



THE COMMITTEE MINUTES

for the Special meeting

Monday 15 June 2020



Present - The Right Honourable the Lord Mayor [Sandy Verschoor]

Councillor Hyde (Deputy Lord Mayor) (Chair)

Councillors Abrahamzadeh, Couros, Donovan, Hou, Khera, Knoll, Mackie, Martin and Simms (Deputy Chair).

Acknowledgement of Country

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

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

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

Apologies and Leave of Absence

Apology:

Councillor Moran

Discussion Forum Item

Strategic Alignment - Corporate Activities

1. Item 3.1 – Workshop – 2020/21 Business Plan and Budget [2019/02431] [TC]

Discussion Facilitators:

Mark Goldstone, Chief Executive Officer, City of Adelaide

Clare Mockler, Deputy CEO & Director Culture, City of Adelaide

Klinton Devenish, Director Place, City of Adelaide

Tom McCready, Associate Director, Property & Commercial, City of Adelaide

Alex Brown, Manager Financial Planning & Analysis, City of Adelaide

Nicole Van Berkel, Senior Business Partner, Financial Planning & Analysis, City of Adelaide

Precis of topic:

The Committee was provided with information and the opportunity to discuss building the 2020/21 Business Plan and Budget.

During the discussion:

- Councillor Abrahamzadeh entered the meeting at 5.45pm
- Councillor Simms left the meeting at 5.45pm, re-entered at 6.24pm and left at 6.26pm
- Councillor Hou entered the meeting at 5.45pm
- Councillor Donovan left the meeting at 5.56pm and re-entered at 5.58pm
- Councillor Khera left the meeting at 6.35pm and re-entered at 6.38pm

The PowerPoint presentation utilised is attached for reference at the conclusion of the Minutes of this meeting.

Closure

The meeting closed at 6.59pm.

Councillor Hyde (Deputy Lord Mayor)
The Committee Chair

Documents attached:

Minute 1 – Item 3.1 - Workshop – 2020/21 Business Plan and Budget, PowerPoint Presentation

City of Adelaide 2020-21 Business Plan & Budget **Building the Budget**

Briefing Purpose:

To consider the 2020-21 Business Plan and Budget

Introduction

Workshop Purpose

- Provide an overview of the draft 2020-21 Budget in the context of
 - The recovery principles and funding levers
 - The impact of COVID-19 on Council's income
 - \$20m reduction in operating expenditure
 - The reset of the Infrastructure Program
 - The City's Recovery
- Present the operations budget by Service Categories, with reference to
 - Operating income and expenditure
 - The current environment, outlook and challenges for the commercial business
- Seek your feedback on the funding priorities for Strategic Projects and the Infrastructure Program as presented on 28 May
- Consider scenarios for the Long Term Financial Plan
- Seek your feedback on the key principles for borrowings

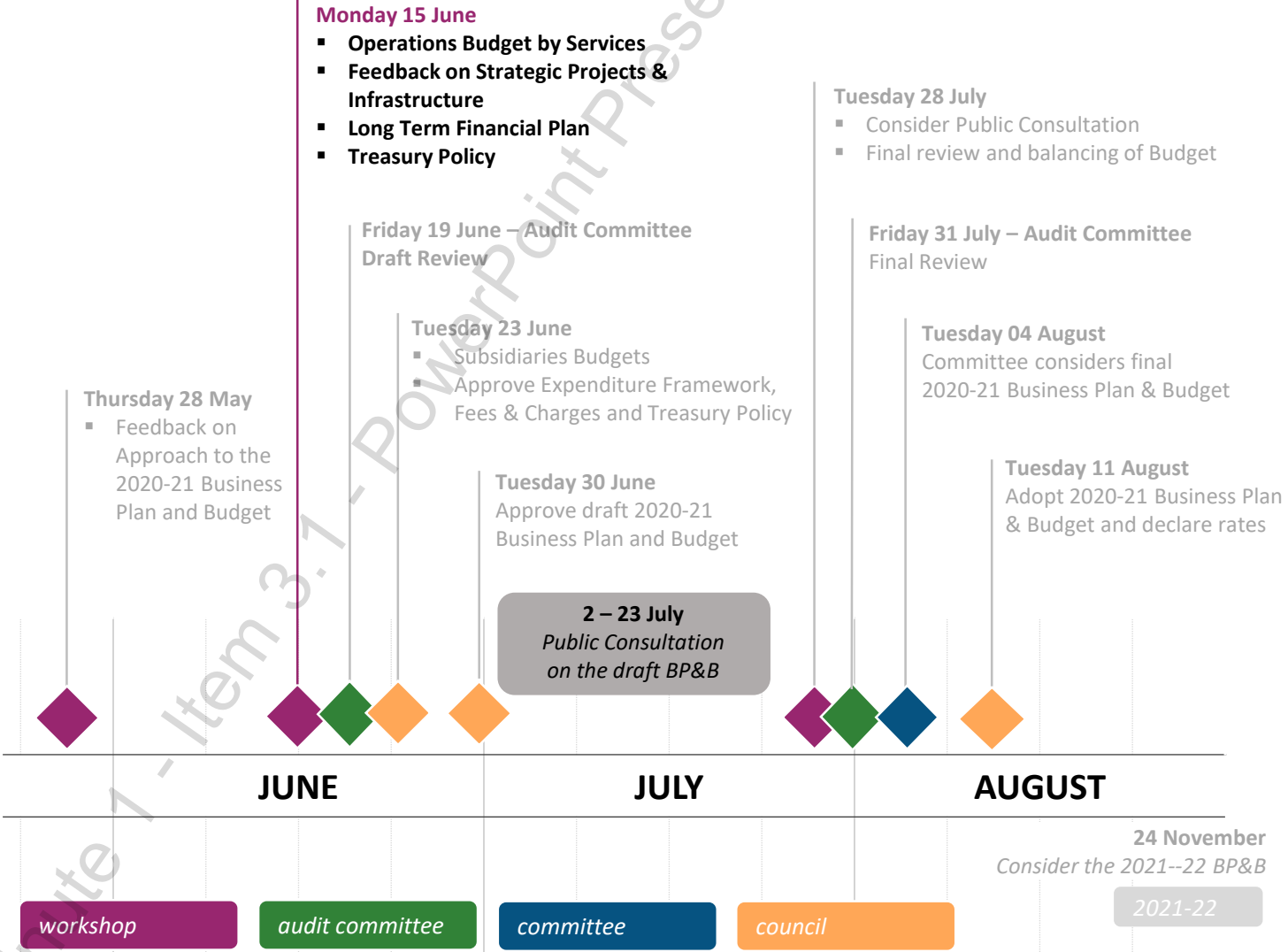
Next Steps

Feedback from this evening's workshop will inform:

- The Expenditure Framework and revised Treasury Policy to be considered on 23 June
- The draft 2020-21 Business Plan and Budget to be considered for Public Consultation on 30 June

Feedback from Public Consultation will be considered in late July prior to the adoption of the final Business Plan and Budget in August.

Budget Overview Timeline



Overview Recap on the last workshop

Recovery Principles

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

Feedback on the Financial Levers

Rates

- Continue to freeze the rate in the dollar
- Consider options with the discretionary rate rebate

Fees and Charges

- Hold fees and charges at 2019-20 levels for next six months
- Consider increase from January 2021

Borrowing Capacity

Increase the borrowing capacity to take advantage of opportunities to support City's recovery by funding City Shaping Projects and new income streams

Infrastructure Program

Reset and prioritise delivery of the 2019-20 program and essential renewals utilising a risk based approach

Budget Overview

Key Movements

Recovery principle:

Our service delivery will reflect the needs of the community

What's incorporated in 2020-21 Budget

Significant income impact from COVID-19

- (\$22m) reduction in income from parking, commercial businesses and property compared to pre-COVID levels
- High level of fixed costs

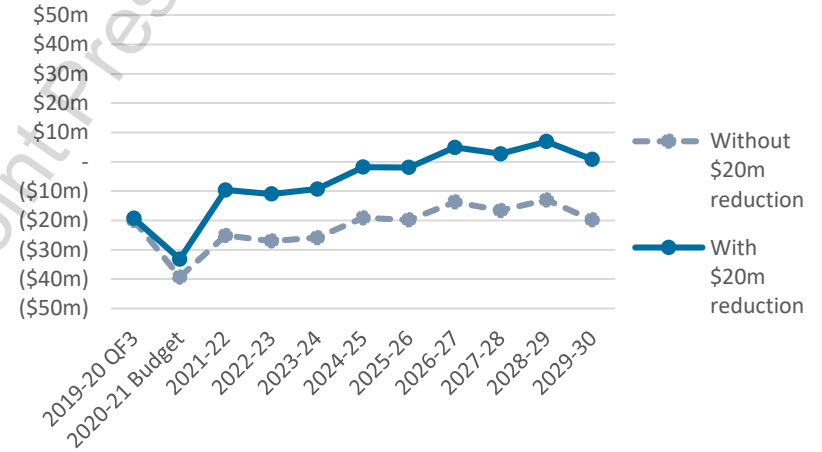
\$20m reduction in operational expenditure

- Incorporated a \$20m reduction in operating expenditure for 2020-21 and the Long Term Financial Plan
- One-off potential structural re-alignment costs of (\$14m) in 2020-21

