draft Integrated Business Plan, with Projects increasing \$4.6m from the Long Term Financial Plan baseline and the Infrastructure Program & Renewals reducing \$1.9m from baseline.
5. The draft Budget includes
  - 5.1 a balanced underlying funding position for 2019-20 where Projects and the Infrastructure Program and Renewals have been funded by the surpluses from General and Business Operations
  - 5.2 a funding surplus including subsidiaries of \$10.7m for the 2019-20 financial year
  - 5.3 a cumulative funding position at 30 June 2020 which is within Council's current Prudential Borrowing Limits.

This reflects a rigorous process of review and challenge to every aspect of our projected revenue and expenditure.

6. The projected general rates revenue reflects a fixed rate in the dollar with an assumption of a 5.4% increase from a combination of re-valuation uplift and new development growth.
7. The operating surplus from General Operations is forecast to increase by \$3.5m compared to the 2018-19 Adopted Budget. Inflationary pressures and new initiatives have been offset by savings and efficiencies identified during the 2019-20 budget cycle exceeding \$4.6m in addition to \$2.4m implemented within the 2018-19 financial year.
8. A strong commercial approach has been applied in the development of budget for the commercial businesses. This approach, inclusive of a stretch target, will deliver supplementary revenue streams from existing assets, whilst addressing key business risks. Business Operations surplus is forecast to increase by \$0.5m compared to 2018-19 Adopted Budget
9. The increase in operational surpluses has provided greater capacity to fund projects, including cultural and economic initiatives, and the Infrastructure Program & Renewals. Projects have increased by \$3.0m compared to the 2018-19 Adopted Budget while the Infrastructure Program and Renewals have increased by \$0.5m.
10. In accordance with section 123(3)(b) of the Act, we are required to follow the relevant steps in its public consultation policy to facilitate community feedback on the draft Integrated Business Plan.

### Consultation Process

11. We have developed a draft 2019-20 Integrated Business Plan for the purpose of public consultation (refer **Attachment A** ).
12. The draft 2019-20 Integrated Business Plan has been presented in the four themes identified in the City of Adelaide 2016-2020 Strategic Plan (Smart, Green, Liveable and Creative), providing focus and alignment with priorities and deliverables set out for year 4 of the plan.
13. The draft 2019-20 Integrated Business Plan public consultation will commence on Wednesday 8 May 2019 and conclude on Wednesday 29 May 2019 and will include:
  - 13.1 A Business Plan and Budget Forum on the evening of Monday 13 May with a presentation of the 2019-20 Integrated Business Plan and an opportunity for members of the community to ask questions of the Plan and meet with Council Members and staff.
  - 13.2 A Public Meeting on the evening on Tuesday 28 May to provide members of the community an opportunity to present their submissions to Council.
14. Notification of public consultation will be provided through the following avenues:
  - 14.1 City of Adelaide's website linking through to detailed information on the 'Your Say' website.
  - 14.2 'Your Say' website will also include links to the full draft 2019-20 Integrated Business Plan document, Consultation Packs (including the Submission Form), Key Projects Map and Frequently Asked Questions.
  - 14.3 Council's Customer Service Centre, libraries and community centres, where the full draft 2019-20 Integrated Business Plan document and Consultation Packs will be made available.
  - 14.4 Public Notice advertisements in the Advertiser and City Messenger newspapers.
  - 14.5 Promotional advertisements on all Customer Service points including the Customer Service Centre and City Library screens.
  - 14.6 Email campaign to registered users of the 'Your Say' Adelaide engagement website and other programs' databases.
  - 14.7 Media release to all local media announcing draft 2019-20 Integrated Business Plan and consultation.
  - 14.8 Social media campaign via City of Adelaide Twitter feed and Facebook page.
  - 14.9 Key stakeholders including precinct groups, resident groups, business groups and other interested stakeholders will be invited to hear more about the draft 2019-20 Integrated Business Plan at the Business Plan and Budget Forum on Monday 13 May 2019.
15. The community will be encouraged to make written submissions to the budget through the following channels:
  - 15.1 Online at [yoursay.cityofadelaide.com.au](http://yoursay.cityofadelaide.com.au)
  - 15.2 Email at [yoursay@cityofadelaide.com.au](mailto:yoursay@cityofadelaide.com.au)
  - 15.3 In writing to 'Community Consultation: Draft 2019-20 Integrated Business Plan, GPO Box 2252, Adelaide SA 5001'

15.4 Hard copy submission forms will be available from City of Adelaide's Customer Service Centre, libraries and community centres

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## ATTACHMENTS

**Attachment A** – Draft 2019-20 Integrated Business Plan

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- END OF REPORT -

# 2019-20 INTEGRATED BUSINESS PLAN

DRAFT



CITY OF  
ADELAIDE

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Item 5.10 - Attachment A



## ACKNOWLEDGEMENT OF COUNTRY

The City of Adelaide acknowledges that we work on the traditional Country of the Kaurna people of the Adelaide Plains and pays respects to Elders past and present.



## LORD MAYOR'S MESSAGE

Welcome to the City of Adelaide Integrated Business Plan for 2019-20.

This is the first Integrated Business Plan of the new Council elected in November 2018 which reflects the priorities we were elected to represent on behalf of the community.

Council recognises the real cost of living pressures facing our community, both for businesses and residents. Accordingly, for the fifth year in a row, we are freezing the rate in the dollar.

We continue to support the growth of our city through strategic investments that promote increased private investment, attract more visitors, grow the residential population and create new jobs. This financial year, Council will progress with key once-in-a-generation projects to ensure a future of sustainable growth and prosperity.

Having made the strategic purchase of the former Le Cornu site at 88 O'Connell Street in North Adelaide in 2017-2018 and running a successful Expression of Interest process for potential development partners in 2018-2019, in 2019-2020 Council is seeking detailed development proposals from shortlisted proponents for Council's consideration. Further, Council is committed to continued engagement with our community during the planning phase for the development of this important catalyst site.

We have also progressed the Central Market Arcade Redevelopment. In 2019-2020, Council will enter a phase of negotiation with a preferred development partner on an outcome which achieves a thriving, mixed-use location which is complimentary and supporting of the iconic Adelaide Central Market and surrounding Market District.

During 2019-20 we will continue to roll-out the Ten Gigabit Adelaide high-speed data-network infrastructure with partner TPG Telecom. This 21st century infrastructure is an Australian first which creates a compelling competitive advantage for local business, and an enticing platform to attract new business and investment to the City of Adelaide, enhancing our reputation as a connected, smart and entrepreneurial city.

We are committed to delivering 'the essentials'; high-quality services and accessible infrastructure, in a cost-effective manner. In 2019-20 we will invest \$38.2 million in city infrastructure, including \$7.2 million towards street upgrades and greening, ensuring Adelaide remains one of the world's most liveable cities. We have also allocated \$370,000 to develop Master Plans for Melbourne, O'Connell and Hutt Streets.



The Adelaide Park Lands is our city's most treasured asset. In 2019-20 Council will invest a total of \$15.9 million in Park Lands projects and maintenance, including \$4.1 million to improve community facilities with play spaces, lighting, landscaping and accessibility. We have further allocated \$800,000 for tree planning and street greening projects in the south west and north west of the city as well as \$800,000 for Whitmore Square safety improvements.

The City of Adelaide's great liveability is created not just through accessible infrastructure, but also our recreation options, cultural celebrations and community collaborations. In 2019-20 we will invest a total of \$5.8 million in grants, sponsorships, incentives and support to our strategic partners.

We will invest in incentive programs of strategic importance to the city such as \$1.6 million for the climate change initiatives and \$1.3 million for built heritage management grants.

Investment attraction and supporting our businesses to grow is essential for the future prosperity of the City of Adelaide and is supported by Council this financial year with \$1.9 million allocated towards business growth and innovation opportunities in addition to \$213,000 in support of Renew Adelaide, \$267,000 for international student attraction organisation Study Adelaide, \$266,000 for Entrepreneur Support Initiatives and \$373,000 to the Adelaide Convention Bureau.

Adelaide has a strong reputation as a creative city and we will continue to support this legacy investing \$6.4 million across a range of programs, including \$1.9 million for festival and event sponsorship, \$1.0 million for Splash Adelaide city activation initiatives, \$120,000 to support live music, and \$848,000 in the delivery of our Cultural Strategy objectives.

We have delivered a strong and balanced Integrated Business Plan which will support the continued economic and cultural growth of the City of Adelaide and set the tone for the upcoming development of the **City of Adelaide 2020-2024 Strategic Plan**.

We all have an important role to play in enhancing Adelaide's reputation as a liveable and prosperous city and we look forward to your support and collaboration to shape Adelaide's future.



Sandy Verschoor  
**LORD MAYOR**

# YOUR COUNCIL

## Lord Mayor

Sandy Verschoor

## Deputy Lord Mayor

Houssam Abiad

## Area Councillors

Anne Moran

Robert Simms

Arman Abrahamzadeh OAM

Franz Knoll

## North Ward Councillors

Phillip Martin

Mary Couros

## Central Ward Councillors

Houssam Abiad (Deputy Lord Mayor)

Simon Hou

Jessy Khera

## South Ward Councillors

Dr Helen Donovan

Alexander Hyde



(Front L-R) Jessy Khera, Phillip Martin, Anne Moran, Sandy Verschoor, Alexander Hyde, Simon Hou

(Back L-R) Houssam Abiad, Mary Couros, Arman Abrahamzadeh OAM, Robert Simms, Franz Knoll, Dr Helen Donovan

## HOW TO HAVE YOUR SAY

The draft 2019-20 Integrated Business Plan can be viewed online via [yoursay.cityofadelaide.com.au](https://yoursay.cityofadelaide.com.au), and at the City of Adelaide's Customer Service Centre, libraries and community centres.

