Agenda Item 13.1

Adoption of the 2024/25 Long Term Financial Plan

Strategic Alignment - Our Corporation

Public

Tuesday, 22 October 2024

Council

Program Contact:
Acting Manager Finance & Procurement

Approving Officer:
Anthony Spartalis
Chief Operating Officer

EXECUTIVE SUMMARY

The *Local Government Act 1999 (SA)* (Act) requires a council to develop and adopt a Long Term Financial Plan (LTFP), for a period of at least 10 years (s122 (1a) (a)) which is reviewed annually (S122 (4) (a)).

The attached draft LTFP (Attachment B) is presented to Council for adoption following the completion of public consultation on 20 October 2024.

This LTFP takes account of the 2024/25 adopted BP&B as the base for its projections, building upon the work undertaken for the annual Business Plan and Budget, Infrastructure Asset Management Plans, and 2024-28 Strategic Plan and has been developed with regard to Council's adopted financial principles, Council decisions and the best available economic information. It is therefore a tool to guide decision-making for future financial sustainability.

Key outcomes include:

- An annual operating surplus position over the life of the plan
- All Key Financial Indicators are within target ranges except for Cashflows from Operations between 2027/28 – 2030/31 due to an outlay on significant renewals
- A gradual return of the Asset Renewal Funding Ratio (ARFR) over eight years to100% from 2031/32 onwards (previously four years to 2027/28).
- Introduction of an Asset Renewal Repair Fund (ARRF) to fund the annual increase of $14.9 million associated with the recently adopted Asset Management Plans (AMPs).
- AMPs are funded through operating revenue but in recognition of the need to balance the community's capacity to pay while ensuring community expectations are met, this LTFP assumes the use of short term borrowings to fund the ARRF.
- Significant renewals are required in the mid-long term of the LTFP in accordance with the adopted AMPs. These assets by nature are intergenerational, and as such it is intended to fund them through external contributions, in addition to borrowings. As the external funding is not yet secured, there is a risk that Council will need to fund $115 million for the entire renewal of the assets ($42 million in excess of the current assumption).

RECOMMENDATION

THAT COUNCIL

1. Notes the City Finance and Governance Committee noted the feedback received from public consultation as at 9 October 2024, at its meeting held on 15 October 2024.
2. Notes feedback from public consultation set out in Attachment A to Item 13.1 on the Agenda for the 22 October 2024 Council meeting.
3. Adopts the 2024/2025 – 2033/34 Long Term Financial Plan document set out in Attachment B to Item 13.1 on the Agenda for the 22 October 2024 Council meeting
4. Authorises the Chief Executive Officer or delegate to make any necessary changes to the 2024/25 Long Term Financial Plan document arising from this meeting, together with any minor, formatting, typographical or syntactical updates to the documents contained in Attachment B to Item 13.1 on the Agenda for the 22 October 2024 Council meeting.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation
Policy	The Draft 2024/25 to 2033/34 Long Term Financial Plan has been prepared in consideration of the 2024/25 Business Plan and Budget, endorsed Financial Policies, and Council's adopted financial principles.
Consultation	A public consultation on the Draft Long Term Financial Plan 2024/25 ran from 30 September 2024 to 20 October 2024. No substantive changes to the public consultation draft were suggested from feedback received.
Resource	The 2024/25 BP&B and Draft 2024/25 to 2033/34 Long Term Financial Plan identifies how Council's resources will be allocated in meeting the 2024/25 deliverables and objectives of the Strategic Plan.
Risk / Legal / Legislative	Development of a Long Term Financial Plan is a requirement of the *Local Government Act 1999 (SA).*
Opportunities	Not as a result of this report
24/25 Budget Allocation	Not as a result of this report
Proposed 25/26 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
24/25 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The *Local Government Act 1999 (SA)* (Act) requires a council to develop and adopt a Long Term Financial Plan (LTFP) for a period of at least 10 years (s122 (1a) (a)) and review it on an annual basis (S122 (4) (a)).
2. The LTFP forms part of Council's suite of Strategic Management Plans (SMPs), along with its Asset Management Plans and Strategic Plan, which must be adopted within 2 years of being elected.
3. The *Local Government Act 1999 (SA)* requires a Council's SMPs to address:
   - 3.1. the sustainability of the Council's financial performance and position
   - 3.2. the maintenance, replacement or development needs for infrastructure within its area, and
   - 3.3. identification of any anticipated or predicted changes that will have a significant effect upon the costs of the Council's activities/operations.
4. s122 (4a) (a) also requires an annual report from the Chief Executive Officer on the sustainability of the council's long-term financial performance and position (CEO Sustainability Report). It is a summary of the Council's financial sustainability position and sets out each of the seven Long-Term Financial Sustainability indicators, and Council's performance against each. The 2024/25 CEO Sustainability report was noted by Council at its meeting on 24 September 2024.
5. At its 24 September 2024 meeting, Council resolved that the LTFP be presented to Council by the end of October 2024 as part of the approval of the Chief Executive Officer's KPIs.
6. At the Council meeting dated 25 June 2024, Council adopted the 2024/25 Annual Business Plan and Budget.
7. Since adoption of the 2024/25 Annual Business Plan and Budget in June until now, Council has been progressing the endorsed LTFP Roadmap, which included:
   - 7.1. 4 Workshops (3 Finance and Governance Committee, and 1 Audit and Risk Committee)
   - 7.2. 4 Recommendation Reports (2 Finance and Governance Committee, 1 Council and 1 Audit and Risk Committee)
8. This LTFP takes account of the 2024/25 adopted BP&B as the base for its projections and builds upon the work undertaken for the annual Business Plan and Budget, Infrastructure Asset Management Plans, and 2024-28 Strategic Plan. It has been developed with regard to Council's adopted financial principles, Council decisions and the best available economic information. It is a tool to guide decision-making in relation to future financial sustainability.
9. The 2024/25 to 2033/34 LTFP is modelled on certain trends and assumptions, particularly:
   - 9.1. The LTFP assumes rate revenue increases in line with the Consumer Price Index (CPI), combined with growth of 1% associated with new rateable properties.
   - 9.2. Most expenses are escalated by CPI.
   - 9.3. CPI, which is forecast by various bodies, is the preferred escalator over Local Government Pricing Index (LGPI), which is a lag indicator.
   - 9.4. Current assumptions for CPI are based on SA Centre for Economic Studies forecasts, June 2024.
   - 9.5. Enterprise Agreements are used as the basis for salaries and wages increases, noting the differing timeframes associated with each agreement, with CPI used beyond agreement expiry dates.
   - 9.6. Interest rates are sourced from Deloitte Access Economics 10-year Government Bond data – updated quarterly.
   - 9.7. Capital renewal expenditure reflects activity programmed within the Asset Management Plans (AMPs), with a transition to 100% Asset Renewal Funding Ratio over an 8 year period.
   - 9.8. Capital enhancements (new and upgrade) reflect Council's commitment to deliver on Mainstreet Upgrades over the current term. The remaining funding outside of existing council decisions are balanced in line with prudential borrowing limits.
   - 9.9. Significant asset renewals contemplated in the LTFP include the Adelaide Bridge, and Torrens Weir structure and Rundle UPark (noting the intention to extend its life versus full replacement).

Statement of Comprehensive Income

10. The current and following ten years Statement of Comprehensive Income is included in **Attachment B**. The next four years are summarised below:

Statement of Comprehensive Income				
$'000s	**2024-25 Budget**	**2025-26 Plan**	**2026-27 Plan**	**2027-28 Plan**
Income				
Rates Revenues	144,908	154,896	163,902	171,850
Statutory Charges	16,893	17,400	17,835	18,281
User Charges	67,399	68,941	76,600	78,515
Grants, Subsidies and Contributions	4,842	4,646	4,762	4,881
Grants, Subsidies and Contributions - Capital	-	-	-	7,500
Investment Income	166	171	176	180
Reimbursements	150	155	159	163
Other Income	866	892	915	937
Total Income	**235,225**	**247,101**	**264,348**	**282,308**
Expenses				
Employee Costs	86,220	88,853	91,074	93,351
Materials, Contracts & Other Expenses	81,973	84,091	88,500	90,712
Depreciation, Amortisation & Impairment	56,857	64,462	66,471	68,287
Finance Costs	808	3,626	5,122	6,508
Total Expenses	**225,858**	**241,031**	**251,167**	**258,858**
Operating Surplus / (Deficit)	**9,367**	**6,070**	**13,181**	**23,450**

Table 1: Statement of Comprehensive Income for the next 4 years

11. The projected operating result for 2024/25 is a surplus of $9.367 million, an increase of $7.099 million compared to the 2023/24 adopted LTFP projections.

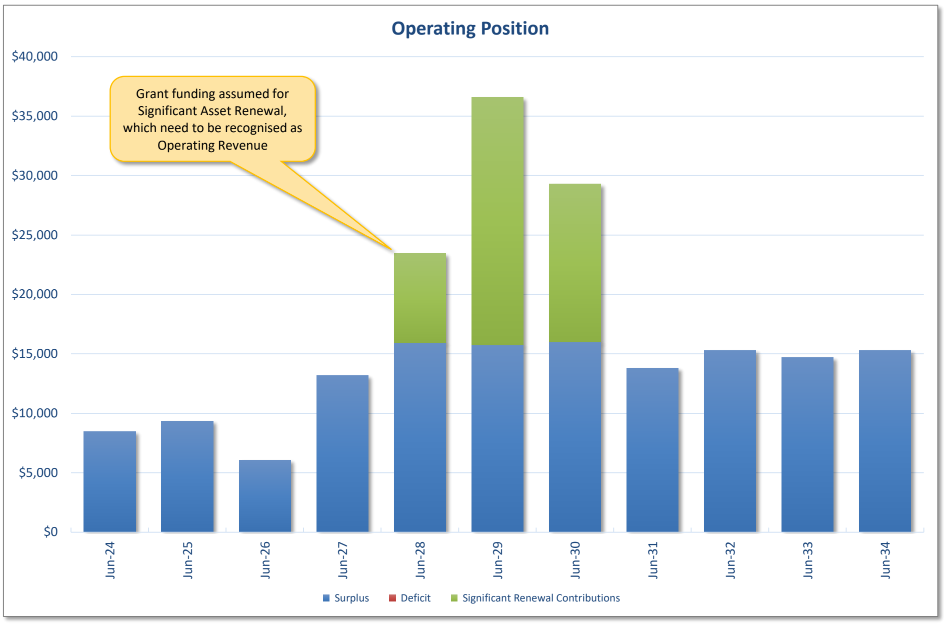


Chart 1: Operating Surplus

12. The underlying increases in rates and fee revenue are above the percentage increase in key operational costs, contributing to growth in surpluses in the short term.