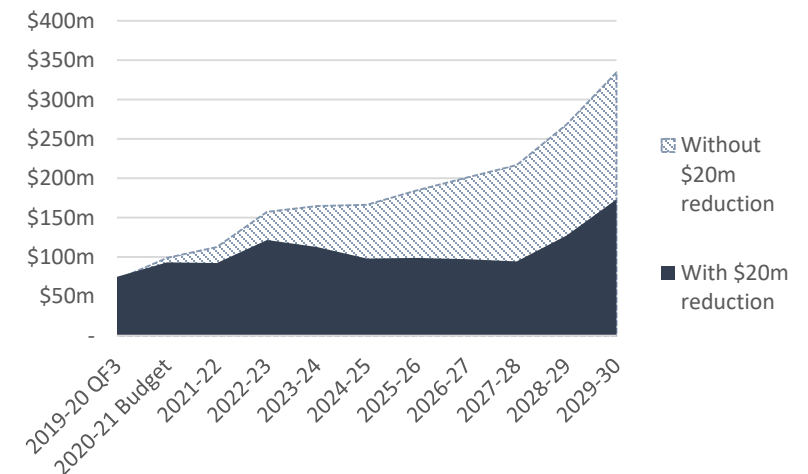
Creating capacity from reset of the Infrastructure Program

- \$23m reduction in the Infrastructure Program for 2020-21 to enable focus on delivery
- Increase in maintenance activities due to reduced renewals

Forecast Operating Surplus/(Deficit)



Forecast Borrowings



Budget Overview

Operating Summary

Operating Position

The forecast operating position for 2020-21 is a deficit of (\$19m) before potential one-off structural re-alignment costs of (\$14m).

Operational income has reduced by \$27m from the 2019-20 Quarter 2 Forecast (the pre-COVID base) primarily due to the impact on the commercial businesses and parking from COVID-19.

Operational expenditure has reduced by over \$25m (before the potential structural re-alignment costs) compared to the 2019-20 Quarter 2 forecast.

As directed by Council, a \$20m reduction in operating expenditure has been built into the draft budget and Long Term Financial Plan. For 2020-21 this reduction is largely offset by the potential one-off structural realignment costs of \$14m that may be required to achieve the ongoing efficiencies within operational services.

\$m	Draft 2020-21 Budget	2019-20 Quarter 2 Forecast	2019-20 Quarter 3 Forecast
Income			
Rates	119.4	116.5	116.5
Statutory Charges	8.5	13.4	11.2
User Charges	54.3	71.7	59.3
Grants, Subsidies and Contributions	3.9	11.4	15.0
Investment Income	0.0	0.0	0.0
Reimbursements	0.7	0.5	0.5
Other Income	0.3	0.4	0.5
Total Income	187.0	213.9	199.3
Expenses			
Employee Costs	(64.9)	(77.9)	(77.3)
Materials, Contracts & Other Expenses	(84.7)	(97.9)	(86.0)
Depreciation, Amortisation & Impairment	(50.8)	(49.6)	(50.2)
Finance Costs	(5.8)	(6.5)	(5.8)
Total Expenses	(206.2)	(231.9)	(219.1)
Operating Surplus/(Deficit) before transition costs	(19.2)	(17.9)	(20.0)
Potential structural re-alignment costs	(14.4)	-	-
Operating Surplus/(Deficit) after transition costs	(33.6)	(17.9)	(20.0)
Asset Disposal & Fair Value Adjustments	(0.3)	(0.3)	-
Amounts received specifically for New or Upgraded Assets	4.6	0.4	0.4
Total Comprehensive Income	(29.4)	(17.8)	(19.6)

Budget Overview

Budget Summary

When we introduced the budget process in December we outlined a simplified approach to presenting and categorising the budget, breaking it down into three components:

- Operations
- Projects
- Infrastructure

These are outlined on the right.

Operations

- General and Business Operations
- Recurrent activities transferred to Operations (e.g. grants and sponsorships and City Connector Bus)
- Commercial Businesses
- Rolling renewal programs for plant, fleet and equipment

Projects

- Strategic Projects identified through the delivery planning process for 2020-21
- Commercial Projects including Property Developments

Infrastructure

- All Infrastructure Projects and Programs including
- Infrastructure Renewals
 - Infrastructure Enhancements (new and upgraded)
 - Major Projects (Moonta Street, Bikeways, Market to Riverbank, etc)

\$'m	2017-18 Actual	2018-19 Actual	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Draft Budget	Variance
Operations	41.3	42.5	46.0	38.1	23.7	(14.4)
Projects	(47.1)	(8.6)	(16.4)	(10.6)	(10.6)	-
Infrastructure	(47.0)	(46.9)	(58.8)	(32.3)	(41.3)	(9.0)
Subsidiaries	(4.6)	(4.3)	(5.1)	(5.0)	(5.3)	(0.3)
Total	(57.4)	(16.3)	(34.3)	(9.8)	(33.4)	(23.6)

City of Adelaide 2020-21 BP&B Operations

Briefing Purpose:
To consider the Operations Budget

Operations Overview

Operations Overview

In this section we provide an overview of the operations budget, including commercial businesses, that support the delivery of services.

The following slides include a

- breakdown of the **budget by service category**
- summary of the **income and expenditure** to outline the key assumptions and primary variances
- the forecast performance for the **commercial businesses** and key considerations in the financial performance.

A breakdown of **plant, fleet and equipment** for 2020-21 is included in Appendix 2.

\$'m	2017-18 Actual	2018-19 Actual	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Draft Budget	Variance
Operations						
General Operations	31.5	33.2	36.9	34.5	27.3	(7.2)
Recurrent projects transferred to Operations	(10.3)	(12.0)	(13.2)	(11.9)	(14.3)	(2.4)
Sub-total	21.2	21.1	23.7	22.6	13.0	(9.6)
Commercial Businesses	22.8	24.3	25.4	17.9	14.7	(3.2)
Plant, Fleet & Equipment	(2.8)	(2.9)	(3.1)	(2.4)	(4.0)	(1.6)
Total	41.3	42.5	46.0	38.1	23.7	(14.4)

Operations Overview

Summary by Service Category

Our operations including Commercial Businesses have been summarised into ten Service Categories as presented on the right.

Appendix 1 provides a summary of each service category including the services delivered and their value proposition.

Recovery principle:

Our service delivery will reflect the needs of the community

Service Category	Full Time Equivalents	Income \$m	Expenditure \$m
Arts, Community Development & Civic Services	114.7	1.6	(20.3)
Asset Maintenance	229.7	1.2	(32.7)
Commercial Operations	65.5	25.4	(19.7)
Corporate Support Services	77.3	0.1	(22.0)
Economic Growth	65.4	13.1	(26.4)
Infrastructure & Asset Management	75.3	-	(18.9)
Policy & Planning Services	30.4	0.0	(5.9)
Property Management	13.1	8.5	(1.1)
Regulatory & Statutory Services	127.7	133.3	(19.8)
Waste, Natural Resources & Environmental Services	17.0	0.1	(6.2)
Total	816.1	183.3	(173.0)

Income and expenditure excludes capital works, plant, fleet & equipment renewals, 2019-20 corporate efficiencies, annual government grants, insurance distributions and proceeds from property investments.

Operations Income

Income Summary

COVID-19 has had a significant impact on operational income, primarily due to reductions in on street parking, expiations and commercial income including UPark.

The 2019-20 Quarter 3 revised forecast foreshadowed a significant reduction in operational income. This is reflected in the reduction between the original 2019-20 budget and Quarter 3 Forecast for User and Statutory Charges.

While income is anticipated to progressively recover in the coming months, budgeted income 2020-21 has been significantly reduced from the 2019-20 Q2 Forecast (Pre-COVID baseline):

- User charges (\$16m), (37%) reduction
- Statutory charges (\$5m), (27%) reduction

Current assumptions

Rates 3.1% increase

- No change to rate in the dollar
- 2.0% growth new developments/additions
- 1.0% valuation uplift

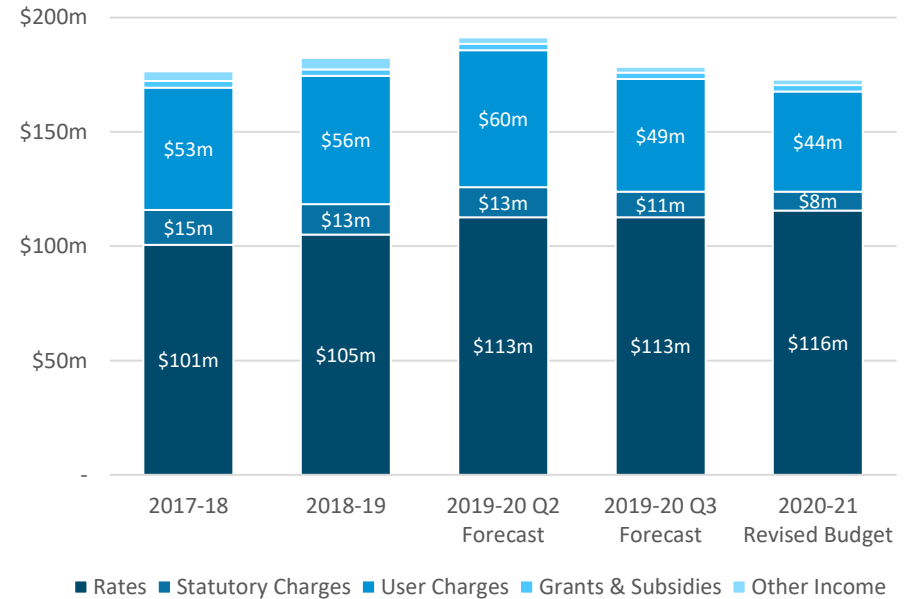
Fees and Charges

- General user charges – no change
- Statutory charges – as set by government Commercial – no increase or variable (eg. UPark)

Recovery principle:

Our rates approach is fair and equitable

Operational income by category



Operations Expenditure

Expenditure Summary

Operational expenditure for the draft 2020-21 Budget is based on the cost of delivering existing services (as outlined in the summary by Service Category) with adjustments for:

- Enterprise agreements and contractual increases
- Changes in operations due to COVID 19 (eg. increased cleaning requirements)
- Initial operational savings identified in response to the tighter financial position

The basis for the reduction of \$20m in our ongoing operating expenditure has been reflected in the revised 2020-21 Budget noting the full savings will not be reflected until future financial years due to the one-off structural realignment costs of potentially (\$14m).