Hard copy submission forms are also available from any of the above locations.

### Feedback Options

Online via: [yoursay.cityofadelaide.com.au](https://yoursay.cityofadelaide.com.au)

Email to: [yoursay@cityofadelaide.com.au](mailto:yoursay@cityofadelaide.com.au)

### Write to:

Community Consultation  
Draft 2019-20 Integrated Business Plan  
GPO Box 2252, Adelaide SA 5001

**Consultation closes at midnight on Wednesday 29 May 2019.**

### Business Plan and Budget Forum Monday 13 May 2019

Adelaide Town Hall at 6:00pm with a presentation of the 2019-20 draft Integrated Business Plan and opportunity for questions and answers with Council Members.

### Public Meeting to receive Submissions Tuesday 28 May 2019

Adelaide Town Hall at 5:00pm for public submissions, questions and answers with Council Members.

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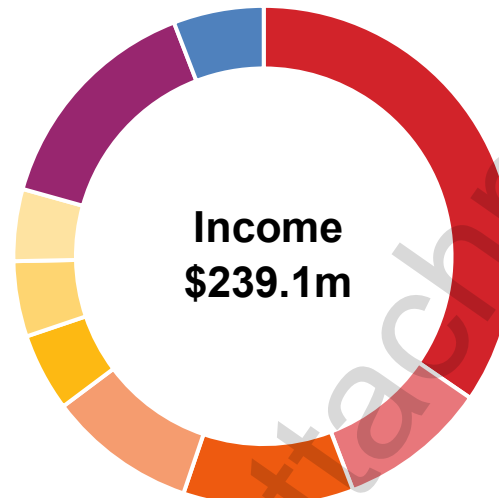
## BUDGET OVERVIEW

2019-20 will be the fifth consecutive year that Council has frozen the rate in the dollar, easing the cost of living pressures facing our community, both for businesses and residents. This has been achieved through sustained growth in the city and a commitment by Council to continually improve the efficiency of its operations.

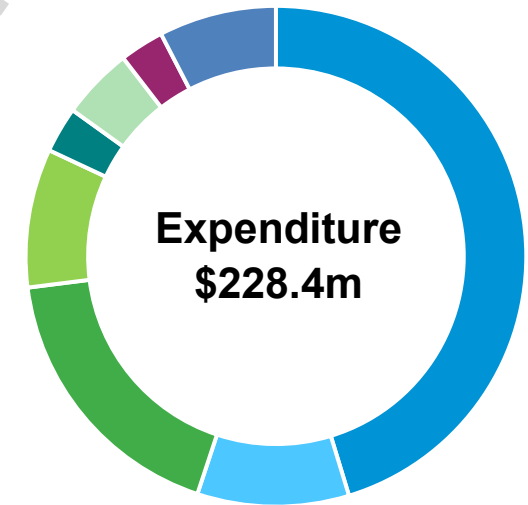
The total funding for 2019-20 is 239.1m consisting of:

- Total Rates \$108.4m
- Commercial Businesses (including Subsidiaries) \$62.4m
- Other \$68.3m

Our expenditure of \$228.4m focuses on the prioritisation of core community and civic services, initiatives that support the city's cultural and economic development, and projects that maintain and upgrade infrastructure within in the City and Park Lands.



Funding Sources	\$'m
Rates: Commercial	\$ 82.8m
Rates: Residential	\$ 25.6m
Off-Street Parking	\$ 26.2m
Other Business Income	\$ 22.3m
On Street Parking	\$ 12.0m
Expiations	\$ 11.6m
Other Revenue Income	\$ 9.5m
Commercial Opportunities	\$ 35.2m
Subsidiary Operations	\$ 13.9m



Expenditure	\$'m
General Operations	\$104.5m
Business Operations	\$ 22.2m
Infrastructure & Renewals	\$ 40.6m
Projects	\$ 20.3m
Major Projects	\$ 6.6m
Project Retiming	\$ 10.5m
Commercial Opportunities	\$ 6.5m
Subsidiaries	\$ 17.2m

# CITY PROFILE

These facts and figures provide a current snapshot of the City of Adelaide.



## 315,469

Daily visitors to the city, 2018



## 24,794

Residents in the City, 2018



## 54%

Visiting, 2018



## 2.3%

Residential growth 2017 to 2018



## 31%

Working, 2018



## 115,250

People employed by businesses in Adelaide and North Adelaide, 2016



## 15%

Studying, 2018



## \$18.09b

CoA Gross Regional Product (GRP), 2018



## 17.8%

GRP as a share of Gross State Product, 2018



# CURRENT ECONOMIC ENVIRONMENT

The global economy has continued to experience expansion with growth expected to come in at 3.7% in 2018, mainly due to strong growth in the Asian region and significant contribution from the United States. However global growth is forecasted to slow down in 2019.

China's growth is expected to be slower in 2019 as the effect of US tariffs further compounds other domestic challenges, including over-capacity and high debt levels. In the short-term it is likely that some of the lost trade will be diverted elsewhere, and Australia could benefit from this. However, if the trade war between the United States and China leads to a decline in economic growth in both countries, it would have negative consequences in the mid to long-term.

## Australia

The economy has grown around 2.75% in 2018 with global growth adding to national income, and a combination of rising commodity exports and government spending contributing to economic growth. The national unemployment rate continued at approximately 5% at the end of 2018 and inflation rates remaining low.

For 2019, a downward trend in housing activity and house prices, the slowdown in household expenditure, weaker credit growth and the drought affecting large parts of the country have been identified as key challenges.

## South Australia

The external environment was not as supportive as had been expected earlier in 2018. Lower growth for South Australian exports, the slowdown in household consumption expenditure, weak growth in income, low population growth, a downward trend in construction activity and energy costs remain challenges for sustainable growth. In addition, agricultural income is forecast to weaken in 2018-19 with negative consequences for farm incomes and the industry supply chain.

On the positive side, job vacancies are at strong levels and employment growth should resume soon. Recovery in business investment has continued during the second half of 2018 and Gross State Product is forecasted to grow by 1.75% in 2018-19. Employment is also forecasted to grow by 0.75%, which will maintain the unemployment level around its current level of 6%. Another positive note in South Australia is the rise in business confidence. Confidence indices have been showing the highest level in over 10 years.

## City of Adelaide

Ten Gigabit Adelaide and the investment in the Defence sector by the federal government are key drivers of demand in the commercial property sector, with net absorption expected to remain positive over the next five years. The re-development of the old Royal Adelaide Hospital into an innovation hub (Lot Fourteen) and current infrastructure investment could be key attractors for investment in the near future. In the residential property market, demand for both houses and units have softened in the last few months, which is expected to continue over the next 12 months.

City of Adelaide's visitor economy has reached a historic high in 2018, with more than 3 million travellers coming to Adelaide, adding \$3.3bn to the local economy in the 12 months to September 2018.

For more information on City Data and Trends, visit <https://investadelaide.com.au/insights>

*References: International Monetary Fund. Deloitte Access Economic, Economic Briefing. Committee for Economic Development Australia. The SA Centre for Economic Studies, University of Adelaide.*

## HOW THIS PLAN WAS PREPARED

This Integrated Business Plan is the key annual operational and financial planning document of the City of Adelaide. It describes what services and projects we plan to provide in the upcoming financial year and how we propose to allocate our budget.

It has been developed in the context of delivering our long term strategic direction set out in the Strategic Management Plan documents required under the *Local Government Act 1999*. These include the City of Adelaide 2016-2020 Strategic Plan (the Strategic Plan) and Asset Management Plans.

These plans outline our objectives over a four-year period in order to achieve the Strategic Plan vision for the city – that Adelaide is a welcoming and dynamic city full of rich and diverse experiences. They show how we intend to achieve our vision through sustainable growth and the responsibility to provide quality and value in local government services for ratepayers, with wider responsibilities under the *City of Adelaide Act 1998* in managing the city and the Park Lands on behalf of residents of the city and the broader community.

The Integrated Business Plan aligns with the four themes identified in the Strategic Plan: Smart, Green, Liveable and Creative. It is the result of a rigorous process of review and challenge to every aspect of projected revenue and expenditure with a strong focus on efficiency and alignment to the Strategic Plan.

Reviews have been undertaken across the organisation to ensure we are structured and resourced appropriately to deliver on the Strategic Plan. Further reviews will be undertaken to evaluate our service delivery in response to community expectations to ensure efficiency and effectiveness.

Combined savings and efficiencies identified during the 2019-20 budget cycle exceed \$4.5 million in addition to \$6 million achieved in the past three financial years. This has provided the capacity to absorb cost pressures in areas such as energy and technology.

A commercial approach has been applied in the development of the commercial operations budget. This approach will deliver supplementary revenue streams from existing assets, whilst addressing key business risks.