13. The surpluses across the LTFP reflect a robust statement of financial sustainability derived from a positive underlying structural budget, which has been achieved through sound financial management and improved efficiency and performance in the provision of all services and asset management plans.

14. Two key operational impacts affect the operating position throughout the life of the LTFP, namely:

14.1. Returning revenue from the re-opening of the redeveloped Central Market Arcade in 2026/27

14.2. Grant funding assumed for Significant Asset Renewals, which needs to be recognised as Operating Revenue.

Statement of Financial Position

15. The Statement of Financial Position is shown in **Attachment B**.

16. Net Council assets are forecast to increase from $1.846 billion at June 2025 to $2.032 billion in June 2034.

Statement of Cash Flows

17. The Statement of Cash Flows is shown in **Attachment B.** The next four years are summarised below:

Statement of Cash flows				
$'000s	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan
Cash Flows from Operating Activities				
Receipts				
Operating Receipts	232,801	245,087	263,397	281,318
Payments				
Finance Payments	(2,800)	(2,986)	(4,582)	(5,672)
Operating Payments to Suppliers and Employees	(167,291)	(171,601)	(178,883)	(183,225)
Net Cash provided by (or used in) Operating Activities	62,710	70,500	79,932	92,420
Cash Flows from Investing Activities				
Receipts				
Amounts Received Specifically for New/Upgraded Assets	6,026	-	-	-
Proceeds from Surplus Assets	18,500	-	-	-
Sale of Replaced Assets	500	500	500	500
Repayments of Loans by Community Groups				
Distributions Received from Equity Accounted Council Businesses				
Payments				
Expenditure on Renewal/Replacement of Assets	(56,022)	(67,936)	(70,198)	(105,007)
Expenditure on New/Upgraded Assets	(56,489)	(38,799)	(20,627)	(18,244)
Net Purchase of Investment Securities	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(87,805)	(106,555)	(90,645)	(123,071)
Cash Flows from Financing Activities				
Receipts				
Proceeds from Borrowings	30,084	41,157	15,937	35,172
Payments				
Repayment from Borrowings	-	-	-	-
Repayment of Lease Liabilities	(4,989)	(5,102)	(5,224)	(4,521)
Net Cash provided by (or used in) Financing Activities	25,095	36,056	10,713	30,651
Net Increase (Decrease) in Cash Held	(0)	(0)	0	(0)
plus: Cash & Cash Equivalents at beginning of period	800	800	800	800
Cash & Cash Equivalents at end of period	**800**	**800**	**800**	**800**

Table 2: Statement of Cashflows for the next 4 years

18. Of note are the Proceeds from Sale of Surplus Assets, allocated to the Future Fund, offsetting the need to draw the full debt required to fund new and upgraded projects.

    18.1. Note however that when funds from the Future Fund are required to invest in future projects, borrowing levels will then reflect the level of debt that would have been carried by Council had it not been offset by the Future Fund.

19. The cash flow from operations is positive over the life of the LTFP, indicating that Council operations will generate enough cashflow to cover ongoing expenses and support the funding of asset replacement over time, noting however that borrowings may be required to fund significant renewal projects in the Torrens Weir, Adelaide Bridge and Rundle UPark.

20. Given the investment preferences of the Council and the commitment to Mainstreet Upgrades over the next four years (new and upgraded projects), it is appropriate to focus on the balance of borrowings rather than the cash balance.

21. The net funding position at the end of 2024/25 is forecast to require borrowings of $53.677 million.

22. This steadily increases in subsequent years principally due to utilising borrowings to fund the new and upgraded capital program (noting that Council uses operating revenue to fund the renewal capital program).

23. Also note the increase in borrowings in years 3 to 6 where it has been assumed that Council will fund the net renewal costs associated with the Adelaide Bridge, Torrens Weir and Rundle UPark. Given the size of these significant renewals, the LTFP proposes funding them using borrowings to avoid large rate or other revenue increases to fund the works.

24. The LTFP also assumes transitioning from a 92.5% Asset Renewal Funding Ratio (ARFR) to 100% over eight years. This results in less operating revenue being available to offset debt payments, contributing to an overall increase in the net funding position.

25. The net funding position showing gross debt, future fund and net debt ("offset balance") is shown in Chart 2 below.

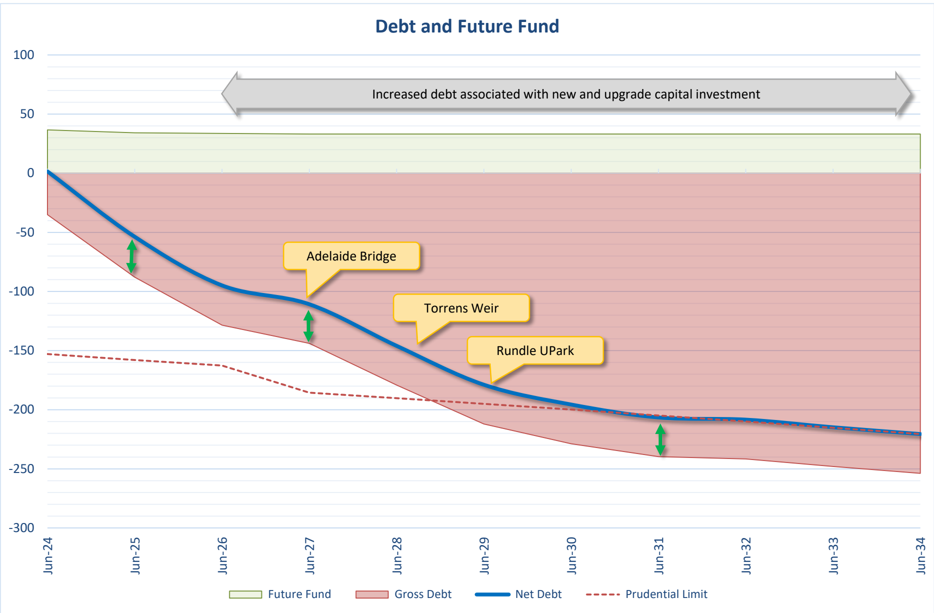


Chart 2: Projected Debt and the Future Fund

Capital Investment

26. The Asset Renewal Funding Ratio projected over the life of the LTFP is in **Attachment B**. An ARFR of 100% is forecast to be achieved from 2031/32 onwards, ensuring that assets are being replaced at the same rate as they are wearing out, supporting Council's long term financial sustainability.

27. The previously adopted 2023/24 – 2032/33 LTFP assumed an ongoing commitment of $15 million per annum for new and upgrades, continuing the same investment impetus which delivered Mainstreet Upgrades. However, in recognising the funding requirements identified in the recently adopted Asset Management Plans, the assumed forward commitment on new and upgraded assets has been reduced to balance the delivery of infrastructure within prudential borrowing limits.

Sensitivity Analysis

28. In order to test the LTFP assumptions, sensitivity analyses have been undertaken. Only those with material impacts have been included, noting the sensitivities related to CPI and interest rate variations are immaterial in relative terms.

29. Asset Renewal Funding Ratio

29.1. The adopted 2023/24 – 2032/33 LTFP assumed a transition to 100% ARFR over four years from 2023/24 to 2027/28. The draft 2024/25 LTFP has extended that transition to eight years, primarily to reduce the short term impact on rate payers of the increased funding required through the recently adopted AMPs. The following analysis compares the ARFR transition over four and eight years showing the relative impact on rates revenue.

Renewal Impact on Rate Revenue	2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		20230-31		2031-32		Total Increase	
$000's	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%
ARFR Transition over 4 years	1,514	1.1%	1,514	1.1%	1,764	1.2%	1,760	1.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	6,552	4.50%
ARFR Transition over 8 years	1,514	1.1%	606	0.4%	705	0.5%	704	0.5%	704	0.4%	705	0.4%	704	0.4%	1,058	0.6%	6,701	4.36%
Variance	**-**	**0.0%**	**908**	**0.7%**	**1,058**	**0.7%**	**1,056**	**0.7%**	**(704)**	**(0.4%)**	**(705)**	**(0.4%)**	**(704)**	**(0.4%)**	**(1,058)**	**(0.6%)**	**(149)**	**0.14%**

Table 3: Rates Revenue Impact of ARFR Transition over 8 years versus 4 years

Asset Renewal Funding Ratio	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	20230-31	2031-32	Total Increase
ARFR Transition over 4 years	92.5%	95.0%	97.5%	100.0%	100.0%	100.0%	100.0%	100.0%	**7.5%**
ARFR Transition over 8 years	92.5%	93.5%	94.5%	95.5%	96.5%	97.5%	98.5%	100.0%	**7.5%**
Variance	**0.0%**	**1.5%**	**3.0%**	**4.5%**	**3.5%**	**2.5%**	**1.5%**	**0.0%**	**0.0%**

Table 4: Impact of ARFR Transition over 8 years versus 4 years

30. Asset Renewal Repair Fund (ARRF)

30.1. Council recently adopted its AMPs which identified increased funding requirements of $14.9m per annum, compared to the previous AMPs. This funding shortfall is referred as the ARRF. AMPs are funded through operating revenue but in recognition of the need to balance the community's capacity to pay while ensuring community expectations are met, this LTFP assumes the use of short-term borrowings to fund the ARRF. The following table compares the impact on rates revenue if the increase in funding requirement was not spread over a three year period.

Renewal Impact on Rate Revenue	2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		20230-31		2031-32		Total Increase	
$000's	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%
Asset Renewal Repair Fund (exc ARFR Increase) over 1 year	4,582	3.4%	9,330	6.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	13,912	10.12%
Asset Renewal Repair Fund (exc ARFR Increase) over 3 years	4,582	3.4%	3,110	2.2%	3,110	2.0%	3,110	2.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	13,912	9.65%
Variance	**-**	**0.0%**	**6,220**	**4.5%**	**(3,110)**	**(2.0%)**	**(3,110)**	**(2.0%)**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**0**	**(0.46%)**

Table 5: Impact of Spreading the Asset Renewal Repair Fund over 3 years

31. Significant Renewals

31.1. The LTFP reflects significant renewals required in accordance with our AMPs in the mid-long term. These assets by nature are intergenerational, and as such, it is intended to fund them through external contributions from State and Australian governments, in addition to borrowings. This reduces the burden on existing ratepayers, and shares the cost with future rate payers who will benefit from the assets.