Current assumptions

Employee Costs – as per Enterprise Agreements

- Wages 2%
- Salaries 2%
- Leisure 2.5%
- UPark 2%

Other Expenditure

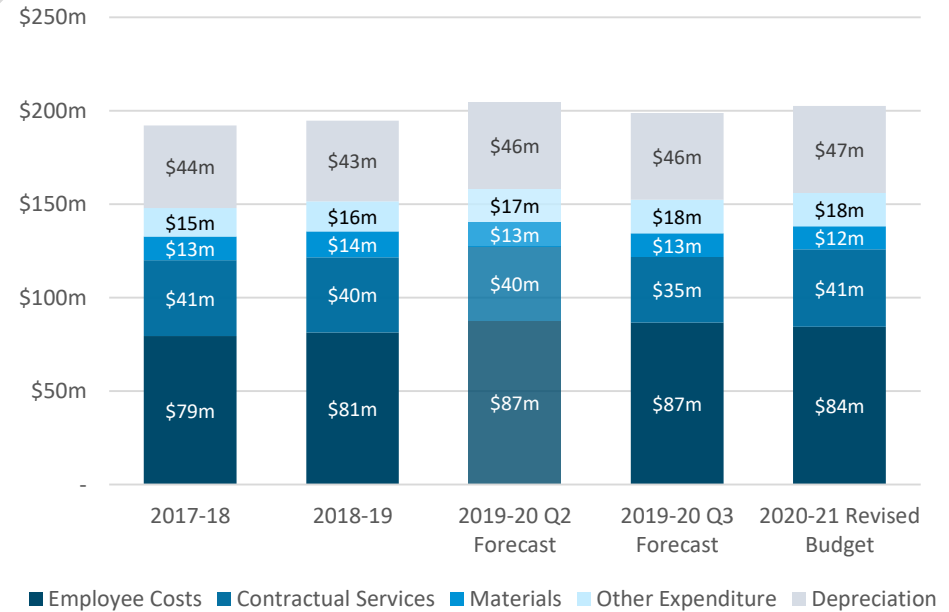
- Based on existing budget indexed by CPI presently 2.0%, unless there are specific and material variations
- Interest rates – 1.5%

Recovery principle:

Our service delivery will reflect the needs of the community

Operational expenditure by category

(excluding internal recoveries)



Operations

UPark

Aquatic Centre

Golf Course

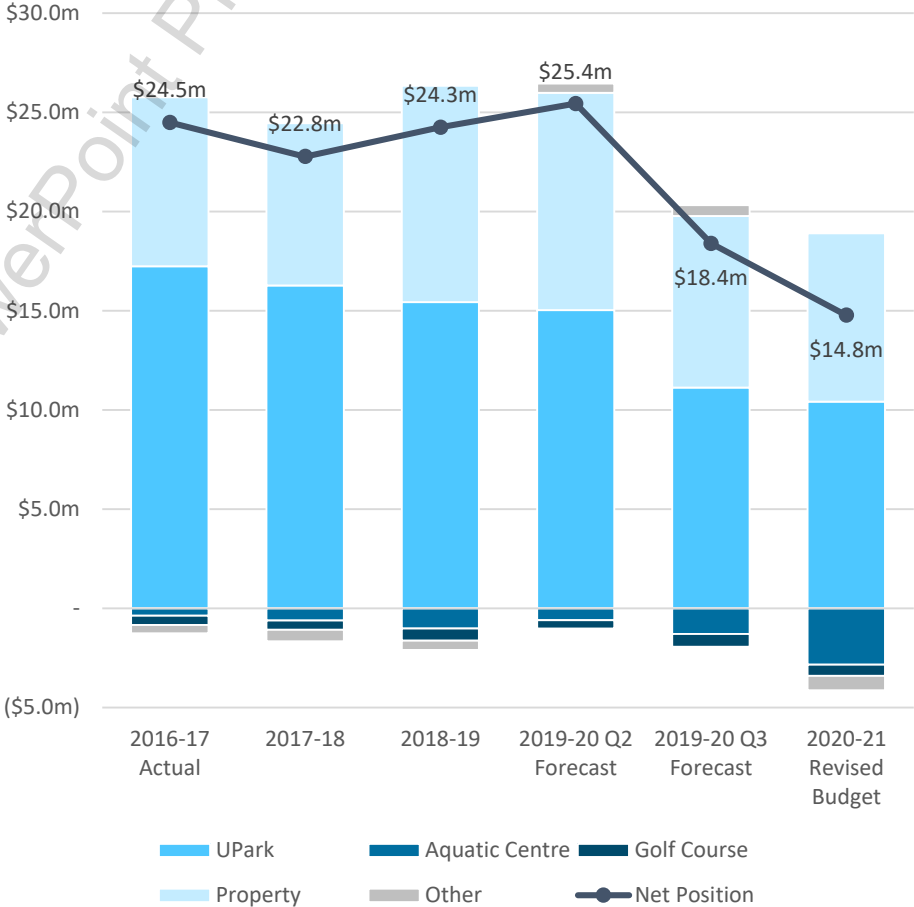
Property Leases

Summary

The 2019-20 Quarter 3 revised forecast foreshadowed a (\$7.5m) reduction in income from UPark, the Aquatic Centre, Golf Course and Property Leases compared to the original 2019-20 budget due to the reduced demand for U Parks and the Council’s rent relief for its tenants.

Revenue is forecast to reduce by (\$9.4m) in 2020-21 compared to the draft budget prepared prior to COVID-19, primarily due to the ongoing impact on UPark’s income and temporary closure of the Aquatic Centre.

Net contribution



Operations

UPark

Aquatic Centre

Golf Course

Property Leases

Operational Challenges

UPark

- Visitation dropped by 85% during peak restrictions
- Casual parking heavily reliant on hospitality and retail;
- The parking sector is currently heavily discounting off-street parking to attract customers but this is financially unsustainable

Property

- Likely increase in vacancies due to the impacts of 'Job Keeper' ceasing in September 2020
- Challenges of recovering pre-COVID-19 debts
- Reduced income from Central Market Arcade Development due to 70% rent relief once redevelopment clause enacted
- City of Adelaide has not received any relief for premises it leases
- Requests from tenants for relief in outgoings (utility charges, etc) and the waiver/deferral of rates

Aquatic Centre

- Large proportion of operating expenditure is fixed, ie. labour to meet compliance requirements regarding supervision, plant equipment maintenance and utility costs
- Large volume of cancellations from Members and Swim School enrolments received in March prior to closure
- Smaller and less frequent Swim School classes due to social distancing
- reduced Swim and Gym memberships across the year and limited services to meet social distancing requirements
- Casual visitation during peak operating periods Nov-Feb will be reduced due to social distancing restrictions

Golf Course

- Revenue from functions, retail and food limited revenue whilst COVID19 safe work practices training of redeployed staff hindered the ability to reduce expenditure