In developing our Infrastructure Program major opportunities were identified to align asset renewals with holistic streetscape improvements. A multi-year investment has been proposed to create a rolling program of city improvements balanced with essential renewals. Where required, projects have been accelerated for delivery in the 2018-19 year with a strong focus on community value.

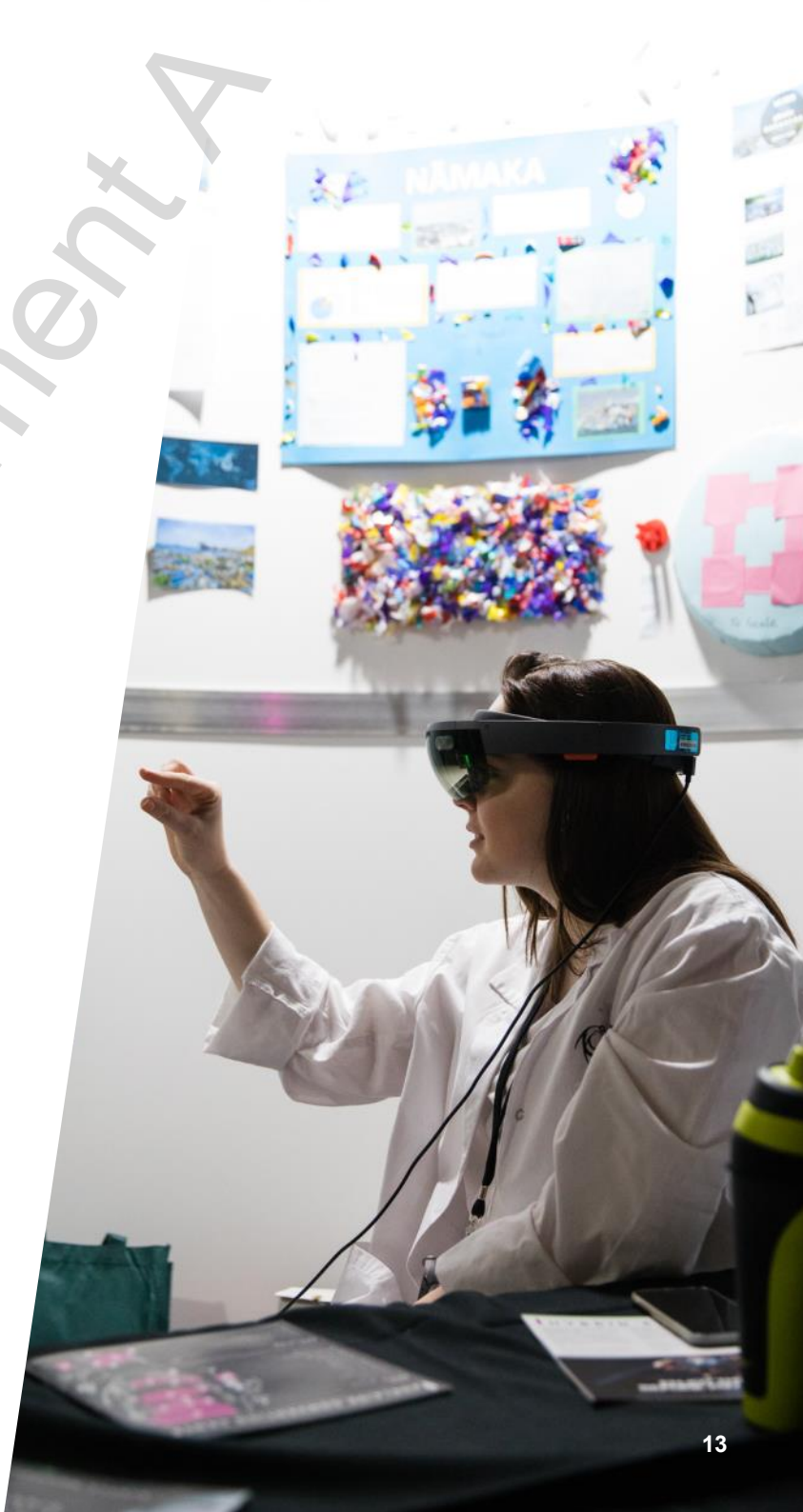
The projects that contribute to the delivery of our strategic plan have been prioritised with a focus on alignment, business criticality and capacity to deliver.



## CHALLENGES AND INFLUENCES

In an increasingly global environment, Adelaide as a Capital City is influenced by State and Federal Government policies as well as broader social trends. Some of the factors and challenges that have been considered in developing this Integrated Business Plan include:

- The **results of the State election in March 2018** and its outcome on State programs and activities and Council's partnerships with the State Government
- The **discussion and debate on overseas migration** at both the State and Federal Government levels and impacts on population growth in the city
- The continued **focus on achieving carbon neutrality** and managing community expectations around climate change and reduction of waste such as single-use plastics
- The need to develop a **Strategic Plan for the City of Adelaide to guide activity to 2024** that considers State and national objectives and strategies
- The **transformation of Lot Fourteen** into a creative and innovation hub including being home to Australia's space agency
- Implications of **major State Government projects** such as Lot Fourteen, the Adelaide Festival Centre Precinct Upgrade, Her Majesty's Theatre redevelopment, and the Chinatown Mall redevelopment
- Debate about **local government reform** in South Australia and the potential impacts on the operations of councils
- An **increasingly ageing population** and the implications on the provision of services and appropriate infrastructure
- Other **demographic changes** such as shifts in interstate and overseas migration patterns and housing preferences
- Continuing to build on the relative strength of the **international education and tourism market**
- The **impact of local economic conditions** on promoting residential and business development in the city
- The need for Council to deliver a **growing range of services** in a tightening fiscal environment
- The **Federal election in May 2019** and potential to influence Council's advocacy activities.



## HIGHLIGHTS FOR 2019-20

With defined resources there is a growing need to deliver services that meet the needs and expectations of the community while reducing pressures on rates revenue. The City of Adelaide has a focus on achieving greater efficiencies while maintaining services to appropriate levels.

### Highlights for the year ahead:

- Relieving the cost of living and cost pressures on city residents and businesses by **freezing the rate in the dollar** for the fifth consecutive year and **the removal of outdoor dining fees**
- Enhancing the City's streets by **expanding the green canopy** in the City's south west and north west, continuing the **Jeffcott Street heritage renewal**, and completing the **Gawler Place Development**
- Progressing with the **Central Market Arcade Redevelopment** into a thriving, mixed-use location to grow the market offer with expanded and complementary retail and market activities
- A strong commitment to significant and sustained **investment in the city's Infrastructure with \$38.2 million** allocated for the next financial year
- Progressing climate change initiatives to deliver our strategic goal for the City of Adelaide to be the one of the **world's first carbon neutral cities**



- Progressing the **redevelopment of the 88 O'Connell Street site** to achieve a mixed-use development that enhances the vitality of the O'Connell Street precinct
- Furthering our reputation as a connected and smart city with the continued rollout of **Ten Gigabit Adelaide**.
- **Working with our Strategic Partners** (such as Adelaide Convention Bureau, State Government, Renew Adelaide, StudyAdelaide, Festivals Adelaide and Music SA) to promote Adelaide as a destination to do business, study, visit and perform
- Delivering **community celebrations**, such as Christmas and New Year's Eve that are open and inclusive and provide a safe and family friendly environment in the city
- Providing **sponsorship/grant funding** support to assist art, cultural and community groups and organisations in delivering inspiring art, cultural and multicultural activities, events, programs and services
- Development of the **City of Adelaide 2020-2024 Strategic Plan** to guide Council's agenda and vision over the next four years
- **Attracting new financial investment** and businesses to establish in the city, and **support existing businesses** to grow their presence in the city and expand into overseas markets
- **Promotion of 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
- **Activate Hutt Street** with a creative, cultural and recreational hub
- Implementing a new approach to **business waste and recycling services** as well as delivery of best-practice approach for **waste reduction**
- Supporting owners in the **conservation, upgrade and use of their heritage places** through the Heritage Incentives Scheme and Façade Improvement Incentive Scheme
- A range of projects and initiatives that we will undertake to **strengthen meaningful relationships with the Kaurna community**.



## 2019-20 KEY PROJECTS MAP

We are proud to highlight a number of our key projects by location on the following map. In addition, our city is also supported by many city-wide projects, some of which are featured in our **Highlights for 2019-20**.



# CITY OF ADELAIDE 2016-2020 STRATEGIC PLAN

The City of Adelaide 2016-2020 Strategic Plan tells Adelaide's growth story and articulates an agenda for strong growth over the next four years.