31.2. As external funding is not yet secured, there is a risk that Council will need to fund the entire renewal of the assets of $115 million ($42 million more than currently assumed). In this event, Council will exceed its Prudential Borrowing Limit, or reduce its ability to deliver on new and upgraded assets assumed in the LTFP.

31.3. If additional funding is secured, either a reduction in borrowings is possible, and / or additional funding will be available for new and upgraded assets.

32. Mainstreet Upgrades

32.1. In the 2023/24 Budget, Council committed to funding the delivery of five Mainstreet upgrades in the current term of Council. The LTFP allocation is $62.6 million for new and upgraded assets, limiting the funding available to deliver on other new and upgraded non-Mainstreets projects.

32.2. The option exists to deliver these upgrades one Mainstreet at a time (rather than concurrently) – to plan and design the next upgrade as the current upgrade is delivered. This will provide additional capacity to deliver other priorities in Council's adopted strategies, including the Strategic Plan and Integrated Climate Strategy.

$000's	2024-25 Budget	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	Total 10 years
Current Mainstreet Allocation											
Hindley Street Upgrade	4,980	9,240	-	-	-	-	-	-	-	-	**14,220**
Gouger Street Upgrade	1,250	4,000	9,250	-	-	-	-	-	-	-	**14,500**
O'Connell Street Upgrade	1,000	1,500	1,000	11,450	-	-	-	-	-	-	**14,950**
Melbourne Street Upgrade	100	1,400	1,000	4,000	-	-	-	-	-	-	**6,500**
Hutt Street Upgrade	1,250	5,000	6,200	-	-	-	-	-	-	-	**12,450**
Total Current Mainstreet Allocation	**8,580**	**21,140**	**17,450**	**15,450**	**-**	**-**	**-**	**-**	**-**	**-**	**62,620**
Deferral Option											
Hindley Street Upgrade	4,980	9,240	-	-	-	-	-	-	-	-	**14,220**
Gouger Street Upgrade	-	-	-	1,250	4,000	9,250	-	-	-	-	**14,500**
O'Connell Street Upgrade	-	-	-	-	1,000	1,500	1,000	11,450	-	-	**14,950**
Melbourne Street Upgrade	-	-	-	-	-	100	1,400	1,000	4,000	-	**6,500**
Hutt Street Upgrade	-	1,250	5,000	6,200	-	-	-	-	-	-	**12,450**
Total Deferral Option	**4,980**	**10,490**	**5,000**	**7,450**	**5,000**	**10,850**	**2,400**	**12,450**	**4,000**	**-**	**62,620**
Variance	**3,600**	**10,650**	**12,450**	**8,000**	**(5,000)**	**(10,850)**	**(2,400)**	**(12,450)**	**(4,000)**	**-**	**-**

Table 6: Impact of Spreading the Mainstreets Upgrades

Financial Indicators

33. The key financial indicators (KFIs) required to be reported by Councils are the:

    33.1. Operating Surplus Ratio

    33.2. Net Financial Liabilities Ratio

    33.3. Asset Renewal Funding Ratio

34. In addition to the required KFIs, Council has adopted additional KFIs to measure its long term sustainability. These are the:

    34.1. Asset Test Ratio

    34.2. Interest Expense Ratio

    34.3. Leverage Test Ratio

    34.4. Cashflow from Operations Ratio

35. The KFIs shown in **Attachment B** demonstrate an improving financial position in the short term and maintaining a sustainable financial position in most areas over the 10-year life of the plan. However, the following should be noted:

    35.1. The Operating Surplus Ratio decreases from 2031/32 onwards due to increased depreciation and interest expenses from higher levels of assets and borrowings associated with continued investment in new and upgraded projects for the City.

    35.2. Increased borrowings from continued investment in the City reaches maximum targets for the Net Financial Liabilities and Asset Test Ratio indicators from 2030/31, and reaches the Prudential Borrowing Limit in the same year. This suggests that the investment in new and upgraded capital cannot be sustained without changes in other parts of the LTFP (for example, additional external assistance to fund the significant renewal projects).

    35.3. Cash Flow from Operations are negatively impacted by the funding of significant renewal projects – the Adelaide Bridge, Torrens Weir and Rundle UPark.

    35.4. The ARFR is transitioning to 100% over eight years, achieving 100% from 2031/32 onwards.

36. The next four years are summarised below:

Financial Indicator	Explanation	Target	2024-25	2025-26	2026-27	2027-28
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	4.0%	2.5%	5.0%	8.3%
Net Financial Liabilities	Financial liabilities and a percentage of operating income	Less than 80%	21%	48%	51%	61%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	93%	94%	95%	96%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	17%	29%	30%	38%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	2.0%	2.0%	2.8%	3.6%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.4	0.6	0.7	0.9
Cash Flow fom Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	103%	101%	104%	96%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Prudential Limit $m	157.9	162.6	185.6	190.2
		Borrowings $m	53.7	94.8	110.8	145.9
		%	34%	58%	60%	77%
Operating Position	Operating Income less Expenditure	$2m - $10m	9.4	6.1	13.2	23.5
Future Fund	Proceeds from the sale of Council assets to fund new income generating assets or new strategic capital projects	N/A	34.2	33.7	33.2	33.2

Table 7: Key Financial Indicators

Policy Review

37. There has been no significant change to any policy that particularly impacts Council's financial sustainability.

38. However, through the 2023/24 financial year, Council endorsed a number of new strategies and plans which have not been costed. As such, they are assumed to only be funded within the LTFP through a re-prioritisation of existing services, and any funding in excess of 1% obtained through additional rates growth.

Consultation feedback

39. Public consultation on the draft 2024/25 LTFP ran from 30 September 2024 to 20 October 2024.

40. Consultation focused on our proposed priorities and projects including:

40.1. The rate of return to 100% ARFR (over four or eight years)

40.2. Funding options for significant upgrade projects (the Adelaide Bridge, Torrens Weir and Rundle UPark)

40.3. Use of short term debt to smooth an impending renewals expenditure spike necessitated by the AMPs

40.4. Confirm community preferences around Mainstreets and Park Lands buildings investments.

41. As at 20 October there has been:

41.1. 957 views, 654 visits, and 524 visitors

41.2. 154 downloads of the Draft LTFP document; 137 downloads of the Draft LTFP Summary (in English); 25 downloads of the Draft LTFP Summary (in Mandarin)

41.3. 73 consultation contributions through the Our Adelaide platform, and 1 submission.

42. Submissions were received from the following organisations:

    42.1. Property Council (SA)

43. 73% of all respondents were City of Adelaide ratepayers; 18% of all respondents own a business, and 48% reside in the city.

44. The number of consultation responses are insufficient to make statistical inferences with a high degree of confidence, however the results are indicative and summarised below.

45. In broad terms 67% were in agreement or neutral to the overall financial approach proposed in the LTFP, and 33% disagreed.

46. Propositions in the LTFP which drew strong agreement (numerically) include:

    46.1. The current condition of our assets are good to excellent (80% agreed, 20% disagreed)

    46.2. Share debt cost between current and future ratepayers (59%) rather than expect future generations to fund costs (14%), or current ratepayers (7%)

    46.3. Spreading increased renewal investment (ARFR) over eight rather than four years (62% agreed, 23% disagreed). 15% indicated Other but no clear alternatives were provided.

47. Propositions in the LTFP which elicited moderate agreement (numerically) include:

    47.1. Funding the Asset Renewal Repair Fund from debt or combined rates/debt – to fund in one year from rates only (27%), debt only (11%), or both rates increase and debt over three years (45%).

    47.2. Investments in significant upgrades to be funded through debt not rates (49% agreed, 13% disagreed, and 38% combination of debt and rates)

48. Propositions in the LTFP which elicited moderate disagreement (numerically) include:

    48.1. Support for Council's proposal to upgrade the five Main Streets (51% agreed, 35% disagreed)

    48.2. Support to fund Main Street upgrades through $62m debt (46% agreed, 41% disagreed). 13% indicated Other but no clear alternatives were provided

    48.3. That 1.5% of rates revenue be directed to Park Lands community buildings (69% agreed, 31% disagreed).

49. Propositions in the LTFP which elicited unclear or divergent views (numerically) include:

    49.1. Options for delivering Main Street enhancements – over four years (27%), eight years (43%) or other approaches (30% - no clear alternatives provided except not doing the enhancements at all).

50. No proposition in the LTFP created a strongly negative response (numerically).

51. Based on this feedback, the limited number of responses, and the absence of substantive alternatives proposed, no changes to the financial projections are recommended to the draft LTFP for adoption (**Attachment B).**

52. Minor clarity edits recommended by the Audit and Risk Committee at its meeting of 27 September 2024 have been incorporated in the draft LTFP for adoption (**Attachment B).**

ATTACHMENTS

Attachment A – Summary of feedback from public consultation on the draft 2024/25 LTFP

Attachment B – Draft 2024/25 LTFP for adoption

- END OF REPORT -

Our Adelaide

Report Type: Form Results Summary
Date Range: 30-09-2024 - 20-10-2024
Exported: 21-10-2024 08:20:00