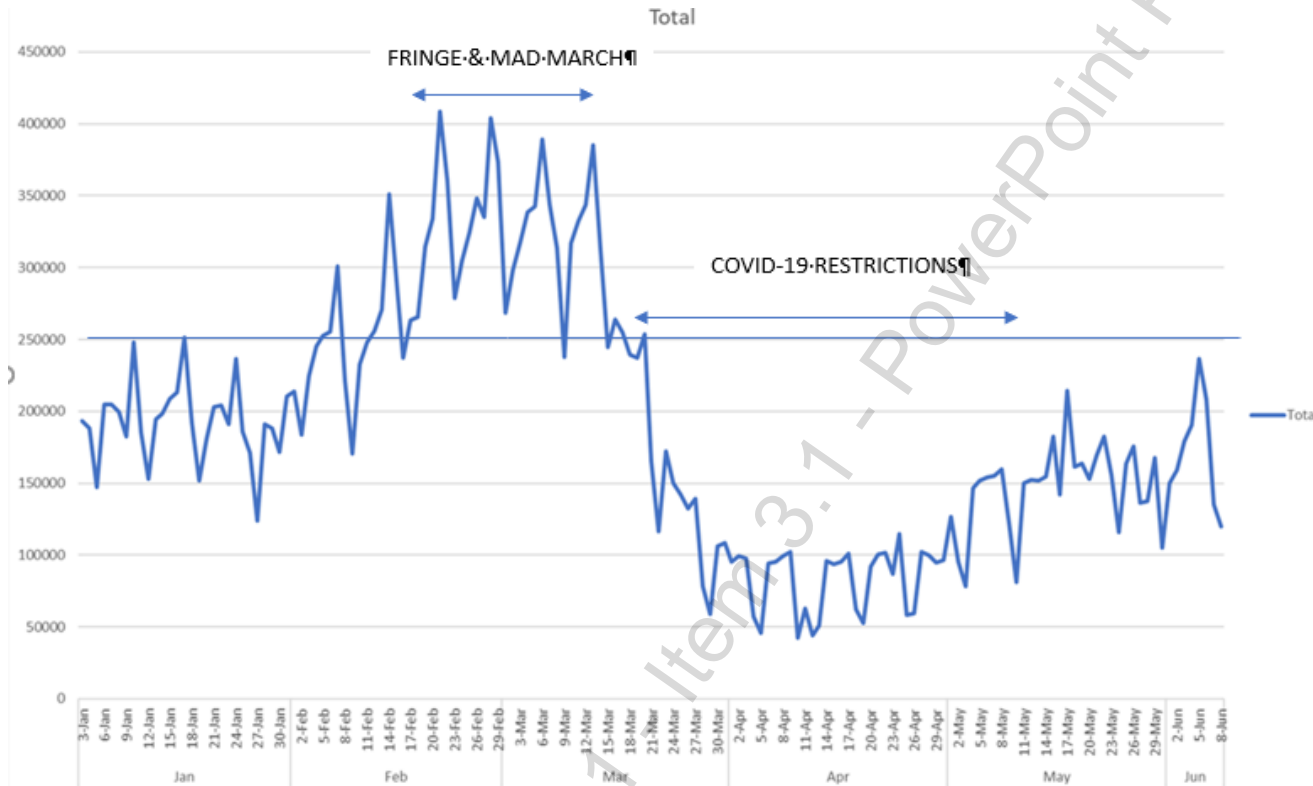
Operations
UPark
Aquatic Centre
Golf Course
Property Leases

	Forecast unfavourable impact	Current Status	Looking forward
UPark	(\$5.2m)	UPark Plus has supported the recovery in occupancy at a lower price point – Revenue down circa 50%	<ul style="list-style-type: none"> ▪ Leverage UPark Plus under delegation to maintain/grow market share ▪ Phased approach to restoring sustainable pricing
Aquatic Centre	(\$2.1m)	Centre presently closed due to social distancing requirements	Re-opening <ul style="list-style-type: none"> ▪ Re-engage workforce ▪ Social distancing requirements reduce capacity and class size ▪ Recover enrolments that were cancelled
Golf Course	(\$0.2m)	Patronage has recovered since reopening in April	Recovery of function, retail and food income due to social distancing
Property	(\$2.2m) based on 20% vacancy rate and before consideration of further rental relief	3 months rent relief to small and medium enterprises	Minimise vacancy rates while balancing capacity to provide further rent relief where genuinely required

Minute 7 - Item 3.1 - PowerPoint Presentation

City Recovery

City Activity (Devices)



COVID-19 Restrictions

South Australian Roadmap for Easing COVID-19 Restrictions

- 11 May 2020 - Step 1
- 1 June 2020 - Step 2
- 11 June 2020 – 90% of Rundle Mall traders have recommenced operations
- 13 June 2020 - AFL Round 2 @ Adelaide Oval with 2000 crowd capacity
- Mid-late June 2020 - Social distancing measures expected to be relaxed
- July 2020 - State Borders expected to open and interstate flights to increase

City Recovery Rates

Recovery principle:

Our rates approach is fair and equitable

Rates

The City of Adelaide's current rates hardship provisions allow all ratepayers to make an [application for rate relief](#). Support measures introduced to assist businesses and residents impacted by the COVID-19 crisis include:

1. Postponement of payment for the 4th quarter rates (due 1 June 2020) for three months until 31 August 2020
2. Repayment arrangements (weekly, fortnightly or monthly) based on an agreed amount
3. No fines or interest to be charged on any 4th quarter outstanding rates (due 1 June 2020) until 31 August 2020
4. Fines and interest suspended on all outstanding historic rates until 31 August 2020
5. No new debt recovery action to be instigated for any business that enters into a financial arrangement with the City of Adelaide, including any pre-existing debt.

Q4 Rates issued	21 April 2020 (\$000)	Q4 Rates Hardship Applications	11 June 2020
Amount issued	\$25,742	Residential	46
Total Paid (10/6/20)	\$18,578	Commercial	114
Balance owing	\$7,164	Total	160
Total percentage paid	72%	% of total assessments	1.82%

\$4 million City Support

- 100% rent free for 3 months for lessees of Council owned properties
- 100% rent free for 3 months for community leases of Council owned properties
- 100% rent free for 3 months for Adelaide Central Market tenants
- Waiving of the separate rate for the Rundle Mall precinct for 3 months approx. \$1 million
- A 3-month waiver of all Park Land lease and licence fees for sporting clubs and community groups approx. \$118,000
- Making the city accessible by creating more flexibility regarding on street parking regulations
- Increasing City of Adelaide's cleaning regime to ensure the city is kept as clean and hygienic as possible
- Facilitating access to hardship provisions
- Establishing a Small Business Task Force (SBTF)
- **AND UPARK PLUS**

City Recovery

Capital City Support

Relief Measure	Adelaide	Melbourne	Sydney	Perth	Brisbane	Hobart	Darwin
Rates Financial hardship application	✓	✓	✓	✓	✓	✓	✓
Rates Waiver							
Rates Postponement	✓	✓			✓	✓	✓
Rates in the \$ frozen for 20-21	TBC	✓		✓	✓	✓	
Rates Payment Plan	✓	✓			✓		✓
Rates No fines or interest	✓	✓			✓	✓	✓
Rates No debt recovery	✓				✓		
Rent relief for Council properties	✓	✓	✓	✓	✓	✓	✓
Rent relief for Community leases	✓				✓		
Venue bookings fees waived	✓		✓		✓	✓	
Health & building compliance fees waived		✓	✓		✓		
No outdoor dining fees	✓	✓		✓	✓	✓	✓
Discounted parking initiatives	✓	✓	✓	✓	✓	✓	✓
Lease & licence fees for sporting and community clubs waived	✓				✓	✓	
SME business grants / advice	✓	✓	✓	✓		✓	✓

Capital City Support

The City of Adelaide's support for City residents and businesses aligns with and in some cases exceeds the support measures introduced by the other Capital Cities across Australia.

At this stage, no capital city is offering rate waivers, and all require a ratepayer seeking assistance to make a formal application under their financial hardship provisions

Property Council

The Property Council advises that landlords are offering various support packages ranging in percentage discounts as a deferral not a waiver.

They are also working with tenants to see if extending leases at the back end works for both parties.

JobKeeper

- 3,000 CBD entities / 50,000 SA entities receiving benefits
- Review on 23 July 2020
- Currently ends 27 September 2020

City Recovery

Draft Bill - Local Government (Public Health Emergency) (Rate Relief) Amendment Bill 2020

Land Use Description	Rates Generated	Estimated Months Impacted	Remission
Amusement Centre	\$88,527.10	4	\$29,509.03
Backpacker Accommodation	\$151,376.35	6	\$75,688.18
Cinema	\$100,251.33	4	\$33,417.11
Function Facility	\$447,592.91	6	\$223,796.45
Health Studio	\$638,422.25	3	\$159,605.56
Hotel w/out Accommodation	\$1,373,530.60	4	\$457,843.53
Hotel with Accommodation	\$5,152,474.66	5	\$2,146,864.44
Lodging House	\$673,066.28	5	\$280,444.28
Motel	\$349,545.33	5	\$145,643.89
Restaurant	\$2,413,443.13	4	\$804,481.04
Serviced Apartment	\$2,360,938.75	3	\$590,234.69
Shop	\$16,726,842.96	3	\$4,181,710.74
Showroom	\$715,665.19	3	\$178,916.30
Theatre	\$98,851.55	4	\$32,950.52
Training Institution	\$936,436.23	4	\$312,145.41
TOTAL:	\$32,226,964.62		\$9,653,251.17

Draft Bill

Introduced to Parliament on 28 May 2020, the Draft Bill would see council rates waived for local businesses and not for profit organisations that have been forced to close as a result of Government directives in the wake of the COVID-19 crisis.

The waiver of rates would apply for the period between when the restrictions commenced and ended.

Businesses Impacted

The table shows those businesses likely to have closed or otherwise significantly impacted as a result of COVID-19 (determining how long a particular business has been impacted, given the restrictions vary greatly, is challenging).

Estimated Cost to CoA

Rate remissions to these businesses is estimated at approx **\$9.7m per quarter**.

Evidence to support a rate waiver would be required rather than a blanket application across all businesses.