## OUR VISION

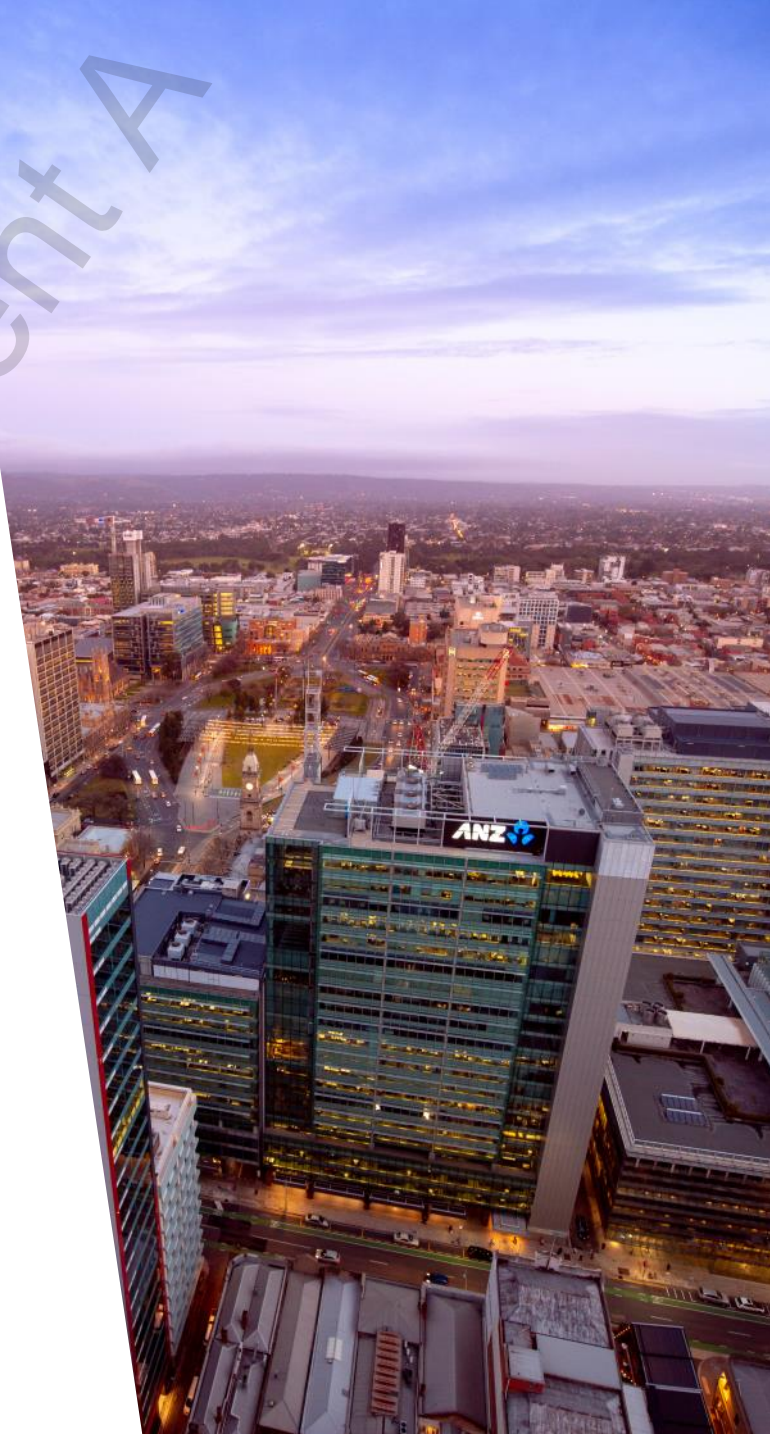
***Adelaide is a welcoming and dynamic city full of rich and diverse experiences***

Our vision will be reached by achieving our primary goal, themes, objectives and actions. Our principles will ensure we grow while maintaining and enhancing the many things you already love about Adelaide.





## OUR PRIMARY GOAL

***Strengthen the city economy by growing the number of people living, working, playing, visiting and studying in the city every day***

The Strategic Plan consists of four key themes: Smart, Green, Liveable and Creative, underpinned by measurable objectives and 110 actions to demonstrate Council's commitment to tangible results. These will be achieved by working closely with our partners and community over the four years of the Plan.





THEME	 SMART	 GREEN	 LIVEABLE	 CREATIVE
ASPIRATION	<i>A smart city with a globally connected and opportunity rich economy</i>	<i>One of the world's first carbon neutral cities and an international leader in environmental change</i>	<i>A beautiful, diverse city with an enviable lifestyle that is welcoming to people at all stages of life</i>	<i>A multicultural city with a passion to create authentic and internationally renowned experiences</i>
OBJECTIVES	By 2020, our city's economy will be growing faster than the Australian economy	City carbon emissions will be reduced by 35% from the 2006-07 baseline by 2020	The number of people living in the city will have grown from 23,000 to 28,000 by 2020	Attendance at festivals and events in the city and Park Lands will have grown by 5% by 2020
	Total businesses in the city will grow from 5,000 to over 5,300 and workers on any given day from 89,000 to 94,000 by 2020	Green space and greenery in the built-up areas of the city will have increased by 100,000 square metres by 2020	Adelaide will be listed in the top three most liveable cities in the world by 2020	A detailed measure of the number of people creating and actively participating in arts and cultural activities will have been developed and influences our work
	Workers in professional and technical services, education, finance, telecommunications, creative and media sectors will have grown from 41,000 to over 49,000 by 2020	By 2020, Aquatic native plants on the Torrens Lake floor will have increased from almost zero to 7,500 square metres	City of Adelaide residents will have wellbeing above global average	Bed nights spent in Adelaide by international and domestic visitors will have grown from 8.1 million to 9 million by 2020
	By 2020, the number of students in the city on any given day of the week will increase from 39,000 to 41,000	A detailed measure of reduction in kerbside and general waste will have been developed and influences our work		People who say the city has great places to enjoy events, activities, art and culture will have grown from 8.4 to 9 out of 10 by 2020
		A comprehensive integrated water management measure will have been developed and influences our work		The number of people that are visiting the city each day for shopping, leisure or entertainment will have grown from 111,000 to 117,000 by 2020



# SMART

A SMART CITY WITH A  
GLOBALLY CONNECTED  
AND OPPORTUNITY RICH  
ECONOMY

# SMART

## Annual objectives

- Showcase the city as the location of choice for international and national trade and investment, especially for the knowledge, arts and cultural sectors, through our sister cities and other partnerships and connections, and align with State Government economic targets for increasing foreign investment, service exports and skilled migration.
- Support development for the clean technology sector through a range of programs, services, initiatives and data, including supporting start-up and growth of new businesses and working with universities to assist with commercialising research and intellectual property for clean-tech applications.
- Complete the fibre roll-out of Ten Gigabit Adelaide that will deliver high-speed, high-performance fibre optic network to commercial buildings across the City of Adelaide.
- Develop the City of Adelaide 2020-2024 Strategic Plan to guide Council's agenda and vision over the next four years.

## Services

- Target and attract new businesses and investment
- Work with local business groups in main streets and districts to develop economic capital and support and grow local sustainable businesses
- Provide free access to city-wide WiFi
- Utilise sensor network data to analyse people movements and provide city insights
- Position Adelaide as one of the world's greatest small cities through our Sister City relationships
- Facilitate the growth and competitiveness of the retail sector in the city
- Promote Adelaide as a destination for business and investment, talent, students, visitors and residents in collaboration with the SA Government and other relevant bodies
- Continue to enhance our digital service offering for customers
- Provide access to data and information to support innovation and community use
- Support entrepreneurs and early stage companies with high growth potential
- Support the Adelaide Central Market Authority and Rundle Mall Management Authority to maximise economic outcomes for the city.

## 2019-20 Projects (including Grants and Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Building a new Strategic Plan 2020-2024	The <i>Local Government Act 1999</i> (the Act) requires that the Council undertake a comprehensive review of its strategic management plans within 2 years after each general election of council. The Council in January 2019 indicated the desire to undertake this review from May 2019 and deliver the next Strategic Plan by December 2019.	150	-
City Growth (Business and Residential)	Contribute to city growth by attracting and retaining business investment and property development with a case management approach, building business growth and capability through education, supporting retail precincts and developing funding alternatives. 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.	1,910	-
City of Adelaide Website Phase 2 Enhancements	The new City of Adelaide website is currently being developed with a target 'go live' date of 30 June 2019. Phase 2 will enable further enhancement of the website post-launch so the City of Adelaide website will remain at the forefront as one of Australia's leading local government websites.	100	-
Education Adelaide Funding - (StudyAdelaide Funding)	Funding contribution to support StudyAdelaide to promote Adelaide as a destination for international students.	267	-
Efficiency & Service Reviews	The Business Improvement function is responsible for the delivery of ongoing service and activity reviews. In 2019-20 it will continue to build the business improvement capability and capacity to allow accelerated project delivery and empower the business to learn and grow.	500	-
International Relations Program	Promote cultural, economic and social connections between Adelaide and international communities through Sister Cities and other partnerships.	502	-

## 2019-20 Projects (including Grants and Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Place Brand Campaign Execution	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.	250	-
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.	213	-
Representation Review	Under Section 12 of the <i>Local Government Act 1999</i> (the Act), a Council must conduct a comprehensive review of its representation structure for the purpose of determining whether its community would benefit from an alteration to its composition or ward structure, in each relevant period that is prescribed by the regulations. A representation review is completed every eight years determined by the Minister and notice published in the Government Gazette.	100	-
<b>TOTAL</b>		<b>3,992</b>	<b>-</b>



# GREEN

ONE OF THE WORLD'S FIRST  
CARBON NEUTRAL CITIES  
AND AN INTERNATIONAL  
LEADER IN ENVIRONMENTAL  
CHANGE

## GREEN

### Annual objectives

- By June 2020, all Council-owned and maintained public lighting will be converted to LED lights and smart lighting wherever possible
- By December 2020, increase our efficient use of recycled water from the GAP scheme in Council-irrigated areas by 25% to an overall level of 80%.
- Implement sustainable events in the City of Adelaide, including project support for up to five high profile events such as New Years Eve and Australia Day
- Support implementation of sustainable event guidelines by the events industry through working with an industry reference group, providing incentives and communication materials
- Work with local communities on public greening activities that will beautify streets and parks