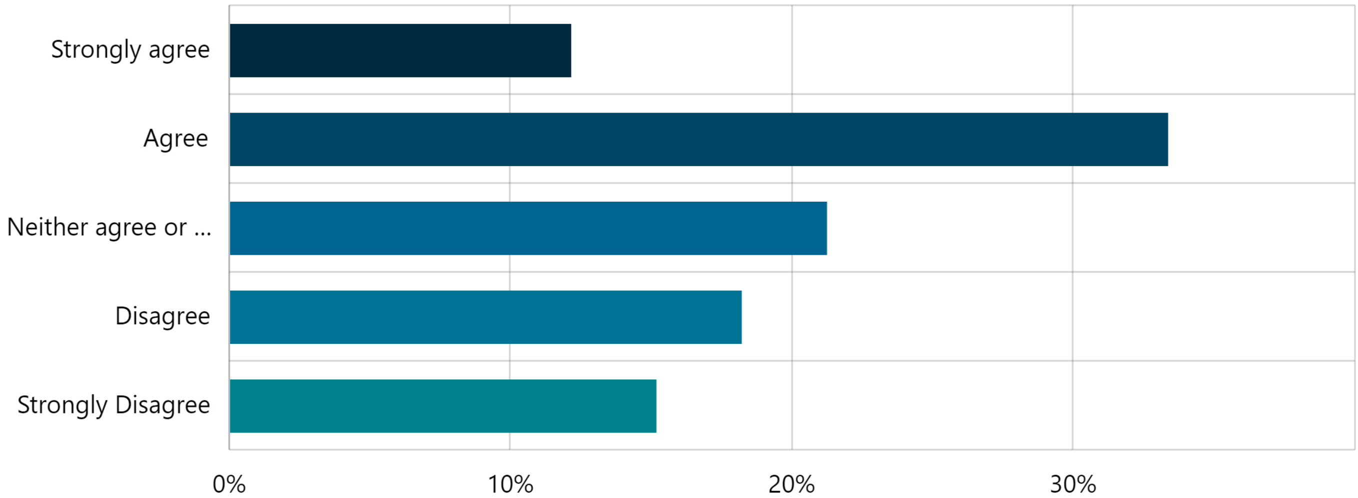
Closed

Give your feedback!
Draft 2024/2025 – 2033/34 Long Term Financial Plan

63 Contributors | **67** Contributions

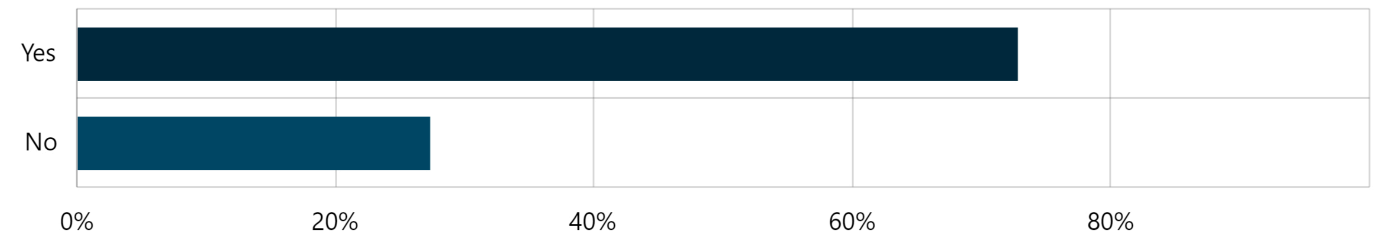
Contribution Summary

1. Do you support the overall financial approach proposed by council in the Long Term Financial Plan (LTFP). (Please select one)
Multi Choice | Skipped: 1 | Answered: 66 (98.5%)



Answer choices	**Percent**	**Count**
Strongly agree	12.12%	8
Agree	33.33%	22
Neither agree or disagree	21.21%	14
Disagree	18.18%	12
Strongly Disagree	15.15%	10
Total	**100.00%**	**66**

2. Are you a City of Adelaide ratepayer? Required
Select Box | Skipped: 1 | Answered: 66 (98.5%)

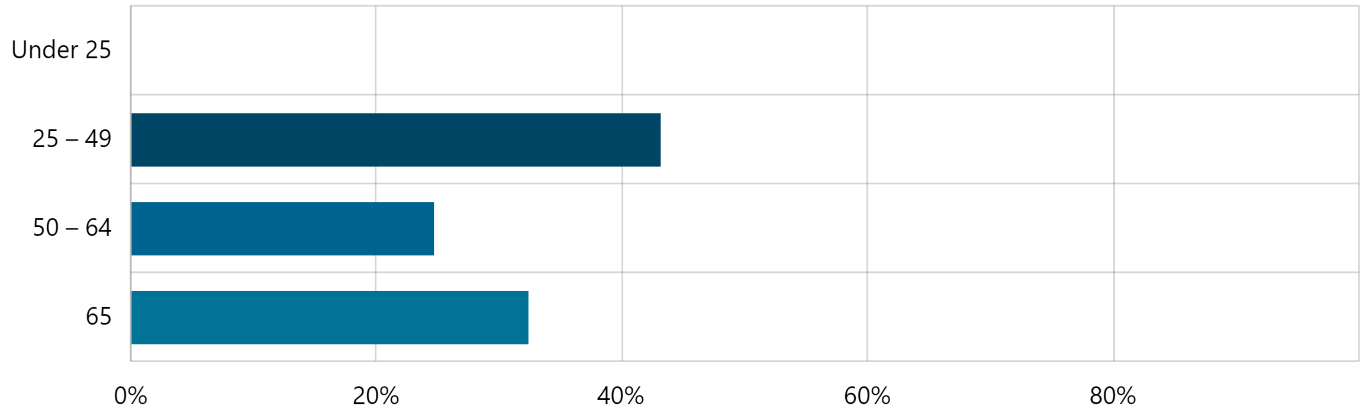


Answer choices	Percent	Count
Yes	72.73%	48
No	27.27%	18
Total	**100.00%**	**66**

3. Postcode Required - removed for privacy reasons
Short Text | Skipped: 1 | Answered: 66 (98.5%)

4. What is your age?

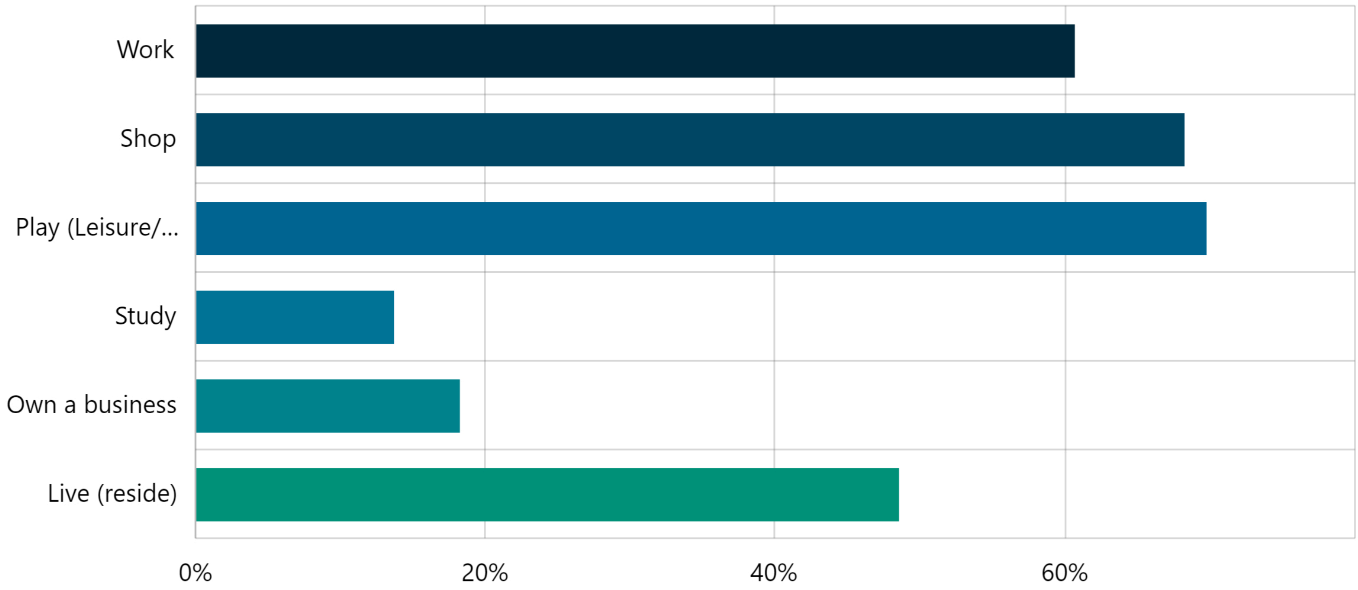
Select Box | Skipped: 2 | Answered: 65 (97%)



Answer choices	Percent	Count
Under 25	0%	0
25 – 49	43.08%	28
50 – 64	24.62%	16
65	32.31%	21
Total	**100.00%**	**65**

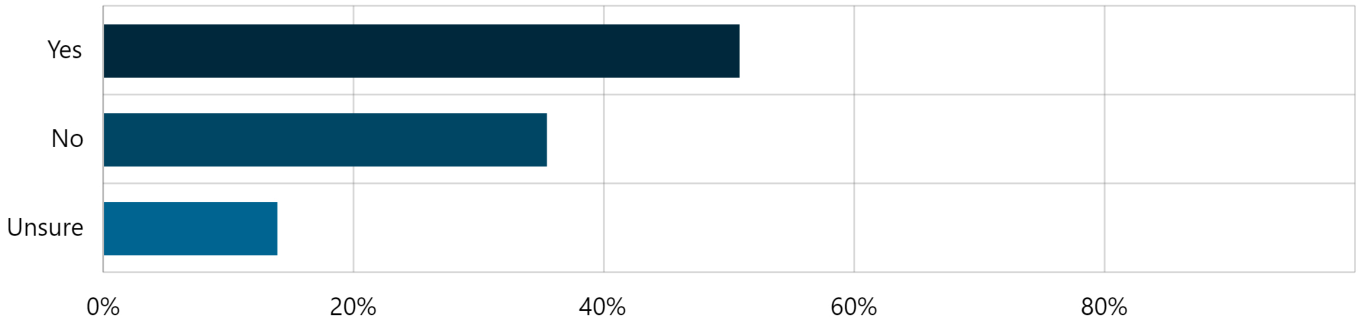
5. How do you participate in City life? (tick all that apply) Required

Multi Choice | Skipped: 1 | Answered: 66 (98.5%)



Answer choices	**Percent**	**Count**
Work	60.61%	40
Shop	68.18%	45
Play (Leisure/Recreation)	69.70%	46
Study	13.64%	9
Own a business	18.18%	12
Live (reside)	48.48%	32

6. Do you support Council's proposal to upgrade the five Mainstreets?
Select Box | Skipped: 2 | Answered: 65 (97%)



Answer choices	Percent	Count
Yes	50.77%	33
No	35.38%	23
Unsure	13.85%	9
Total	**100.00%**	**65**

7. Please help us to understand your response by providing a comment.
Long Text | Skipped: 17 | Answered: 50 (74.6%)

Tags

No tag data

Featured Contributions

The expenditure is too high, with all of these area having large expenditure over the recent periods.
Contribution 50 of 50 | 20 October 2024

It's to good to improve and upgrade
Contribution 49 of 50 | 20 October 2024

All projects should enhance the appeal of the city to all visitors and residents. Projects need to be delivered within budget
Contribution 48 of 50 | 19 October 2024

Upgrading mainstreets help to keep the CBD vibrant and a destination for people.
Contribution 47 of 50 | 18 October 2024

These are main mixed use streets that would encourage more business but also residential development in the area, supporting each other.
Contribution 46 of 50 | 18 October 2024

CoA has not been great with making finanical decisions and at this stage this is really rushed and just a look at what we have done and our legacy for council and leaving a sorry legacy of debt to whoever comes next to manage and clean up.
Contribution 45 of 50 | 17 October 2024

O'Connell, Melbourne and Hutt desperately need renewal and safety upgrades to revitalise them, while Hindley is about halfway to being a nice place to frequent. Gouger is quite good, but I am sure it could be improved.
Contribution 44 of 50 | 16 October 2024

THe amount proposed to be spent is about equal to Council's proposed deficit for '24-25 (approx $53M). I am not convinced of the need to "upgrade" these streets. Hence it would be better not to do these "upgrades" and not go into debt.
Contribution 43 of 50 | 15 October 2024

The work done to enrich other streets has been excellent. You've set a good standard for ongoing upgrades.