City Recovery

Options to Provide Additional Assistance to City Residents and Businesses

Extension of the existing \$4 million City Support package for a further 3 months (or some variation), including hardship assistance measures

Waiver of all rates for small businesses forced to close as a result of mandated Federal or State Government restrictions up until 31 August 2020

A 50% deferral or waiver of all rates for small businesses that can demonstrate a reduction in trade/loss of income of 50%+ up until 31 August 2020

Provide longer term assistance and allow small businesses a period of up to two years to pay their rates to help them rebuild

Section 182 (3) of the *Local Government Act (1999)* allows Council to grant other or additional postponements of rates “to assist or support a business in its area” implying that financial hardship may not be the only criteria to be eligible for assistance

Rates may be deferred for a longer period (the number of quarters to be determined by Council), and an encumbrance attached to the property which will be released upon sale of the property at which time the outstanding rates would be recovered. Interest would continue to accrue

Reduce the special discretionary rebate, currently set at 10% to reduce the impact of an increase in rates as a result of an increased valuation. Properties that have had an alteration or an addition or is a new development site are not eligible for the rebate.

A targeted package to support the hotel and accommodation sectors who have experienced significant loss of business and higher than normal vacancy rates through lost bookings as a result of South Australia’s strong border controls and restrictions on interstate and overseas travel. Estimated cost: approx. \$1.7 million per quarter – noting that some businesses have more capacity to pay and state borders should open soon

Land Use	Annual Rates 2019-2020	% of Total Rates	Rates (4 th Quarter)	Number of Assessments
Hotels w Accom	\$5,152,474.66	4.68%	\$1,288,118.67	31
Hotels w/o Accom	\$1,373,530.60	1.25%	\$343,382.65	72
Motels	\$349,545.33	0.32%	\$87,386.33	11
TOTAL	\$6,875,550.59	6.23%	\$1,718,887.65	114

City of Adelaide 2020-21 BP&B Projects

Briefing Purpose:

To consider the funding priorities for Projects.

Projects Summary

Projects Overview

The following table provides a summary of the funding for projects including the Strategic Projects presented on 28 May.

The full list of individual projects is provided in Appendix 3.

\$'m	2017-18 Actual	2018-19 Actual	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Draft Budget	Variance
Projects						
Strategic Projects	(7.2)	(6.5)	(9.4)	(8.7)	(5.2)	3.5
Reprioritised	-	-	-	-	(0.4)	(0.4)
Commercial Projects	(39.9)	(2.1)	(7.0)	(1.9)	-	1.9
Retimed Projects	-	-		-	(5.0)	(5.0)
Total	(47.1)	(8.6)	(16.4)	(10.6)	(10.6)	-

City of Adelaide 2020-21 BP&B Infrastructure

Briefing Purpose:

To consider the funding priorities for Infrastructure

Infrastructure LTFP

Recovery principle:

Asset renewals will be prioritised based on audit condition and risk

Strategic enhancements will be delivered through partnerships

We will seek Government funding for new Infrastructure

Long Term Financial Plan

Intergenerational Financial Sustainability is dependant on responsible asset management planning and forward financial allocation through the LTFP.

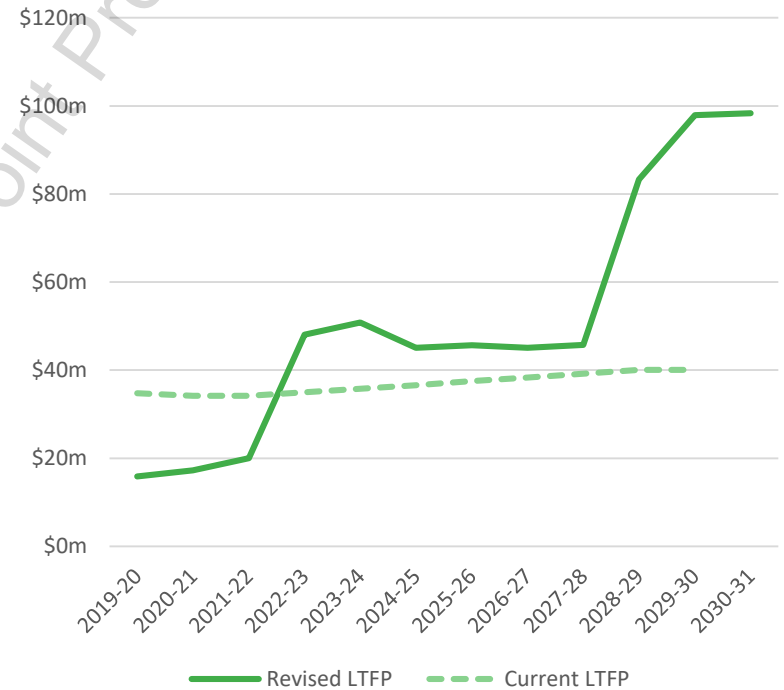
The Infrastructure and Asset Management Plans (AMPs) are being reviewed and updated including asset service levels, taking into account community needs, population density/growth impacts and asset management principles. They will be brought back to the elected body for endorsement.

There has been a renewed focus on the quality and condition of our infrastructure and an increased cost to provide those services.

There are significant renewals required in the outer years of the long term financial plan which have not previously been identified:

- Adelaide Bridge
- Torrens Weir Structure
- Replacement of Rundle UPark
- Rymill Park Lake

Revised LTFP for Infrastructure



Infrastructure Asset Sustainability

Recovery principle:

Asset renewals will be prioritised based on audit condition and risk

Strategic enhancements will be delivered through partnerships

We will seek Government funding for new Infrastructure

Asset Sustainability Ratio

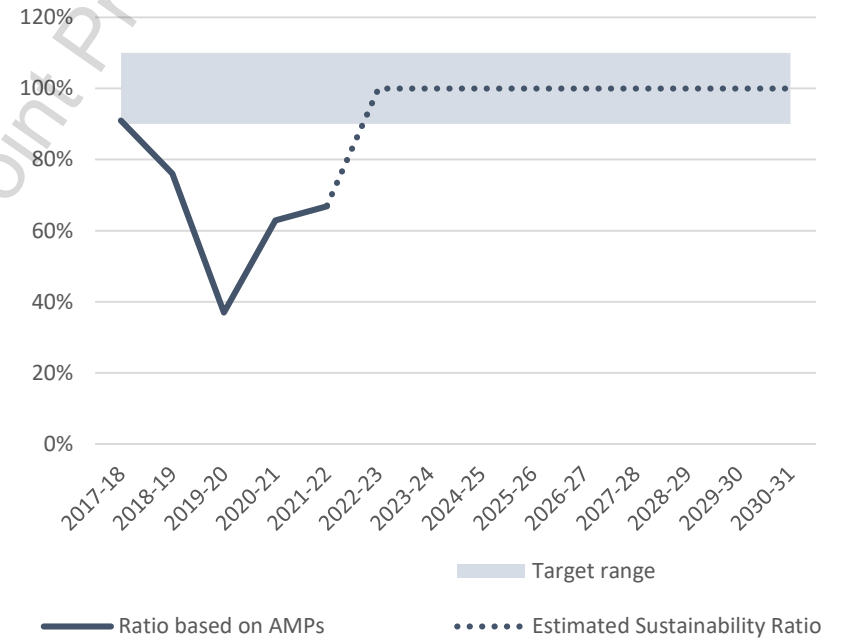
The Sustainability Ratio illustrates whether existing assets are being replaced or renewed at the rate they are being consumed and ensures consistent delivery of infrastructure to service the City determined by the AMPs.

The LGA Target Range for the Sustainability Ratio is 90%-110%.

Impacts of reducing the Infrastructure Program in 2020-21 will increase the renewal funding required over the longer term, reducing capacity to deliver new and significant upgrade projects, major projects and emerging priorities in the short to medium term. Other impacts:

- Increased maintenance and operational costs
- Increased cost at time of intervention

Forecast Asset Sustainability Ratio



Infrastructure Summary

Recovery principle:

Asset renewals will be prioritised based on audit condition and risk

Strategic enhancements will be delivered through partnerships

We will seek Government funding for new Infrastructure

Overview

As outlined on the 28 May the draft 2019-20 Infrastructure Program has been revised to reset and prioritise completion of 2019-20 program and essential renewals utilising a risk based approach.

The revised Infrastructure Program for 2020-21 is \$11.1m including:

- Renewals \$10.3m
- New & Upgraded / Enhancements \$0.7m

Retimed projects of \$15.0m from 2019-20 will be completed.

Major projects will be progressed with the incorporation of Moonta Street \$2.2m and Whitmore Square Greening \$0.9m.

Refer to Appendix 4 for the full list of infrastructure funding priorities.