### Services

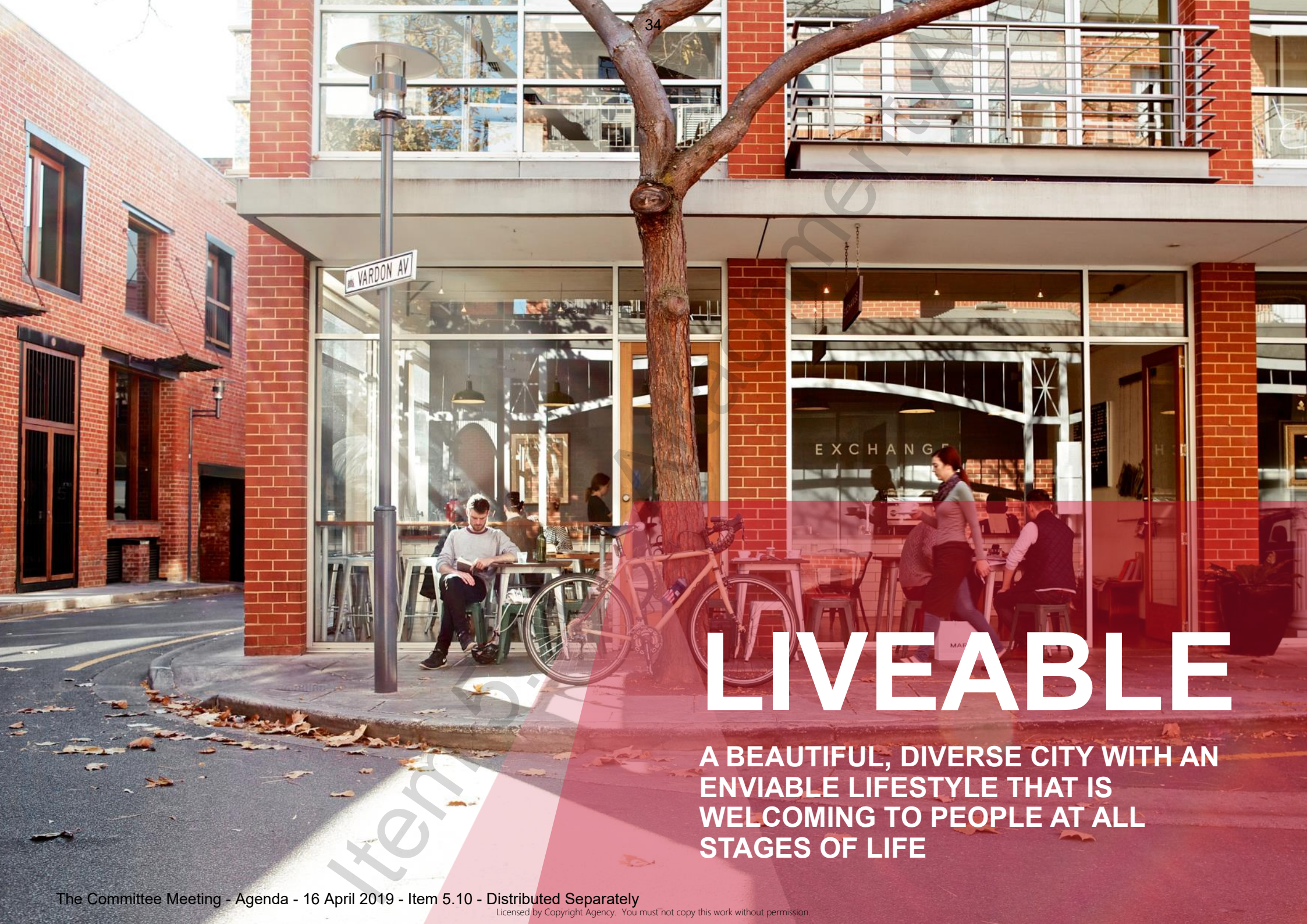
- Lead and encourage corporate social responsibility in the city
- Deliver initiatives to improve the efficiency of Council owned assets and city infrastructure
- Support office tenants and property owners to reduce energy use and carbon emissions from commercial buildings
- Ensure that the Park Lands are managed sustainably and that their importance to the city and community in adapting to climate change is acknowledged and developed
- Provide waste and recycling service improvements for kerbside collection, public places, events and high density developments
- Provide incentives to the community and broaden their capability in adapting to climate change and using natural resources efficiently
- Deliver action plans for Energy Management, Climate Change Adaptation, Water Security, Waste Management, and Biodiversity and Water Quality.

## 2019-20 Projects (including Grants and Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Adelaide Design Manual Greening	Development of implementation plan to guide next four years of greening and update the Adelaide Design Manual greening section (palettes, approaches, etc).	50	-
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.	1,577	-
Sustainable Events Implementation	Implement sustainable events in the City of Adelaide, including project support for up to five high profile events such as New Years Eve 2019 and Australia Day 2020. Support the implementation of sustainable event guidelines by the events industry by working with an industry reference group, providing incentives and communication materials.	200	-
Waste Management Strategic Management Plan	Development of the strategy to provide direction for future waste and recycling services in City of Adelaide.	200	-
<b>TOTAL</b>		<b>2,027</b>	<b>-</b>







# LIVEABLE

A BEAUTIFUL, DIVERSE CITY WITH AN ENVIABLE LIFESTYLE THAT IS WELCOMING TO PEOPLE AT ALL STAGES OF LIFE

# LIVEABLE

## Annual objectives

- Encourage city living by understanding the demand drivers and developing a distinctive city living promotional campaign that builds on the Already Home campaign
- By 2020, commence works on the Central Market Arcade redevelopment.
- Explore activation opportunities of two vacant premises on Hutt Street to create a creative, cultural and recreational hub
- Deliver sport and recreation hubs consistent with the Active City Strategy and Adelaide Park Lands Management Strategy with a particular focus on inclusive play
- Deliver the Safer City Policy by July 2019 and new Safer City Action Plan implemented throughout year
- Plan and seek partnerships for major City infrastructure projects, including cycling corridors, major transport routes and laneways
- Preparation of Master Plans for Melbourne Street, O'Connell Street and Hutt Street.
- A City Plan will be prepared and completed by June 2020 in consultation with the community and Council.

## Services

- Deliver the 2019-20 Infrastructure Program supporting development initiatives and using partnering to invest in infrastructure
- Facilitate transport initiatives, where possible partnership with others
- Work with State Government and other partners to deliver public transport and intelligent movement projects
- Deliver and implement projects and initiatives to promote a cycling culture
- Deliver educational and travel behaviour change initiatives
- Deliver traffic management and road safety initiatives
- Provide planning and policy advice for the management of Adelaide Park Lands
- Enhance and promote the role of the Park Lands in increasing levels of physical activity and wellbeing through sport and recreation opportunities
- Ensure the ongoing operation of the North Adelaide Golf Course and Adelaide Aquatic Centre
- Provide advice, policy and programs in relation to safety, social planning and neighbourhood development
- Promote and foster growth of the residential population in the city, supported by diverse and affordable housing choices for residents and students
- Provide public and residential waste, recycling and green waste services
- Promote participation, access and inclusion and build neighbourhood capacity and community leadership
- Continue to provide environmental, health, safety and food inspections
- Work with building owners to ensure 'City Fire Safety Management' procedures are in place for the protection of all occupiers.
- Undertake development assessment and building compliance to meet legislative requirements.
- Lead city design and spatial planning and be a source of advice on planning, building, design and heritage matters
- Deliver the Stretch Reconciliation Action Plan including NAIDOC week celebrations.

## 2019-20 Projects (including Grants and Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Five Year City Plan	A long-term plan to inform, prioritise and co-ordinate the City of Adelaide's planning system activities to bring about its overall strategic vision.	50	-
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.	915	-
Frome Precinct Strategy	Project to explore improvements in the Frome Precinct area, aligned to north-south bikeway and major changes proposed for Lot 14, University of Adelaide, opening of Botanic High, and new tram route. Partnerships to be sought (eg, Renewal SA, State Government, Botanic High, University of Adelaide, Botanic Gardens). Includes consideration of Victoria Drive.	75	-
History Festival	Major sponsorship/partnership of the only state-wide History Festival in Australia.	24	-
Homeless and Vulnerable People	Fully funded through grant funding. Collaboration with city communities, community groups and homelessness service providers on strategies that address the needs of people experiencing homelessness and other vulnerable people.	-	-
Hutt Street Activation: Cultural and Recreational Hub	Funding to activate two vacant properties within Hutt Street to create a cultural and recreational hub.	210	-
Integrated Transport and Movement Strategy	Development of a new Transport and Movement Strategy to align to the development of a new Strategic Plan, considering emerging movement technologies and responding to a changing city.	250	-
Kaurna-led Stretch Reconciliation Plan 2018-2021 Initiatives	The City of Adelaide Stretch Reconciliation Action Plan 2018-2021 has several actions that require further scoping with members of the Kaurna community. This project enables exploration of these actions to develop them towards project business case stage.	50	-
Master Plans for Melbourne, O'Connell and Hutt Streets	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.	370	-