Contribution 42 of 50 | 15 October 2024

The overall approach is sensible, upgrading these roads will spread the vibrancy and attractiveness of the city across a wider area
Contribution 41 of 50 | 15 October 2024

hutt street works well as it is. Leave it alone. Melbourne Street will never be appealing unless you open Stanley street and/or McKinnon parade to through traffic.
Contribution 40 of 50 | 15 October 2024

urgently needed
Contribution 39 of 50 | 15 October 2024

Much of it is unnecessary. You just search and search for ways to spend our money, money that many ratepayers can ill afford.
Contribution 38 of 50 | 15 October 2024

Not a priority
Contribution 37 of 50 | 15 October 2024

Where is the economic benefit?
Contribution 36 of 50 | 15 October 2024

Particularly pleased to read in the Hutt St plan that an area is being thought of to accomodate trams
Contribution 35 of 50 | 15 October 2024

I object to the proposal for Hutt Street as it seeks to remedy a problem which does not exist in the eyes of local residents who are regular (daily) users of the street, of which I am one. Similar views have been expressed to me by shopkeepers with whom I interact and have dealings.
Contribution 34 of 50 | 15 October 2024

Mainstreet upgrades should only be undertaken if they provide strategic improvements like greening, separated cycleways, improved pedestrian access and space, and/or outdoor dining improvements. The upgrades shouldn't be undertaken if they're only replacing the slightly aged materials with new ones. The projects need to be transformational rather than a new coat of paint.
Contribution 33 of 50 | 15 October 2024

these concepts are looking nice however the buildings along these streets are not owned by Council so if they are looking shabby now, they will continue to do so 9see Hindley St). Also, spending $25-40m per main street is a vast undertaking, and what about all other parts of the city, will there be any money to do anything other than the main streets?
Contribution 32 of 50 | 15 October 2024

Hindley needs upgrading but the others do not.
Contribution 31 of 50 | 15 October 2024

Infrastructure upgrades should be delivered alongside a piece of work which, with the businesses and residents, creates identities for each mainstreet - and therefore allows Council to know how 'big or small' to go with spend ; and creates unique neighbourhoods.
Contribution 30 of 50 | 15 October 2024

The community don't appear to have been consulted on which streets to upgrade
Contribution 29 of 50 | 14 October 2024

There should be consideration made to ensuring the safety of residents by addressing homelessness and relocating sobering units to other parts of city to give residents along sturt street a break from substance users and their violence.
Contribution 28 of 50 | 13 October 2024

Absurdly expensive, $12m per street, that is not justified and cannot possibly be worth it. The cost is grossly obscene & unsupportable.
Contribution 27 of 50 | 12 October 2024

needed
Contribution 26 of 50 | 11 October 2024

Stop spending our money because you think you have to!
Contribution 25 of 50 | 10 October 2024

I understand the need to upgrade these streets but question the cost
Contribution 24 of 50 | 10 October 2024

How does spending $62 million of taxpayers money, help the majority of taxpayers? Perhaps council might consider this ethos, rather than splurging on minority, fringe people.
Contribution 23 of 50 | 10 October 2024

A definite revamp of Hindley street. Much needed for safety and appearance. Many empty premises which need to be utilised in some way. Homeless facilities????
Contribution 22 of 50 | 10 October 2024

I support the economic investment to improve the community facility and help promote City of Adelaide as a vibrant and active destination. I feel these upgrades are steps forward and hope to see revitalisation take place
Contribution 21 of 50 | 9 October 2024

Important to maintain quality and acccessible precincts across City Area
Contribution 20 of 50 | 9 October 2024

Are these enhancements aesthetic or safety related? I am not aware of significant problems in any of these streets. The work may be justified, but what is its cost/benefit breakdown compared with, for example, projects for climate resilience?
Contribution 19 of 50 | 9 October 2024

O'Connel St and Melbourne St need enhancements. Some great things happening ie Amos, Pastel, 88 O'Connel and whilst the Lion is lovely North Adelaide lacks youthful, lively venues. Sml businesses struggle and close regularly... why?
Contribution 18 of 50 | 8 October 2024

Regional significant major upgrade projects must be done jointly with State Authority; Too ambitious, two over 10 years with subsidy, grants and joint funding are essential.
Contribution 17 of 50 | 8 October 2024

We need to broaden the city boundary and build a satellite city at Golden Monarto. We need to create an attractive metropolitan city there with infrastructure such as hospital, primary and high school, 300,000 houses swimming pool, playgrounds, sports fields and shopping centre for the growing population. This will alleviate pressure on the city and provide needed housing. It would be the new version of the existing Golden Grove.
Contribution 16 of 50 | 8 October 2024

Adelaide needs to support our infrastructure to support both large employers/businesses, but also support small businesses including the ability to grow a sustainable nightlife. Mainstreets should be encouraged to include small shops/cafes and artist/cultural spaces. Enable walkable/bikable spaces and remove cars from the city. I'd like to see a city wide tram/light rail project to encourage people to visit the whole city.
Contribution 15 of 50 | 8 October 2024

It's clear that upgrades of Gouger, Hindley and Melbourne Streets are needed. However, it's not clear why Hutt or O'Connell Streets need upgrading.
Contribution 14 of 50 | 8 October 2024

Waste of money, the streets are fine and it is irresponsible to go further into debt.
Contribution 13 of 50 | 8 October 2024

These streets are attractions to visitors plus add life to city
Contribution 12 of 50 | 8 October 2024

Maintaining a city is vital including outlined major city roads
Contribution 11 of 50 | 8 October 2024

upgrade will make it a living city
Contribution 10 of 50 | 8 October 2024

Hutt St is a great spot, and felt great with the small bars that (almost) got a foothold there. Is there anything that can be done to bring the Olivia Hotel back as part of the work being planned?
Contribution 9 of 50 | 8 October 2024

Not a priority, compared with Weir and Bridge maintenance, for example
Contribution 8 of 50 | 8 October 2024

BIKE LANES. Where are the bike lanes rather than restaurant seating? Where are the bike lanes that encourage people to cycle rather than drive? I have given up riding my bike and now drive my diesel 4WD into town, clogging up roadways, ap[pearing like an uncaring community member rather than suffer tyhe unnecessary stress of riding a bike. You te Council are responsible for working against your "green the city" but continually failing to put priority bike lanes on every second road in the city, not just one or two. You the Council have failed to plan a modern city that encourages bikes over pollution. You the Council should be personally responsible for each and every accident involving a bike by failing for years to prioritise bikes over motor vehicles. I have lost track of the number of studies and delays in doing so and frankly it is reprehensible that no solution is already in place. I demand every Councillor ride a bike to and from all business in the City to experience first hand how bad the issue is. Do so during peak hour traffic and make sure your life insurance is up to date. Having attempted to get on one of the committees that did nothing I give up. Having raised this issue with multiple potential Councillors at the last elections, I give up. I now reserve my energy to ensure anyone that sues Council is well funded and your names are dragged through the courts as they rightly should be. Enough is enough.
Contribution 7 of 50 | 8 October 2024

Support for up grading the streets is given but not for Gouger Street or Melbourne Street or Hindley Street. The traders on Hindley Street affect the environment and gouger Street already has the upgraded market. You need to create precincts such as the East End, O'Connell Street with Adelaide Oval Rundle Mall . These precincts need activity, food, retailers and most of all events
Contribution 6 of 50 | 8 October 2024

Much community life revolves around these streets. It’s important they stay up to date and relevant.
Contribution 5 of 50 | 8 October 2024

I do not support a mainstreet being upgraded every year which will mean no funding directed to other areas of North Adelaide, CBD and surrounding parklands for upgrades. I think
Contribution 4 of 50 | 8 October 2024

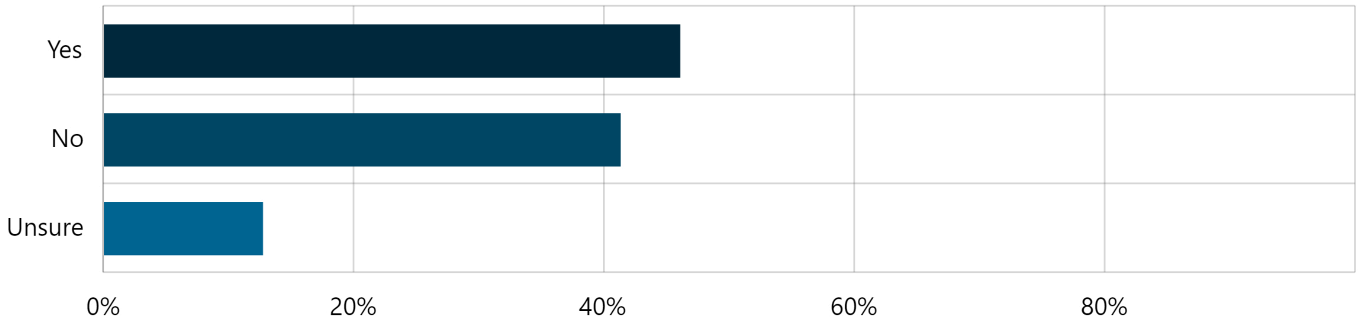
O’Connell Street is tired, dilapidated and a drag strip. It is absolutely shocking that council has let it get to this point before stepping in to do something about it.
Contribution 3 of 50 | 7 October 2024