\$'m	2017-18 Actual	2018-19 Actual	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Draft Budget	Variance
Infrastructure						
Renewals	(29.7)	(27.5)	(37.3)	(16.7)	(10.3)	5.7
Enhancements					(0.7)	
2019-20 Re-timed	-	-	-	-	(15.0)	(15.0)
Delivery Resources*	(7.0)	(7.1)	(7.3)	(7.3)	(7.2)	0.1
Major Projects	(10.3)	(12.3)	(14.3)	(8.4)	(8.1)	(0.3)
Total	(47.0)	(46.9)	(58.8)	(32.3)	(41.3)	(9.0)

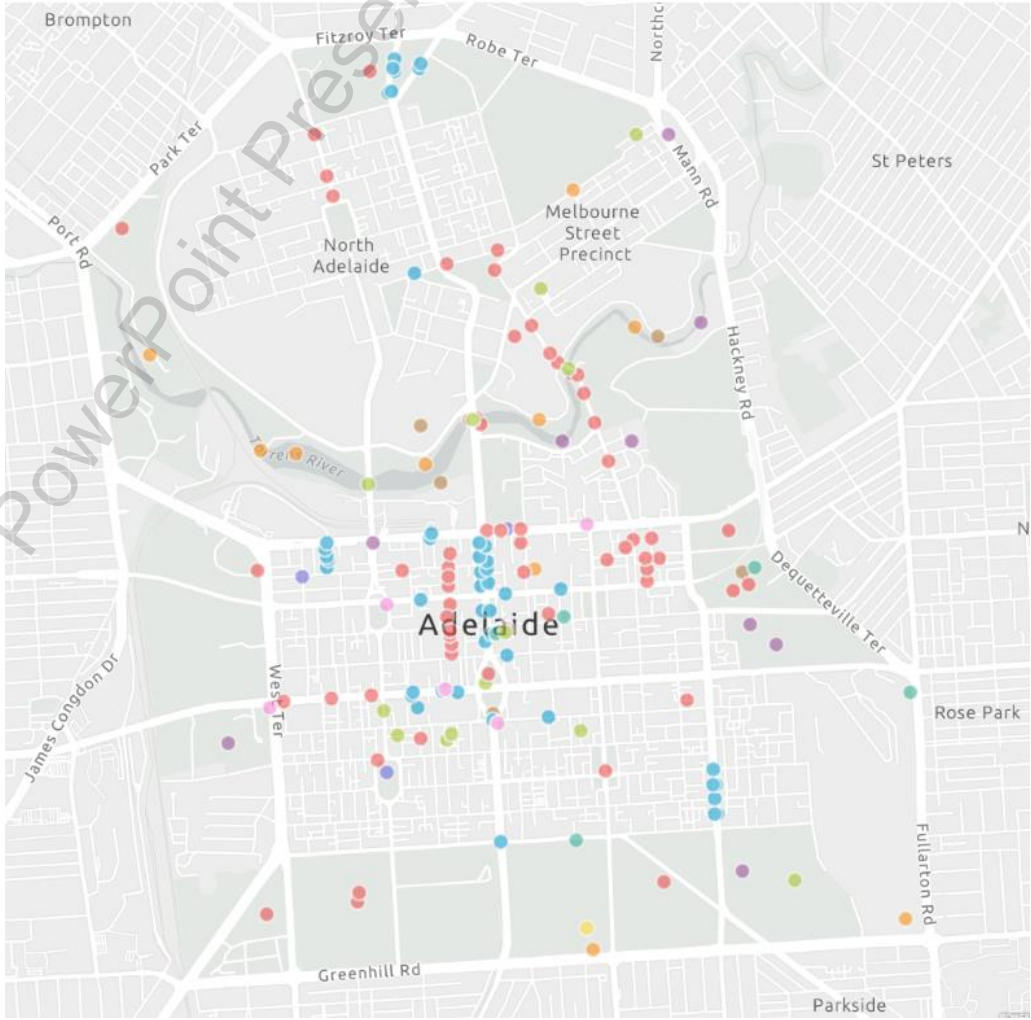
* Delivery resources is the budget for the contribution of internal asset management, design, project management, and administrative services that contribute to the delivery of infrastructure projects.

Infrastructure Summary

Works Mapped

A live demonstration will be presented on the evening.

- ^ Legend
- Re-Timed Projects
 - Transport
 - Lighting and Electrical
 - Bridges
 - Water Infrastructure
 - Park Lands and Open Spaces
 - Traffic Signals
 - Urban Elements
 - Buildings
 - Major Projects
 - others



City of Adelaide 2020-21 BP&B **Long Term Financial Plan**

Briefing Purpose:

To consider the Long Term Financial Plan

Long Term Financial Plan Overview

LTFP Introduction

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

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

Outputs of the LTFP include a comprehensive set of financial indicators and statements as per legislative requirements.

The LTFP provides guidance to support Council decision making, and confirm that Council has the financial capacity to meet its longer term commitments.

Key Inputs and Influences

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

Long Term Financial Plan Overview

Operational Assumptions

Rates

- No change in the rate in the dollar
- Uplift in valuations (Annual Assessed Value)
 - Medium term CPI 2.0%
 - Short to medium term forecasts on market research and analysis
- Increase from new developments and additions:
 - Current assumption is 1% based on the assumption for previous years
 - Short to medium term forecasts being developed based on development applications and market

Other Income and Expenditure

Based on existing budget indexed by medium term CPI (presently 2.0%) unless there are specific and material variations (e.g. new electricity contract)

Interest rates – presently 1.5%

Projects and Infrastructure Program

- Baseline reviewed annually based on adopted budget (with sufficient allowance for Asset Management Plans)
- Adjustments made in specific years based on funding priorities
- Carry forwards adjusted quarterly

Major Projects and Property Developments

- Detailed analysis of proposed projects is undertaken as part of Council consideration (usually as part of Prudential Report)
- Incorporated within the LTFP once a Council decision is made

Long Term Financial Plan Key Indicators

Financial Indicator	Target	2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Operating Surplus Ratio	0%-20%	(10%)	(18%)	(5%)	(6%)	(5%)	(1%)	(1%)	2%	1%	2%	-
Net Financial Liabilities	Less than 80%	42%	67%	63%	74%	68%	55%	54%	52%	49%	61%	78%
Asset Sustainability Ratio	90%-110%	37%	35%	67%	100%	100%	100%	100%	100%	100%	100%	100%
Asset Test Ratio	Maximum 25%	20%	26%	26%	33%	29%	26%	26%	25%	24%	31%	42%
Debt Service Coverage	Minimum 5 times	11.5	6.6	6.9	6.2	5.8	7.4	8.4	-	-	8.3	6.3
Leverage Test Ratio	Maximum 1.5 years	1.4	2.2	1.9	2.4	2.1	1.6	1.5	1.5	1.4	1.8	2.4
Borrowings (\$'m)	Within Prudential Limits	71.7	92.9	91.9	121.1	112.4	97.4	98.3	96.7	93.7	126.4	172.4
Operating Surplus (\$'m)	Financial sustainability	(20.0)	(33.6)	(10.2)	(11.6)	(9.9)	(2.4)	(2.5)	4.2	2.0	6.2	0.1

Operating Surplus Surplus generated in 2026-27. This Surplus will be utilised to repay debt, major renewals (Adelaide Bridge, Torrens Weir, Rundle UPark) and investment in other income generating assets

Borrowings Limit exceeded from 2020-21 through to 2025-26 and then again through 2028-29 and 2029-30.

Asset Sustainability Ratio Outside of Target Range due to reprioritisation of 2019-20 and 2020-21 Renewal Programs and anticipated reduced 2021-22 Program.

Long Term Financial Plan Scenarios

Scenario 1

LTFP without \$20m reduction to Operating expenditure

The draft 2020-21 Budget has an ongoing operating expenditure saving of \$20m imbedded in line with Council resolution to improve the Operating position. This scenario illustrates the impact on the LTFP without the \$20m expenditure saving, which results in ongoing Operating Deficits and Borrowings exceeding existing Prudential Limits.

Financial Indicator (\$'m)	Target	2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Borrowing	Within Prudential Limits	71.3	98.8	112.7	157.4	164.7	166.4	184.7	200.9	216.5	268.4	334.3
Operating Surplus	Financial sustainability	(20.0)	(39.3)	(25.1)	(27.0)	(25.9)	(19.1)	(19.8)	(13.7)	(16.6)	(13.0)	(19.8)

Scenario 2

LTFP without the revised Infrastructure plan

The draft 2020-21 Budget has a revised Infrastructure Plan based on the renewed focus on the quality and condition of our infrastructure and an increased cost to provide those services. Scenario 2 illustrates the impact on the LTFP as per the 2019-20 adopted LTFP with the inclusion of the River Torrens Weir & Rundle UPark building renewals. Consistent with that presented in QF3. Borrowings will be within the Prudential Limits from 2024-25 and Operating Surpluses will be achieved from 2026-27, building capacity to fund the significant renewals in 2028-29 and 2029-30.

Financial Indicator (\$'m)	Target	2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Borrowing	Within Prudential Limits	71.3	93.7	106.2	122.1	98.3	74.7	67.3	58.9	49.2	73.6	148.3
Operating Surplus	Financial sustainability	(20.0)	(33.6)	(11.6)	(10.2)	(8.4)	(1.5)	(1.7)	4.9	2.7	7.0	(2.8)

A Live demonstration to be provided during the Workshop with additional scenarios

Long Term Financial Plan Scenarios

Scenario 3

LTFP incorporating the impact of the Draft Bill for Rate Relief

This scenario illustrates the impact on the Draft Bill where council rates are waved for local business and not for profit organisations that have been forced to close as a result of Government directives. A 6 month rate remission has been assumed in this scenario, where the 2019-20 Quarter 4 rates would be credited against future rates payable, and the 2020-21 Quarter 1 rates payable waived. The impact of this being recognised in 2020-21 and results in ongoing Operating Deficits through to 2025-26 and Borrowings exceeding existing Prudential Limits from 2020-21.