## 2019-20 Projects (including Grants and Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Adelaide Living	Adelaide Living lifestyle magazine that is distributed free within the City of Adelaide. The allocated funding will enable the transition to an online version of the magazine.	80	-
Asset Management Transformation Program	Implementation of a new Asset Management Information System to support the renewal and maintenance of the city's infrastructure.	-	3,204
Built Heritage Management Grants	Support owners in the conservation, upgrade and use of their heritage places through the Heritage Incentives Scheme.	1,317	-
Built Heritage Management Promotions	Support the conservation of the City's built heritage and historic character streetscapes through promotional and education activities.	151	-
Central Market Arcade - Redevelopment Options	Progress with the selected development partner for the Central Market Arcade Redevelopment supporting a thriving, mixed-use location to grow the market offer with expanded and complementary retail and market activities.	300	-
City of Adelaide Social Infrastructure Project - Stage 2	Social infrastructure is a key component of a liveable, green, creative and smart city. The second year of this two stage project will establish a plan with a clear and shared strategic direction that guides the City of Adelaide's social infrastructure provision.	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.	487	-
Community-led Neighbourhood Development Projects	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. Includes: Neighbour Day, Mental Health Week, Youth Week and one other community - driven activity.	20	-
Don Dunstan Foundation Strategic Partnership	Partnership with Don Dunstan Foundation to deliver Adelaide Zero Project and Social Capital Residencies.	313	-
Façade Improvement Scheme	Funding assistance to commercial and mixed-use property owners to help improve the visual appearance of unlisted historic character buildings.	50	-

## 2019-20 Projects (including Grants and Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
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.	65	-
Park Lands Services	Strategic projects in the Adelaide Park Lands including the Park Lands Community Management Plan Review, Cultural Mapping, Park Lands Trail Design Guide, Heritage Management Plan for the Park Lands, World Heritage projects, the Lord Mayor's Park Lands Rambles and the 100th Anniversary of the Arbour Day Plantings Event.	295	-
Property Leasing Investigations	Undertake property leasing investigations for the Council's commercial leases.	50	-
Recreation and Sports Grants	Grants that enable applicants to work in partnership with the City of Adelaide to deliver initiatives that support all people to be active in the City and Park Lands with a particular focus on city residents and the inclusion of under represented population groups.	178	-
Safer City Policy 2019-2022 Implementation and Evaluation	Funding to cover new actions identified as part of the Safer City Policy and Action Plan 2019-2023.	50	-
Strategic Property Investigations	Undertake further investigations to improve public value (financial, strategic, community value) through the redevelopment, re-purposing or disposal of Council's existing under-performing assets as identified by the Strategic Property Review.	100	-
Transport Services	Projects to support the strategic improvement of movement in the City including Promotions and Education, Smart Technology and Bluetooth Analysis, and Traffic Signal Optimisation and Pedestrian Amenity Review.	110	-
<b>Total</b>		<b>5,550</b>	<b>3,204</b>





# CREATIVE

A MULTICULTURAL CITY WITH A  
PASSION TO CREATE AUTHENTIC AND  
INTERNATIONALLY RENOWNED  
EXPERIENCES



# CREATIVE

## Annual objectives

- Surprise, delight and attract people by continuing to encourage and support dynamic and changing public space, heritage, art, laneways, streets, facilities and activities
- By 2020 develop, build and upgrade infrastructure that supports events and is sensitive to the environment within key event spaces in the City and Park Lands.
- Develop a New Public Art Action Plan by September 2019.
- Foster creative ideas to activate and animate the City through a reimagined Splash Adelaide platform.

## Services

- Work with partners to provide expert advice and promotion of events, activities and experiences
- Partner with the creative arts business, entrepreneurs and the community through the City Activation project to enliven the City
- Continue to deliver a range of small, medium and large scale events for the enjoyment of the community
- Facilitate a diverse range of events, exhibitions and cultural experiences at Adelaide Town Hall
- Continue to deliver the Public Art Plan
- Continue to promote the UNESCO Live Music accreditation
- Continue to deliver the Live Music Action Plan 2017-2020
- Support the ongoing operations of the City's libraries and community centres
- Delivery of a range of programs, projects and activities that support the live music sector
- Provide Sponsorship, Art and Cultural grants and deliver and manage activities funded by external grants
- Provide community grants
- Deliver the Tourism & Visitor Information Services Action Plan in partnership with key stakeholders to promote tourism services and initiatives

## 2019-20 Projects (including Grants and Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'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.	373	-
Adelaide's New Year's Eve	Produce and deliver a high quality and free community NYE celebration in the heart of the City that showcases the physical and artistic assets of the City and South Australia.	341	-
ANZAC Day Service, March & Related Activities and Remembrance Day	Work in partnership with the ANZAC Day Committee and affiliated organisations to support the delivery of a professional and memorable ANZAC Day event in the City. The project also includes funding for road closures for Remembrance Day.	63	-
Arts and Cultural Grants	Grants that provide financial support to assist creative practitioners to deliver inspiring art, cultural and multicultural projects.	252	-
Australia Day in the City Strategic Project	Support for the Australia Day in The City parade, concert and fireworks.	175	-
Christmas in the City	Enhance the experience of Christmas in the City through the delivery of new decorations, lighting displays, events, retail activations and promotions, and provision of a Christmas grant to the seven Precinct Groups for Christmas activities and decorations.	400	200
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.	1,000	-
City of Adelaide Prize	The prize is awarded as part of the yearly Institute of Architects Awards for projects that deliver exceptional contribution to the City with a focus on public realm benefit.	37	-
Cultural Entrepreneurs (The Business of Being Creative)	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	-
Festival and Event Sponsorship Program	Financial support to eligible groups and organisations to assist in the staging of a diverse range of events and activities within the City.	1,941	-

## 2019-20 Projects (including Grants and Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Festivals Adelaide Initiative	A three-year strategic partnership with Festivals Adelaide to support the growth of Adelaide's premier arts and cultural festivals and promote Adelaide as Australia's best festival city.	64	-
Live Music Strategic Partnership with Music SA	A three-year strategic partnership (final year) with Music SA to promote and strengthen the live music industry by supporting the regulatory environment for live music businesses to thrive.	10	-
NAIDOC Week Celebrations	Delivery of the Lord Mayor Civic Reception to demonstrate Council's commitment to reconciliation, celebrated with the flag raising ceremony, awards, live entertainment and a morning tea at Adelaide Town Hall. Includes NAIDOC activities and celebrations in Rundle Mall.	46	-
Public Art	Delivery of a range of public art capital projects that will contribute to surprise, delight and attraction of people and the development of Adelaide as the premier international arts market.	-	212
Umbrella Winter City Sounds Festival	Partner with Music SA to deliver the Umbrella: Winter City Sounds Festival in city venues, places and Park Lands.	40	-
Visitor Growth	Funding to deliver initiatives that will contribute to visitor growth and the visitor experience in the City.	273	-
<b>TOTAL</b>	<b>TOTAL</b>	<b>5,065</b>	<b>412</b>

# ASSET MANAGEMENT PRACTICES & PLAN

The City of Adelaide sustainably manages its infrastructure assets for the benefit of current and future communities. We apply a consistent approach to asset management processes that are developed and embedded across the organisation for the lifecycle of assets.

This approach ensures that the philosophy that has guided our city remains – we are a city thoughtfully and purposefully designed from the start with its people in mind and we continue to place people's wellbeing and quality of life at the core of what we do.

The Council is committed to sustainable asset management which involves managing the levels of service, risk and investment on infrastructure assets in an optimal manner throughout their lifecycle.

## Infrastructure Program

The Infrastructure Program provides the basis for our infrastructure asset management and capital works programs developed as part of the Integrated Business Plan process.

Our approach is achieved by adhering to the following asset management principles:

- Community benefit
- Financial sustainability
- Environmental sustainability
- Evidence based decision making
- Continuous improvement

This approach supports our Strategic Plan 2016-2020 goals to create world-class infrastructure and a greener, more liveable city by creating positive change for residents and businesses through our everyday projects.



## 2019-20 INFRASTRUCTURE PROGRAM & RENEWALS

The 2019-20 Integrated Business Plan demonstrates the innovative and strategic approach we are using in the planning and delivery of our capital works.

Our program supports our Strategic Plan 2016-2020 goals to create world-class infrastructure and a greener, more liveable city. We are continuing to align our 'whole of street' approach with our routine renewal works, creating positive change for residents and businesses through our everyday projects.

The program continues the 2018-19 focus on our Streets, our Park Lands (community facilities, paths and plantings), our City Works (ongoing renewal program for streets, bridges and other city infrastructure), and our Buildings (including our car parks, heritage buildings, public toilets and signage).

We are continuing an integrated approach to the planning and delivery of our projects to ensure the highest possible quality streetscapes which welcomes people to the City and encourages them to stay longer and enjoy our city.