Spread the love to other strategic priorities, such as residential improvements and park lands improvements.
Contribution 2 of 50 | 2 October 2024

I would not include Melbourne street in this upgrade - it is least used, is already in good condition, and has the least foot traffic. It appears to me as if North Adelaide residents and business owners have a lot of political sway over the current council. I would be sceptical of the councillors who have a personal interest in North Adelaide and ensure that they recuse themselves from decisions regarding North Adelaide.
Contribution 1 of 50 | 1 October 2024

8. Are you comfortable with Council taking on $62.6 million in manageable debt to upgrade our Mainstreets?

Select Box | Skipped: 4 | Answered: 63 (94%)



Answer choices	Percent	Count
Yes	46.03%	29
No	41.27%	26
Unsure	12.70%	8
Total	**100.00%**	**63**

9. Please help us to understand your response by providing a comment.
Long Text | Skipped: 24 | Answered: 43 (64.2%)

Tags

No tag data

Featured Contributions

Unless full offset capital savings are found elsewhere these should not progress.
Contribution 41 of 41 | 20 October 2024

It's a lots of money
Contribution 40 of 41 | 20 October 2024

All your projects are fine. I have some suggestions to take Adelaide City to another level
Contribution 39 of 41 | 19 October 2024

Deliver within budget and ensure they support flow through traffic AND parking for consumers of local business restaurants etc business
Contribution 38 of 41 | 19 October 2024

Continued investment is needed. If the CBD is a place people want to be then they will continue to use and invest in the area also. You need to spend money to make money
Contribution 37 of 41 | 18 October 2024

Cost vs benefit would be a good investment.
Contribution 36 of 41 | 18 October 2024

Give me a break. CoA has a poor track record on this and nothing has shown they are responsible with handling money let alone taking on debt. 88 O'Connell is the case in point. Shiny objects now and not funded by anyone or anything. Increase rates.
Contribution 35 of 41 | 17 October 2024

Investment in infrastructure when in a good fiscal position is how to encourage further growth. Beautifying and making streets safer, especially through traffic calming and reduced speed limits, will draw many more people in, helping businesses and destinations in the city become true cultural hubs
Contribution 34 of 41 | 16 October 2024

Debts have to be serviced with interest payments and eventually repaid by ratepayers. Debts are a continuing financial burden on ratepayers - who may not benefit from these proposed works - and in most cases have not requested them.
Contribution 33 of 41 | 15 October 2024

I don't know enough about your overall budget to comment,
Contribution 32 of 41 | 15 October 2024

It's should be viewed as an investment in the future and a positive, not viewed as a debt which has an negative aspect to it
Contribution 31 of 41 | 15 October 2024

As above. This is one of the most expensive Australian cities in which to live - compare the rates in Sydney, for example, that run at about a quarter of those for equivalent properties here. You live in a dream world without care for residents, never taking advice. At the next election I shall vote against every standing member of Council not to mention the Mayor if she has the nerve to stand.
Contribution 30 of 41 | 15 October 2024

Unclear as to the benefits
Contribution 29 of 41 | 15 October 2024

I object to the proportion allocated in respect of Hutt Street.
Contribution 28 of 41 | 15 October 2024

Too much debt in too short a time span for what is being proposed. It should be spread out over more years.
Contribution 27 of 41 | 15 October 2024

vast expense for what gain for Council? if business rates don't increase from these areas, who is benefiting from these massive investments into 5 streets?
Contribution 26 of 41 | 15 October 2024

No issues with borrowing.
Contribution 25 of 41 | 15 October 2024

The community haven't been consulted on what the upgrades will entail in detail to work out if $62.6m is value for money or not
Contribution 24 of 41 | 14 October 2024

too expensive
Contribution 23 of 41 | 14 October 2024

As long as the upgrade includes thinking around reducing the number of people sleeping rough on the streets and terrorising our children and women.
Contribution 22 of 41 | 13 October 2024

Paying interest as well just makes the total cost even more expensive!
Contribution 21 of 41 | 12 October 2024

you need to manage your budget better the streets are use by most people, we should also have free parking for owners
Contribution 20 of 41 | 11 October 2024

Are you kidding me?
Contribution 19 of 41 | 10 October 2024

Most ACC ratepayers do not spend a lot of time in those areas. As it is the businesses that will profit most from this spending, maybe they should cough up the cash. As it is obviously such a great idea, I'm sure they would be happy to do so. Failure on their part to supply the cash would mean it is a waste of ratepayers money as well.
Contribution 18 of 41 | 10 October 2024

Provided my council rates do not increase as I'm paying a substantial amount already.
Contribution 17 of 41 | 10 October 2024

I trust that council has investigated the reasonable debt that can be handled
Contribution 16 of 41 | 9 October 2024

Yes maiintaining and building key precincts
Contribution 15 of 41 | 9 October 2024

It depends on a quantification of benefits. If the benefits are mainly for private commercial enterprises then I am not sure public debt is justified.
Contribution 14 of 41 | 9 October 2024

Spend now and pay later burdens our rates payer. Increase fees and charges e.g. parking fees (c.f. City of Sydney current parking fees at $8.40 per hour). Done room to increase in City of Adelaide. Developers contribution to infrastructure upgrade. Please try to limit to only one or two per 10 year cycle. 5 is too ambitious and burdens rate payers greatly.
Contribution 13 of 41 | 8 October 2024

As above being realistic that we need more housing.
Contribution 12 of 41 | 8 October 2024

Debt in building infrastructure is critical. Negative opinions around Debt are misplaced.
Contribution 11 of 41 | 8 October 2024

The report asserts this is sustainable.
Contribution 10 of 41 | 8 October 2024

The council needs to repay debt and balance their budget.
Contribution 9 of 41 | 8 October 2024

Got to invest to have future returns-also cost will increased if delay
Contribution 8 of 41 | 8 October 2024

Borrowing with careful research is necessary to implement the necessary changes
Contribution 7 of 41 | 8 October 2024

It's just money. We'll earn more. These upgrades will improve our community's quality of life.
Contribution 6 of 41 | 8 October 2024

Query whether the 4, named streets are significant enough for such expenditure
Contribution 5 of 41 | 8 October 2024

You have no track record of managing anything except committees that under peerform and demonstrably under deliver.
Contribution 4 of 41 | 8 October 2024

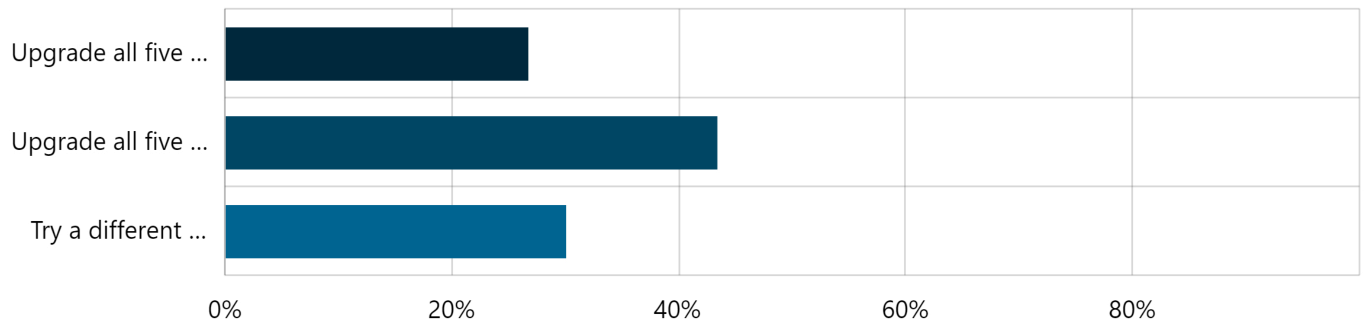
This level should be serviceable
Contribution 3 of 41 | 8 October 2024

not a great idea to focus all spend on mainstreets, i am not comfortable with this approach
Contribution 2 of 41 | 8 October 2024

I would assume the return from increased rates through urban revitalisation and new development brought forward (estimates of which are not included in the LTFP) would offset borrowing costs.
Contribution 1 of 41 | 7 October 2024

10. What is your preferred option for delivering the mainstreet enhancements?

Select Box | Skipped: 7 | Answered: 60 (89.6%)



Answer choices	Percent	Count
Upgrade all five Mainstreets in four years: upgrades delivered sooner but puts more short-term pressure on the budget and limits funding for other projects	26.67%	16
Upgrade all five Mainstreets in eight years: upgrades are delivered over a longer timeframe but the impact on the budget is spread over a longer period and allows for the funding of other priorities	43.33%	26
Try a different approach (help shape the delivery with your ideas)	30.00%	18
Total	**100.00%**	**60**

11. Please help us to understand your response by providing a comment.
Long Text | Skipped: 27 | Answered: 40 (59.7%)

Tags

No tag data

Featured Contributions

Review the return on investment, delivering these one by one, with the highest return first. Additionally during a high inflation period is not a wise idea (high borrowing costs, run away costs, etc.) Doing all five simultaneously increases costs, management fees, complexity, etc.
Contribution 39 of 39 | 20 October 2024

I think it's more sense, do it slowly
Contribution 38 of 39 | 20 October 2024

Longer time period leaves financial room if unexpected major disruptions arise (eg pandemic, economic crisis)
Contribution 37 of 39 | 19 October 2024

Just do it. Long overdue but the investment and outcome worth it. However you need to enforce vacant lots and approved developments to actually happen or compulsory acquire and activate. The old BEA site for example vacant for so long is a disgrace. Sturt st is another one.
Contribution 36 of 39 | 18 October 2024

You don't listen to your residence now. Why would you listen any other time? There are too many fingers in the pie and too many decision makers. SA Parliament and SA Govt get involved and there is too much cross over of powers and decision makers. Raise rates to fund and do not take on debt.
Contribution 35 of 39 | 17 October 2024