Financial Indicator (\$'m)	Target	2019-20 QF3	2020-21 Budget	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Borrowing	Within Prudential Limits	71.3	112.2	111.6	141.1	132.8	118.2	119.5	118.2	115.7	148.7	195.2
Operating Surplus	Financial sustainability	(20.0)	(52.9)	(10.6)	(11.9)	(10.2)	(2.8)	(2.9)	3.8	1.6	5.8	(0.3)

A Live demonstration to be provided during the Workshop with additional scenarios

City of Adelaide 2020-21 BP&B Treasury Policy

Briefing Purpose:

To consider the key principles for borrowings

Treasury Policy Borrowings

Recovery principle:

Financial borrowings adjusted to stimulate growth

Investment is prioritised to support recovery

Borrowing Principles for the Treasury Policy

Borrowings should be reserved to fund projects that are aligned to Council's Strategic Plan and meet two of the following criteria:

- Have a positive return on investment
- Leverage external grant funding
- City shaping Projects with intergenerational equity

The level of borrowings held should consider Council's

- Capacity to service the interest and repay borrowings through present and forecast future income
- Capacity to respond to emerging opportunities and risks
- Be balanced with Council's foreseeable funding priorities identified in the Long Term Financial Plan
- 'Risk appetite', as defined by Council's prudential limits

Borrowings should not be utilised to fund the

- Delivery of operational services
- Routine asset renewals

Revised Prudential Borrowing Limit

Proposed Prudential limits	2019-20 QF3	2020-21 Budget	2021-22
Asset Test Ratio	20%	26%	26%
Leverage Test Ratio	0.6	0.8	0.8
Interest Expense Ratio	0.97%	1.47%	1.45%

Asset Test

Maximum 50% of sellable assets

Basis of the calculation unchanged

Leverage Test

Maximum 1.5 of general rates revenue

(rather than funds available for projects)

General rates more consistent basis to measure capacity to repay borrowings

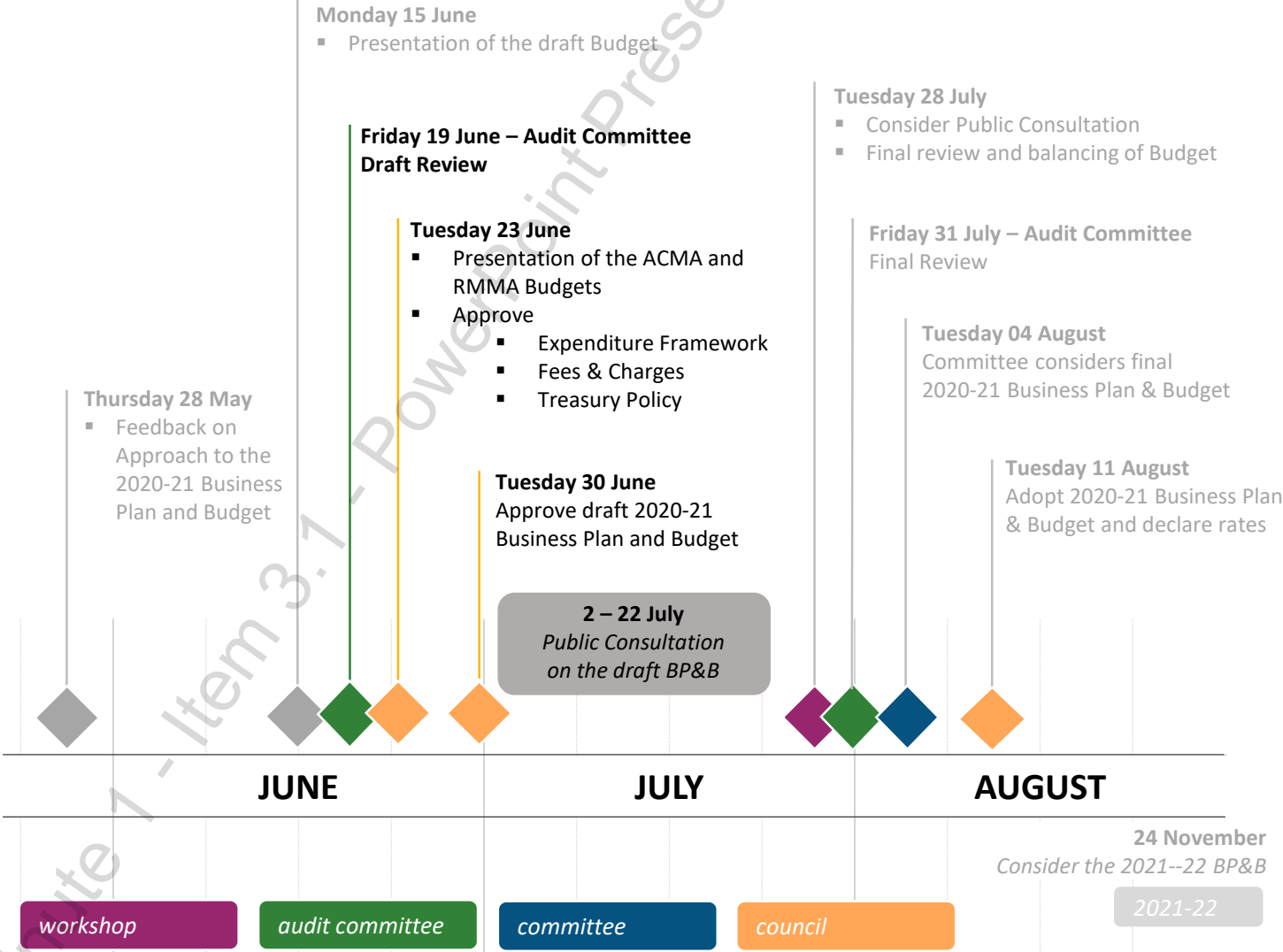
Interest Expense Ratio

Maximum of 10% of general rates revenue

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

The revised Prudential Limit would increase borrowing capacity to approximately \$175m with annual interest payments of \$3.5m

Next Steps



Appendices

1. Service Category Summaries
 2. Plant, Fleet & Equipment
 3. Projects funding priorities
 4. Infrastructure funding priorities
 5. Long Term Financial Plan - Statements
-

Appendix 1: Service Category Summaries

- Arts, Community Development & Civic Services
 - Asset Maintenance
 - Commercial Operations
 - Corporate Support Services
 - Economic Growth
 - Infrastructure & Asset Management
 - Policy & Planning Services
 - Property Management
 - Regulatory & Statutory Services
 - Waste, Natural Resources & Environmental Services
-

Appendix 5

Long Term Financial Plan – Budgeted Financial Statements

- 5.1 Uniform Presentation of Finances
 - 5.2 Statement of Comprehensive Income
 - 5.3 Statement of Financial Position
 - 5.4 Statement of Changes in Equity
 - 5.5 Statement of Cash Flows
-

Uniform Presentation of Finances

\$'000s	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
Income	211.0	196.4	186.1	201.4	206.6	211.9	225.1	231.1	237.0	242.9	249.0	255.2
less Expenses	(219.4)	(215.0)	(217.7)	(208.9)	(211.5)	(216.5)	(223.1)	(229.7)	(229.3)	(236.9)	(235.4)	(246.2)
Operating Surplus / (Deficit) before Capital Amounts	(8.4)	(18.5)	(31.6)	(7.5)	(5.0)	(4.6)	2.0	1.5	7.7	6.1	13.6	9.0
less Net Outlays on Existing Assets												
Net Capital Expenditure on Renewal & Replacement of Existing Assets	55.6	33.6	41.8	30.7	59.0	61.8	56.4	57.1	56.7	57.8	95.4	110.5
less Depreciation, Amortisation and Impairment	(49.6)	(50.2)	(50.8)	(49.9)	(49.0)	(50.2)	(50.9)	(54.7)	(50.7)	(54.6)	(49.1)	(55.4)
less Amounts received specifically for Existing Assets	(2.9)	(2.8)	(0.9)	-	-	-	-	-	-	-	-	-
Net Outlays on Existing Assets	3.1	(19.4)	(9.9)	(19.2)	10.0	11.6	5.5	2.4	6.1	3.1	46.3	55.0
less Net Outlays on New and Upgraded Assets												
Net Capital Expenditure on New and Upgraded Assets	29.1	13.2	28.0	16.7	14.2	-	-	-	-	-	-	-
less Amounts received specifically for New and Upgraded Assets	(6.5)	(2.5)	(16.2)	-	-	-	-	-	-	-	-	-
less Proceeds from Sale of Assets	-	-	-	-	-	(25.0)	(25.5)	-	-	-	-	-
Net Outlays on New and Upgraded Assets	22.6	10.7	11.7	16.7	14.2	(25.0)	(25.5)	-	-	-	-	-
Net Lending / (Borrowing) for Financial Year	(34.0)	(9.8)	(33.4)	(5.0)	(29.2)	8.7	22.0	(0.9)	1.7	3.0	(32.7)	(46.0)