Capital Works Program	2019-20 \$'m
Streets	7.2
Park Lands	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
	13.8
Buildings	6.9
Capital Works Program Management	7.3
<b>Infrastructure Program</b>	<b>38.2</b>
Plant and Fleet	1.0
Information Communication Technology Renewals	1.4
<b>Total</b>	<b>40.6</b>

## STREETS

Project Name	Design	Construct	\$'000s	Description
Hutt Street	✓		150	Design project to investigate improvements including greening and pedestrian amenity, pram ramps and DDA compliance opportunities aligning to renewals.
Jeffcott Street		✓	1,725	Continue works to address drainage issues, prioritising conserving and enhancing the streets character.
Archer Street East		✓	320	Road resurfacing and improved tree growing conditions based on design in 2018-19.
Wright Court and Field Street		✓	693	Construction project to provide improvements to Wright Court and Field Street following the completion of design in 2018-19.
Paxton's Walk and Vaughan Place	✓		140	Design project to improve connection between North Terrace and Rundle Street via Paxton's Walk complementing the new tram stop and building on investigation work undertaken in 2018-19 (survey and initial due diligence), with potential partner and State Government funding to be sought. Detailed design project for 2019-20 for construction 2020-21.
Tavistock Lane		✓	150	Co-funded upgrades to Tavistock Lane to facilitate a taxi drop-off area and the lane being upgraded and operating as a public road.
Chesser Arbour		✓	350	To address the structural issues of the Chesser Street arbour in advance of finalisation of concept designs.
Black Spot Funding	✓	✓	301	Black Spot funding request for two intersection locations, Hindley / Gray Street and Angas / Pulteney Street.
Wakefield Street	✓		160	Continued median improvement from Victoria Square to Pulteney Street to improve Wakefield Street greening and presentation. Detailed design project to complete 2018-19 design investigations before construction over two years (2020-21 and 2021-22).
Grote Street (Morphett Street to West Terrace)		✓	900	Road resurfacing and new kerbing.
Angas Street		✓	717	Detailed design and delivery of streetscape outcomes to improve pedestrian amenity as well as traffic and pedestrian safety within the street, building on investigations and concept design undertaken in 2018-19.

## STREETS

Project Name	Design	Construct	\$'000s	Description
Whitmore Square Safety Improvements	✓	✓	800	Prepare detailed design for first stages of implementing the Whitmore Square Master Plan, including early capital works to address pedestrian safety.
Greening - North West and South West	✓	✓	800	Project to increase greening and the tree canopy cover to 20% in the City's south west and north west.
<b>Total</b>			<b>7,206</b>	





## PARK LANDS

Project Name	Design	Construct	\$'000s	Description
South Park Lands Creek Rehabilitation Works		✓	800	Continuing project to restore the condition of the creek, increase biodiversity and assist in reducing flooding impact in the south Park Lands.
Wattle Grove War Memorial	✓		50	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.
Community & Recreation Design Projects	✓		100	Concept design projects related to community and events including Park 21W infrastructure relating to new sports hub, Park 22 alignment of Park Lands Trail and parking infrastructure and other minor enhancements. Construction in future years subject to future funding endorsement by Council.
Peace Park/ Town Clerk's Walk		✓	388	Peace Park Irrigation, turf management and tree succession planting. Infill tree planting along Town Clerks Walk.
Park 24 Access and Amenity Improvements		✓	750	Delivery of a new entrance street to the Adelaide High School and Park 24, building on recent investments including the Adelaide High School and the Comets' new sports building. Includes new car parking treatments, paving, landscaping and access improvements.
Events Infrastructure Rundle Park	✓	✓	935	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.
<b>Total</b>			<b>3,023</b>	

## CITY WORKS

Project Name	Design	Construct	\$'000s	Description
Roads, Kerbs and Footpaths	✓	✓	7,011	Essential roadworks to ensure we continue to provide a safe, efficient and accessible road and footpath network.
Traffic Signals		✓	1,208	Investment in Traffic Signal infrastructure to ensure accessible and safe movement throughout the City for residents, visitors and the public.
Bridges Renewal Program		✓	325	Investment in the Council's bridge infrastructure to ensure accessible and safe movement throughout the City for residents, visitors and the public.
Lighting & Electrical		✓	1,482	Lighting and Electrical renewals and upgrades to support a safe, secure and continuous service to the residents, visitors and community, including distribution boards, underground electrical cabling and switchgear and LED conversion.
Water Infrastructure	✓	✓	2,081	Program of works dedicated to renewal of various water infrastructure asset components including Brownhill Keswick Creek, Stormwater Management Upgrades, Torrens Lake Submerged Earth Retaining Structures, Torrens Lake Weir Component Renewals and Minor Water Projects.
Park Land & Streetscape Greening Renewals	✓	✓	1,050	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. Renewals proposed for 2019-20 include replacement of existing streetscapes, recreational equipment renewal, upgrades to irrigation systems, tree succession planning and works to enhance the health of our trees.
Urban Elements	✓	✓	588	Urban Elements renewal to ensure the provision of a safe, accessible, clean and well maintained urban environment including Public Art Refurbishment.
Design Services	✓		46	Funding for lighting, engineering (surveying) and movement assessment for strategic projects leading to future capital works.
<b>Total</b>			<b>13,791</b>	

## BUILDINGS

Project Name	Design	Construct	\$'000s	Description
Hazardous Material Removal Program	✓	✓	500	Annual assessment, identification and removal of hazardous material within buildings.
Building Renewal and Compliance Program	✓	✓	1260	Upgrade of the Building Management System and the Building Security Systems to enable corporate needs and meet legislative requirements.
Improvements to Pump Station Buildings		✓	15	Upgrade of pumphouse buildings to enable activation and improving the appearance of the river banks.
Methodist Meeting Hall		✓	50	Salt damp and repointing the Methodist Meeting Hall.
Program of New Public Conveniences	✓	✓	350	Installation of a new public conveniences in Mary Lee Park (Park 27b).
UPark Buildings - Topham Mall		✓	100	Upgrade to the Topham Mall car park fire hydrants and smoke detectors to achieve compliance.
UPark Buildings - Rundle Street		✓	3,500	Required treatment works to increase the serviceability of the Rundle Street UPark.
Town Hall		✓	350	Program of emerging works in the Town Hall Complex to ensure the ongoing management of the heritage facility.
Colonel Light Centre - Building Renewals	✓	✓	700	Colonel Light Centre mechanical renewal and design for lift compliance upgrade.
Aquatic Centre Renewals Investigations	✓		80	Strategic investigation of the Adelaide Aquatic Centre to develop a targeted high level master plan to address safety and business issues.
<b>Total</b>			<b>6,905</b>	

## INFORMATION COMMUNICATION TECHNOLOGY RENEWALS

Project Name	\$'000s	Description
Server Replacement	339	Ongoing program to maintain and upgrade on premise data centre and disaster recovery equipment consisting of servers, data storage equipment, power supply and backup devices. Equipment is replaced on a 5-year cycle, extended with warranty extensions where cost effective.
Network Connectivity & Security	480	Ongoing program to maintain and upgrade the corporate data network consisting of fibre optic connections, networking equipment (switches) and network security protection systems.
Telecommunications System	90	Ongoing program to maintain and upgrade the corporate telephone systems including desktop telephone handsets.
PC Replacement	454	Ongoing program to maintain and upgrade the corporate desktop equipment fleet consisting of PCs, laptops and other desktop equipment (monitors, peripherals). PCs and laptops are replaced every 4 years on a rotating basis and peripherals are replaced when obsolete.
Corporate Applications	15	Ongoing program to maintain and upgrade corporate software applications, including replacement when the corporate software becomes obsolete or unsupported.
<b>Total</b>	<b>1,378</b>	

## MAJOR PROJECTS

Project Name	\$'000s	Description
Gawler Place Redevelopment	6,510	Upgrade of Gawler Place between North Terrace and Grenfell Street.
City Skate Park	0	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. 100% Funded by the State Government.
Quentin Kenihan Playspace	0	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. 100% Funded by the State Government.
<b>Total</b>	<b>6,510</b>	

## LONG TERM FINANCIAL PLAN

A Long Term Financial Plan with a 10 year timeline has been developed as part of the City of Adelaide's ongoing financial planning within a strategic framework.