Do the safety and traffic calming reworks, especially in North Adelaide. This will give people time to appreciate just how much nicer such upgrades make the streets. I've seen your plan designs - they need tweaking, but I like the focus on safe cycling and street beatification. Lower speed limits and removed parking spaces may generate initial pushback, but this will fade once people feel how peaceful and lively it makes the street environs and businesses. Apart from that, doing it over eight years seems reasonable, especially if you are also going to take on other projects for upgrading.
Contribution 34 of 39 | 16 October 2024

Don't do non-essential works unless surplus funds are available.
Contribution 33 of 39 | 15 October 2024

The quicker the results are achieved, the quicker there is a return on the investment
Contribution 32 of 39 | 15 October 2024

Get Real.
Contribution 31 of 39 | 15 October 2024

Consider a more balanced approach to enhancements. Carparking, streetscape imagery and impacts on commerce need more community feedback.
Contribution 30 of 39 | 15 October 2024

long overdue works, esp Hutt St and Hindley St
Contribution 29 of 39 | 15 October 2024

Exclude Hutt Street.
Contribution 28 of 39 | 15 October 2024

The Mainstreet upgrades should be spread over a larger number of years, 10 years would still be one every two years which would give council time to focus on each project/design. Spreading the projects over more years will also allow lessons learnt and feedback from the first few projects to be implemented in later projects. Spreading the projects out would also allow other strategic projects to be prioritised over this timespan.
Contribution 27 of 39 | 15 October 2024

lower the investment into these 5 main streets, definitely do these over 8 years to spread the costs and lower the amount of additional debt, but that also needs to leave funding for other areas of the city.
Contribution 26 of 39 | 15 October 2024

How about finishing one thing first before moving onto the next. Hindley needs upgrading but the other streets do not. Focus on delivering the East West bikeway. Several parklands need upgrading that are literally dustbowls at the moment.
Contribution 25 of 39 | 15 October 2024

Slowing the speed of the upgrades allows time to consult on whether the community want the upgrade or not (in the first instance), and then if they continue other actions in the strategies and plans can be implemented in a more timely manner
Contribution 24 of 39 | 14 October 2024

It's well over due and should be done asap.
Contribution 23 of 39 | 13 October 2024

There are more important things to spend City money on, the roads are fine as they are.
Contribution 22 of 39 | 12 October 2024

on at a time
Contribution 21 of 39 | 11 October 2024

Leave them alone and patch the occasional pothole.
Contribution 20 of 39 | 10 October 2024

Let the businesses pay for it. The local ratepayer will see little to no benefit at all. Why should we pay for it?
Contribution 19 of 39 | 10 October 2024

Do all these streets need an upgrade? Why not focus on two major streets eg Hindley and Melbourne streets as a priority to lessen budget pressure
Contribution 18 of 39 | 10 October 2024

economic benefits of these upgrades can be realised the sooner that they are constructed
Contribution 17 of 39 | 9 October 2024

Allows staggered roll out and learn at each project stage
Contribution 16 of 39 | 9 October 2024

I have not seen a business case demonstrating any urgency in these upgrades.
Contribution 15 of 39 | 9 October 2024

Spend money to make money
Contribution 14 of 39 | 8 October 2024

Revise Fees and Charges, increase parking fees, fines Footpath leasing fees for business cafes (outdoor tables, chairs, umbrellas) Developers contribution Asset valuation is too ambitious, creating such big depreciation figures, need Council appointed independent asset auditor to verify and likely reduce depreciation per se as it directly affects the financial position. Look for non-standard funding like grants, subsidy, state-government partnership.
Contribution 13 of 39 | 8 October 2024

As above investment for the future, rather than ad hock growth and ineffective main roads through at Mt Barker. Plan. Plan. Plan. Plan. Plan. Prepare. Prepare. Prepare. Invest. Make it beautiful as has been planned, invested and planned with the development of Adelaide Oval (second time after the Bradman stand was build then rebuilt due to redevelopment). Do it once. Do it right. Make it beautiful like Golden Grove.
Contribution 12 of 39 | 8 October 2024

Adelaide has been passive for too long. I'm happy to see swift change.
Contribution 11 of 39 | 8 October 2024

Update Hindley, Gouger and Melbourne Streets only. I think more justification is required for the others. This is of particular concern if trams are ever run down O'Connell Street and Hutt Street. Much of any Council upgrades would be compromised.
Contribution 10 of 39 | 8 October 2024

If it ain't broke, don't fix it.
Contribution 9 of 39 | 8 October 2024

Staged programs to minimize disruption to business etc
Contribution 8 of 39 | 8 October 2024

Spreading the monetary risks is the safest option
Contribution 7 of 39 | 8 October 2024

I'd like to see more public transport infrastructure (trams) in the city, and would like costs spared for allocation to that.
Contribution 6 of 39 | 8 October 2024

Upgrades are often primarily cosmetic and expenditure should be focussed on substance e.g road surfaces rather than "beautifying" which is often disliked by a majority and needs amending (more expense) eg bikelanes, inappropriate greening/tree planting, seating and lighting impractical/too expensive
Contribution 5 of 39 | 8 October 2024

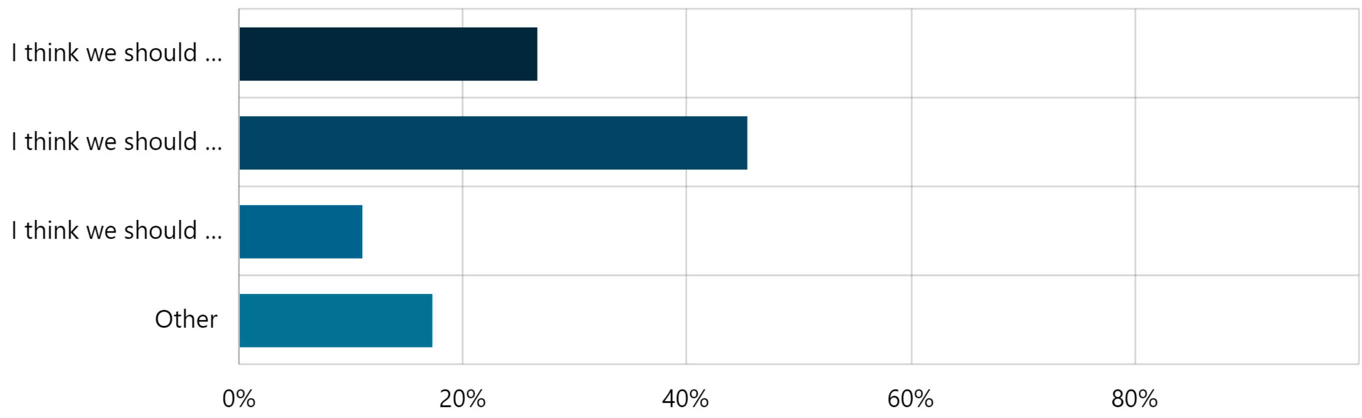
Get your priorities right. Clear existing issues, read reports and be brave to take action rather than continually deferring and having new reports that waste money.
Contribution 4 of 39 | 8 October 2024

Seems workable
Contribution 3 of 39 | 8 October 2024

I prefer this approach.. 1 mainstreet every 4 years is a better, more efficient way to do things.
Contribution 2 of 39 | 8 October 2024

Raise the rates further to support upgrades and funding of grants and park land building upgrades. The rates were stagnant for so long - they can afford being lifted again.
Contribution 1 of 39 | 1 October 2024

12. Which funding model would you support?
Select Box | Skipped: 3 | Answered: 64 (95.5%)



Answer choices	Percent	Count
I think we should fund the Repair Fund in one year, using a rate increase only	26.56%	17
I think we should fund the Repair Fund over three years, using a combination of borrowings and rate increases	45.31%	29
I think we should just borrow the full amount (which reduces the amount of new assets that can be delivered)	10.94%	7
Other	17.19%	11
Total	**100.00%**	**64**

13. Please help us to understand your response by providing a comment.
Long Text | Skipped: 31 | Answered: 36 (53.7%)

Tags

No tag data

Featured Contributions

decrease the level of service. Deliver to a minimum, yet viable solution level.
Contribution 35 of 35 | 20 October 2024

The Road needs to be repair and everything else
Contribution 34 of 35 | 20 October 2024

Get it done and then reduce rates the following year. Make it a one year soecific levy so it does not become a new base level rate.
Contribution 33 of 35 | 19 October 2024

The other issue is, we don't fund other councils roads and repairs as we don't use them as much. However other council residence use our roads. Someone has to make hard decisions. The council has members that own businesses and use all of the facilities that the CBD has to offer, rates to fund everything.
Contribution 32 of 35 | 17 October 2024

Interest rates will likely be higher now and for the next year or so than in future. It makes less sense to lend now than at other times. Rate increases are hard, but this can be offset by borrowing at other times and avoiding future increases.
Contribution 31 of 35 | 16 October 2024

If borrowings are required, then rates will have to rise, but I would wish to "soften the blow" to ratepayers.
Contribution 30 of 35 | 15 October 2024

Significant rate increases are not wise in the current economic climate.
Contribution 29 of 35 | 15 October 2024

I think that unless you are a rate payer in the Adelaide Council area (I'm not) it's unfair to ask should it be funded by raising peoples rates. I could say 'Yes' but my answer increases other people's rates with no consequence to me
Contribution 28 of 35 | 15 October 2024

You should be reducing the rates in these hard times.