Statement of Comprehensive Income

\$'000s	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
Income												
Rates Revenues	116.5	116.5	119.4	123.3	127.0	130.8	135.8	140.1	144.1	148.3	152.5	156.7
Statutory Charges	13.4	11.2	8.5	12.0	12.2	12.4	12.6	12.9	13.1	13.4	13.6	13.9
User Charges	71.7	59.3	54.3	62.0	63.2	64.5	72.3	73.7	75.2	76.7	78.2	79.8
Grants, Subsidies and Contributions	11.4	13.3	3.9	3.1	3.1	3.2	3.2	3.3	3.4	3.4	3.5	3.6
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements	0.5	0.5	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8
Other Income	0.4	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Total Income	213.9	199.3	187.0	201.4	206.6	211.9	225.1	231.1	237.0	242.9	249.0	255.2
Expenses	-											
Employee Costs	77.9	77.3	79.3	71.7	73.2	74.7	76.3	77.9	79.5	81.1	82.8	84.5
Materials, Contracts & Other Expenses	97.9	86.0	84.7	84.4	88.5	89.4	93.3	94.7	96.8	99.2	105.0	109.1
Depreciation, Amortisation & Impairment	49.6	50.2	50.8	49.9	49.0	50.2	50.9	54.7	50.7	54.6	49.1	55.4
Finance Costs	6.5	5.8	5.8	5.5	7.4	7.4	6.9	6.4	5.8	6.0	5.9	6.1
Total Expenses	231.9	219.2	220.6	211.6	218.1	221.8	227.4	233.7	232.8	241.0	242.8	255.1
Operating Surplus / (Deficit)	(17.9)	(20.0)	(33.6)	(10.2)	(11.6)	(9.9)	(2.4)	(2.5)	4.2	2.0	6.2	0.1
Asset Disposal & Fair Value Adjustments	-	-	(0.3)	-	-	3.6	(0.3)	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	0.4	0.4	4.6	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(17.5)	(19.6)	(29.4)	(10.2)	(11.6)	(6.3)	(2.7)	(2.5)	4.2	2.0	6.2	0.1
Total Comprehensive Income	(17.5)	(19.6)	(29.4)	(10.2)	(11.6)	(6.3)	(2.7)	(2.5)	4.2	2.0	6.2	0.1

Statement of Financial Position												
\$'000s	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
ASSETS												
Current Assets												
Cash and Cash Equivalents	2.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Trade & Other Receivables	10.8	25.3	9.4	10.2	10.5	10.7	11.4	11.7	12.0	12.3	12.6	12.9
Other Financial Assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Inventories	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Total Current Assets	13.5	26.8	11.0	11.8	12.0	12.3	12.9	13.2	13.5	13.8	14.1	14.4
Non-Current Assets												
Financial Assets	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Equity Accounted Investments in Council Businesses	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Investment Property	2.9	2.9	2.9	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.2	3.2
Infrastructure, Property, Plant & Equipment	1,853.7	1,822.8	1,837.0	1,836.7	1,853.6	1,880.5	1,854.6	1,851.3	1,854.6	1,851.9	1,888.7	1,932.7
Other Non-Current Assets	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Non-Current Assets	1,859.2	1,828.2	1,842.4	1,842.1	1,859.1	1,886.0	1,860.1	1,856.8	1,860.1	1,857.5	1,894.3	1,938.3
TOTAL ASSETS		1,855.1	1,853.4	1,853.9	1,871.1	1,898.3	1,873.0	1,870.1	1,873.6	1,871.3	1,908.4	1,952.7
LIABILITIES												
Current Liabilities												
Trade & Other Payables	21.8	16.7	26.9	26.4	26.4	33.4	26.8	26.8	26.8	26.8	26.3	26.4
Provisions	14.2	14.2	11.6	11.8	12.1	12.3	12.6	12.8	13.1	13.3	13.6	13.9
Other Current Liabilities	1.6	1.5	1.1	0.7	0.9	1.3	1.7	2.2	1.7	1.6	2.1	1.9
Total Current Liabilities	37.5	32.4	39.6	39.0	39.4	47.0	41.1	41.8	41.6	41.8	42.1	42.1
Non-Current Liabilities												
Trade & Other Payables	0.3	0.3	1.0	7.0	7.0	-	-	-	-	-	-	-
Borrowings	81.4	71.7	92.9	91.9	121.1	112.4	97.4	98.3	96.7	93.7	126.4	172.4
Provisions	2.0	2.0	1.7	1.7	1.7	1.8	1.8	1.9	1.9	1.9	2.0	2.0
Other Non-Current Liabilities	15.2	14.2	13.2	19.4	18.5	17.2	15.5	13.4	14.5	12.9	10.8	8.9
Total Non-Current Liabilities	98.9	88.3	108.7	120.0	148.3	131.4	114.7	113.6	113.1	108.6	139.2	183.4
TOTAL LIABILITIES	136.5	120.6	148.3	159.0	187.8	178.4	155.8	155.3	154.7	150.4	181.3	225.5
Net Assets	1,736.3	1,734.5	1,705.1	1,694.9	1,683.3	1,719.9	1,717.2	1,714.7	1,718.9	1,720.9	1,727.1	1,727.2
EQUITY												
Accumulated Surplus	816.8	815.0	785.6	775.4	763.9	757.6	754.9	752.4	756.6	758.6	764.8	764.9
Asset Revaluation Reserves	917.8	917.8	917.8	917.8	917.8	960.7	960.7	960.7	960.7	960.7	960.7	960.7
Other Reserves	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Council Equity	1,736.3	1,734.5	1,705.1	1,694.9	1,683.3	1,719.9	1,717.2	1,714.7	1,718.9	1,720.9	1,727.1	1,727.2

Statement of Changes in Equity												
\$'000s	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
Balance at the end of previous reporting period	1,754.1	1,754.1	1,734.5	1,705.1	1,694.9	1,683.3	1,719.9	1,717.2	1,714.7	1,718.9	1,720.9	1,727.1
a. Net Surplus / (Deficit) for Year	(17.8)	(19.6)	(29.4)	(10.2)	(11.6)	(6.3)	(2.7)	(2.5)	4.2	2.0	6.2	0.1
b. Other Comprehensive Income												
Total Comprehensive Income	(17.8)	(19.6)	(29.4)	(10.2)	(11.6)	(6.3)	(2.7)	(2.5)	4.2	2.0	6.2	0.1
Gain (Loss) on Revaluation of I, PP&E						42.9						
Balance at the end of period	1,736.3	1,734.5	1,705.1	1,694.9	1,683.3	1,719.9	1,717.2	1,714.7	1,718.9	1,720.9	1,727.1	1,727.2

Minute 1 - Item 3.1 - PowerPoint Presentation

Statement of Cash flows

\$'000s	2019-20 Q2 Forecast	2019-20 Q3 Forecast	2020-21 Budget	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan
Cash Flows from Operating Activities												
<u>Receipts</u>												
Operating Receipts	216.7	187.4	203.7	200.6	206.3	211.6	224.4	230.8	236.7	242.6	248.7	254.9
<u>Payments</u>												
Payments to Employees	(77.6)	(77.0)	(82.2)	(71.4)	(72.9)	(74.5)	(76.0)	(77.6)	(79.2)	(80.8)	(82.5)	(84.1)
Payments for Materials, Contracts & Other Expenses	(89.9)	(91.3)	(72.9)	(82.9)	(86.6)	(88.4)	(92.2)	(93.5)	(95.0)	(97.6)	(99.2)	(101.3)
Finance Payments	(1.8)	(1.1)	(1.7)	(1.8)	(2.1)	(2.3)	(2.0)	(1.9)	(1.9)	(1.8)	(2.1)	(2.9)
Operating Payments to Suppliers and Employees	(169.2)	(169.4)	(156.9)	(156.1)	(161.6)	(165.1)	(170.2)	(173.0)	(176.1)	(180.2)	(183.8)	(188.3)
Net Cash provided by (or used in) Operating Activities	47.4	18.0	46.8	44.5	44.7	46.5	54.2	57.9	60.5	62.4	64.9	66.5
Cash Flows from Investing Activities												
<u>Receipts</u>												
Amounts Received Specifically for New/Upgraded Assets	0.4	0.4	4.6	-	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	-	-	1.0	6.0	-	25.0	18.5	-	-	-	-	-
<u>Payments</u>												
Expenditure on Renewal/Replacement of Assets	(55.6)	(33.6)	(41.8)	(30.7)	(59.0)	(61.8)	(56.4)	(57.1)	(56.7)	(57.8)	(95.4)	(110.5)
Expenditure on New/Upgraded Assets	(29.1)	(13.2)	(28.0)	(16.7)	(14.2)	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	0.0	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(84.3)	(46.3)	(64.2)	(41.4)	(73.2)	(36.8)	(37.9)	(57.1)	(56.7)	(57.8)	(95.4)	(110.5)
Cash Flows from Financing Activities												
<u>Receipts</u>												
Proceeds from Borrowings	34.0	24.3	18.9	-	29.2	-	-	-	-	-	32.7	46.0
<u>Payments</u>												
Repayment from Borrowings	-	-	-	(1.0)	-	(8.7)	(15.0)	0.9	(1.7)	(3.0)	-	-
Repayment of Principal portion of lease liability	(1.2)	(1.2)	(1.6)	(2.1)	(0.7)	(0.9)	(1.3)	(1.7)	(2.2)	(1.7)	(2.1)	(2.1)
Net Cash provided by (or used in) Financing Activities	32.8	23.1	17.4	(3.0)	28.5	(9.7)	(16.2)	(0.8)	(3.8)	(4.6)	30.6	43.9
Net Increase (Decrease) in Cash Held	(4.1)	(5.3)	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
plus: Cash & Cash Equivalents at beginning of period	6.1	6.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Cash & Cash Equivalents at end of period	2.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8