Key inputs and influences on the Long Term Financial Plan include:

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

The assumptions and outcomes underpinning the Long Term Financial Plan include:

- Rates valuation growth, on average, is assumed in line with forecast inflation, excluding new development
- 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 based on current and expected enterprise agreement outcomes
- Interest rates are based on market expectations
- Capital expenditure is in line with the Asset Management Plans



# LONG TERM FINANCIAL PLAN

\$'m	2017-18 Forecast	2018-19 Budget	2019-20 Plan	2020-21 Plan	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan
<b>General Operations</b>											
General Rates	98.8	102.8	106.2	109.7	113.3	117.0	120.9	124.9	129.0	133.3	137.7
Revenue	33.5	32.9	32.9	33.7	34.5	35.3	36.1	36.9	37.7	38.6	39.5
Expenditure	(99.0)	(101.7)	(104.4)	(106.7)	(109.0)	(111.5)	(113.9)	(116.4)	(119.0)	(121.6)	(123.3)
<b>General Operations Surplus</b>	<b>33.4</b>	<b>34.1</b>	<b>34.7</b>	<b>36.7</b>	<b>38.8</b>	<b>40.8</b>	<b>43.1</b>	<b>45.4</b>	<b>47.7</b>	<b>50.3</b>	<b>53.9</b>
<b>Commercial Businesses</b>											
Revenue	43.4	46.8	48.2	47.3	48.4	49.5	50.6	51.8	53.0	54.2	55.4
Expenditure	(19.6)	(21.2)	(21.5)	(22.0)	(22.5)	(23.0)	(23.5)	(24.0)	(24.6)	(25.2)	(25.8)
<b>Commercial Businesses Surplus</b>	<b>23.8</b>	<b>25.7</b>	<b>26.7</b>	<b>25.3</b>	<b>25.9</b>	<b>26.5</b>	<b>27.1</b>	<b>27.8</b>	<b>28.4</b>	<b>29.0</b>	<b>29.6</b>
<b>Amount available for</b>										<b>79.3</b>	<b>83.5</b>
<b>Projects (inc. Grants &amp; Sponsorships)</b>								<b>(17.7)</b>	<b>(18.1)</b>	<b>(18.5)</b>	<b>(18.9)</b>
<b>Capital Works Program</b>											
Infrastructure Program	(35.2)	(39.4)	(41.3)	(42.2)	(43.2)	(44.2)	(45.3)	(46.4)	(47.5)	(48.6)	(49.7)
Other Asset Renewals	(2.8)	(3.1)	(3.6)	(3.7)	(3.7)	(3.8)	(3.9)	(4.0)	(4.1)	(4.2)	(4.3)
<b>Capital Works Program</b>	<b>(38.0)</b>	<b>(42.5)</b>	<b>(44.9)</b>	<b>(45.9)</b>	<b>(46.9)</b>	<b>(48.0)</b>	<b>(49.2)</b>	<b>(50.4)</b>	<b>(51.6)</b>	<b>(52.8)</b>	<b>(54.0)</b>
<b>Underlying Current Year Funding Surplus (Deficit)</b>	<b>3.1</b>	<b>0.0</b>	<b>0.8</b>	<b>0.0</b>	<b>1.2</b>	<b>2.4</b>	<b>3.7</b>	<b>5.1</b>	<b>6.4</b>	<b>8.0</b>	<b>10.7</b>
Major Projects	(2.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Opportunities	(39.9)	(13.7)	30.0	(0.2)	0.1	0.4	0.4	0.5	0.5	0.6	0.6
<b>Current Annual Funding Surplus (Deficit)</b>	<b>(39.7)</b>	<b>(13.7)</b>	<b>30.8</b>	<b>(0.2)</b>	<b>1.3</b>	<b>2.8</b>	<b>4.2</b>	<b>5.6</b>	<b>7.0</b>	<b>8.6</b>	<b>11.2</b>
Project retiming	(22.6)	(21.8)	(5.6)	-	-	-	-	-	-	-	-
<b>Annual Funding Surplus (Deficit) Excluding Subsidiaries</b>	<b>(62.3)</b>	<b>(35.5)</b>	<b>25.2</b>	<b>(0.2)</b>	<b>1.3</b>	<b>2.8</b>	<b>4.2</b>	<b>5.6</b>	<b>7.0</b>	<b>8.6</b>	<b>11.2</b>
<b>Cumulative Funding Surplus/(Deficit) At End of Year - Excluding Subsidiaries</b>	<b>(47.7)</b>	<b>(83.1)</b>	<b>(57.9)</b>	<b>(58.1)</b>	<b>(56.7)</b>	<b>(53.9)</b>	<b>(49.7)</b>	<b>(44.1)</b>	<b>(37.2)</b>	<b>(28.6)</b>	<b>(17.3)</b>
Subsidiaries	(4.5)	(5.0)	(1.6)								
<b>Cumulative Funding Surplus/(Deficit) At End of Year - Including Subsidiaries *</b>	<b>(52.5)</b>	<b>(93.0)</b>	<b>(69.4)</b>	<b>(69.6)</b>	<b>(68.3)</b>	<b>(65.4)</b>	<b>(61.2)</b>	<b>(55.6)</b>	<b>(48.7)</b>	<b>(40.1)</b>	<b>(28.8)</b>

**An updated Long Term Financial Plan will be incorporated following approval of the 2018-19 Quarter 3 revised forecast at Council on 30 April 2019**

# FUNDING THE BUSINESS PLAN

Funding for our Integrated Business Plan comes from two main sources:

- Funds from Operations (Amount available for Projects)
- Funds from Borrowing

Funds from Operations represent the net contribution (Revenue less Expenditure) from our General Operations and Commercial Businesses.

General Operations covers our core services. Revenue sources for this category include General Rates as well as Grants and Other Revenue from fees and charges. The Other Revenue relates mainly to the recovery of service delivery costs through the charging of fees to users of our services as well as statutory charges set by State Government.

Our Commercial Businesses include UPark, the Adelaide Aquatic Centre, North Adelaide Golf Course, Adelaide Town Hall and Strategic Property Management.

## Borrowings

Borrowing is undertaken in accordance with our Treasury and Cash Investment Policy (available online at [cityofadelaide.com.au](http://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
- Inter-generational 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 Integrated 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 and Cash Investment Policy. All borrowing terms and conditions will be in accordance with the Treasury and Cash Investment Policy and all costs have been taken into account in our Long Term Financial Plan.

Borrowings at the end of 2019-20 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 2019-20 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.



## PROPOSED BUDGETED UNIFORM PRESENTATION OF FINANCES

Year ended 30 June \$'000	Consolidated 2018-19 Budget	Consolidated 2017-18 Forecast
Income	197,204	189,668
/less Expenses	(206,090)	(203,627)
<b>Operating Surplus / (Deficit)</b>	<b>(8,886)</b>	<b>(13,959)</b>
<i>add Project Related Expenditure</i>	8,318	9,054
<b>Funding Surplus before Capital Amounts</b>	<b>(568)</b>	<b>(4,908)</b>
<b>/less Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	53,214	52,327
less Depreciation, Amortisation and Impairment	(44,778)	(44,778)
less Amounts Received Specifically or Exclusively for Existing Assets	(1,796)	(1,796)
<b>Net Outlays on Existing Assets</b>	<b>8,046</b>	<b>6,056</b>
<b>/less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	42,396	73,301
Less Amounts Received Specifically for New and Upgraded Assets	(10,509)	(17,128)
<b>Net Outlays on New and Upgraded Assets</b>	<b>31,887</b>	<b>56,173</b>
<b>Net Lending / (Borrowing) for the Financial Year</b>	<b>(40,501)</b>	<b>(67,138)</b>

**The Uniform Presentation of Finances will be incorporated following approval of the 2018-19 Quarter 3 revised forecast at Council on 30 April 2019**

## FEES AND CHARGES

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.

Council previously resolved that the City of Adelaide's fees and charges must be reviewed each year, in conjunction with the development of the Integrated Business Plan. A comprehensive review has been undertaken to ensure 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.

Fees and charges are consistently and fairly determined, in recognition of our policy direction, ratepayers' expectations and relevant legislation.

Fee increases are generally in line with inflation, or market levels when relevant. Fees for specific community purposes have been maintained and some have risen in accordance with Council direction.

Fees and charges set by Council for 2019-20 are scheduled to be reviewed and adopted by the City of Adelaide in June 2019. Fees and charges set under delegation will be provided for noting by City of Adelaide in June 2019.

Once gazetted, statutory fees will be updated and included in the Fees and Charges Schedule available for public inspection from July 2019.



# RATING STRUCTURE

## Strategic Context

In formulating the proposed rates for the 2019-20 financial year, we have considered the amount of revenue required to fund the delivery of the services and projects set out in the Integrated Business Plan. We have also considered our other sources of revenue, the broader economic environment and the distribution of rate contributions between various categories of ratepayers.

## 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 on the basis of 'Annual Value'.

For 2019-20, growth from new developments and other capital improvements undertaken during 2018-19 are projected to increase the total rateable value of land, resulting in an increase in rate revenue. In addition, a full revaluation of all land in the Council area has been undertaken resulting in an increase in rate revenue. The combined increase is forecast to be 5.4% compared to 2018-19.

## 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 2019-20, and consistent with prior year, it is expected non-residential rates will represent approximately 80% of general rates revenue.

## Your Rates in 2019-20

Council is planning to freeze the general rate in the dollar for 2019-20 at the same levels as 2018-19 for both Residential and Non-Residential ratepayers. Based on updated valuations from the Valuer-General, the average rates payable will increase.

Those ratepayers who received the benefit of a Special Discretionary Rate Rebate in 2018-19 may pay more than the average increase in 2019-20.

We offer monthly, quarterly and annual payment options for Council Rates. Quarterly instalments will be due in September 2019, December 2020, March 2020 and June 2020.

## 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:

- It is based on the predominant basis of occupancy across the city, whereby the majority of both non-residential and residential property is leased
- 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
- The 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.

## 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 Adelaide and Mount Lofty Ranges Natural Resources Management Board (NRM 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 2019-20, the separate rate will generate approximately \$3.9 million.
- The NRM Levy is a state tax which the City of Adelaide is obliged, by virtue of the *Natural Resources Management Act 2004*, to impose and collect. The proceeds are paid to the NRM Board. The NRM Business and Operational Plan 2016-17 to 2019-20 indicates that the community contribution is to increase by 6% in 2019-20. The contribution from the City of Adelaide is estimated to be \$1.8 million in 2019-20.

## 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*.



Item 5.10 - Attachment A



CITY OF  
ADELAIDE

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