Contribution 27 of 35 | 15 October 2024

Sell out of 88 OConnell St
Contribution 26 of 35 | 15 October 2024

Cost of living pressures limit the prudency of sharp rate increases
Contribution 25 of 35 | 15 October 2024

sooner the better.
Contribution 24 of 35 | 15 October 2024

asset renewals are important and ideally funded from rate income however maybe this fund can be funded from rate increases over 3 years?
Contribution 23 of 35 | 15 October 2024

How about building more assets which generate revenue, rather than selling them off and stop relying on ratepayers to pick up the tab for financial mismanagement.
Contribution 22 of 35 | 15 October 2024

The AMP's seemingly propose "gold plated" roads and renewals ; and I don't believe the wider community wants/needs this level of asset renewal. It would be useful if we could see what level of asset renewal we would get with a 1%, 2%, 3% increase - i.e. still maintaining safe roads, but bronze, silver or gold finish. It's quite possible that some of our minor roads don't need a fancy / high level finish.
Contribution 21 of 35 | 15 October 2024

Limits the impact on rate payers in one year
Contribution 20 of 35 | 14 October 2024

I think pay cuts are needed at council level. Council rates are ridiculously high and the funds are mis-managed by Adelaide council. Reduce the parties, Adelaide club memberships and long lunches
Contribution 19 of 35 | 13 October 2024

The cost needs to be spread over the time that such assets are utilised by the public.
Contribution 18 of 35 | 12 October 2024

look at your budget
Contribution 17 of 35 | 11 October 2024

Don't do it.
Contribution 16 of 35 | 10 October 2024

Stop wasting money on minorities and spend the cash on what council should be doing in the first place, roads, garbage disposal etc.
Contribution 15 of 35 | 10 October 2024

Important to actively manage debt so rate revenue not materially impacted by interest expense
Contribution 14 of 35 | 9 October 2024

I don't think the roads are dire and work over 3 yrs is reasonable
Contribution 13 of 35 | 8 October 2024

Developers contribution Revise and increase Fees and charges Revaluation of assets with an independent asset auditor (current questionable ones have too big a depreciation figure, directly eats in the financial sustainability) Restrict to one or two regional significant major upgrade), surely not all five, TOO ambitious.
Contribution 12 of 35 | 8 October 2024

More families buying and building houses. More land tax paid to the government. Happy families. Productive and forward thinking government. Let's not build another one way main road as we had past Flinders hospital due to very bad planning. Plan. Plan. Plan. Invest. Build a new Golden Monarto.
Contribution 11 of 35 | 8 October 2024

Stop borrowing. The Council should be prevented from borrowing which is putting an excessive burden on current and future ratepayers.
Contribution 10 of 35 | 8 October 2024

Residents and business under pressure
Contribution 9 of 35 | 8 October 2024

Makes more sense
Contribution 8 of 35 | 8 October 2024

does not lock in any one plan in uncertain times
Contribution 7 of 35 | 8 October 2024

The Council creates a non-cash expense of depreciation. The assets which are being depreciated have already been paid for by rates, loans etc. This non-cash expenses causes the surplus to be understated. The nature of depreciation in a business (consider the origins of double-entry bookkeeping) is to spread the cost of assets over their useful lives while they earn income/sales. This is not the case for local government, which mainly operates on an annual cash in/cash out basis. It may need to prepare long term cash plans because assets need replacement (e.g. roads and pipes) and putting cash away or preparing to borrow is good financial planning. I know that SA Government Regulations instruct the Council to use Australian Accounting Standards but the production of an Equity amount in the balance sheet is ludicrous. Any planning should be done ignoring depreciation/amortisation expense and on a cash basis. The Council is creating secret cash reserves by collecting rates for depreciation, when the assets have already been paid for.
Contribution 6 of 35 | 8 October 2024

You first of all need to take control of your budget analyse every expense line including wages and improve efficiency and eliminate waste to assist with future funding requirements

Contribution 5 of 35 | 8 October 2024

Again, more manageable than adding to the stress of some ratepaing individuals and businesses
Contribution 4 of 35 | 8 October 2024

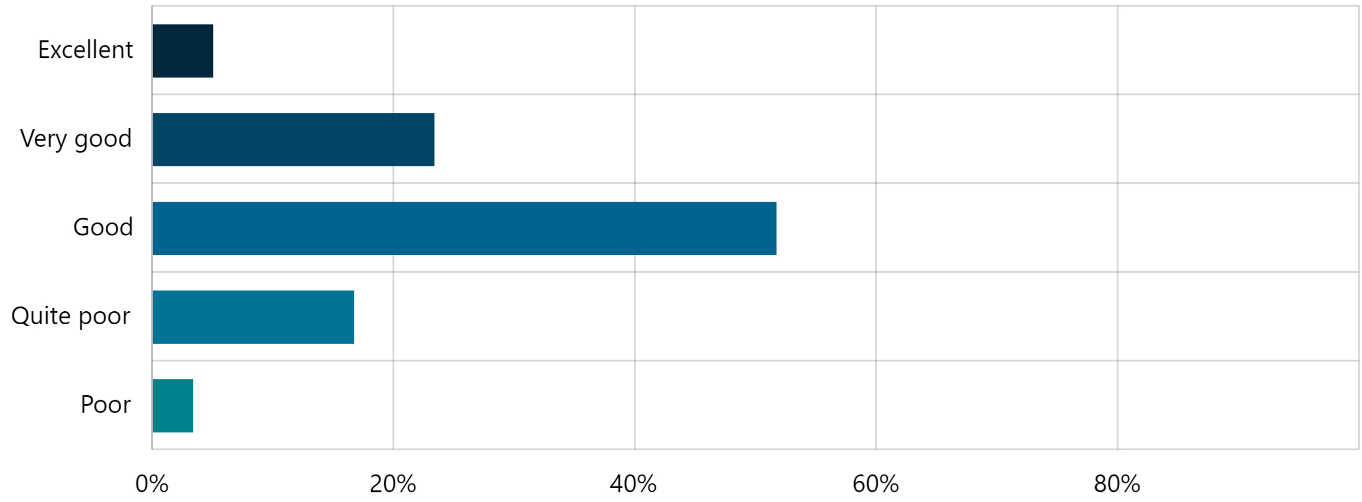
Rates have not increased for a long period and should increase in one year by this amount.
Contribution 3 of 35 | 8 October 2024

Any rate increase is going to hurt but ripping off the Band-Aid would be better, assuming council then uses that increase to actually improve our city for residents - e.g. Adelaide bridge supporting a tram line to Piccadilly.
Contribution 2 of 35 | 7 October 2024

The park lands buildings upgrades are desperately needed. These are more important, and more the Council's responsibility, than road upgrades.
Contribution 1 of 35 | 1 October 2024

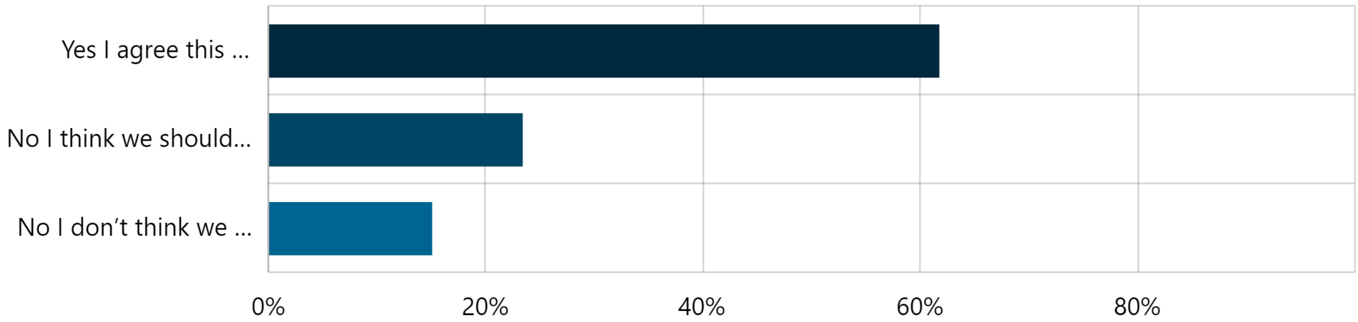
14. How would you rate the current condition of our assets (roads, buildings, and infrastructure etc)?

Select Box | Skipped: 7 | Answered: 60 (89.6%)



Answer choices	Percent	Count
Excellent	5.00%	3
Very good	23.33%	14
Good	51.67%	31
Quite poor	16.67%	10
Poor	3.33%	2
Total	**100.00%**	**60**

15. Do you support spreading the increased investment in our assets over eight years rather than four?
Select Box | Skipped: 7 | Answered: 60 (89.6%)



Answer choices	Percent	Count
Yes I agree this investment should be spread over eight years	61.67%	37
No I think we should keep the increased investment to four years	23.33%	14
No I don’t think we should increase investment in our assets, they are in good condition	15.00%	9
Total	**100.00%**	**60**

16. Please help us to understand your response by providing a comment.
Long Text | Skipped: 38 | Answered: 29 (43.3%)

Tags

No tag data

Featured Contributions

I think 8 years is a good idea
Contribution 27 of 27 | 20 October 2024

Get it done sooner
Contribution 26 of 27 | 19 October 2024

Adelaide at the moment compared to Melbourne and Brisbane has filthy streets filled with undesirables. Way too many wayward youths and drugged out morons. Our footpaths are filthy. The streets also have no life and are soul less.
Contribution 25 of 27 | 18 October 2024

It currently takes months to get things rectified as it is. Hopefully more money will allow improvements to happen quicker.
Contribution 24 of 27 | 17 October 2024

You have pieces of nice areas - Frome St Bikeway, Rundle Street between Frome and East Tce, parts of the parklands, the leafier areas of the southwest and southeast sides, the City West campus, but the picture is not complete. You have a city full of potential for development, but connections around public transport, safe bike routes and safe pedestrian thoroughfares are lacking. Increased investment to meet this goal makes sense. Do this, and watch how events like Gather Round and the Adelaide Fringe sprawl beyond their hearts at the Adelaide Oval and Rundle Street and across the entire city centre!
Contribution 23 of 27 | 16 October 2024

I'm not in favour of Council funding works on buildings on the Parklands which aren't freely open to the public.
Contribution 22 of 27 | 15 October 2024

Costs are always rising, improvements are always needed, spreading the cost over eight years means more interest to pay and less money for future projects
Contribution 21 of 27 | 15 October 2024

Reduce the rates. Be realistic.
Contribution 20 of 27 | 15 October 2024

restrict expenditure on parklands. Whilst parklands look and feel good, their economic value needs to be tested. Focus on what brings people into our city.
Contribution 19 of 27 | 15 October 2024

The earlier the better so as to prevent further deterioration.
Contribution 18 of 27 | 15 October 2024

assets seem generally well maintained so there doesn't seem to be a need to increase the spending drastically when the work can be spread over 4 years.
Contribution 17 of 27 | 15 October 2024

Some assets need urgent attention, whereas others don't.
Contribution 16 of 27 | 14 October 2024

Given the state of our infrastructure and derelict buildings the upgrades are necessary now.
Contribution 15 of 27 | 13 October 2024

we already pay enough with council rates
Contribution 14 of 27 | 11 October 2024

Maybe if the council had been concentrating on its core issues, instead of wasting money on virtue signalling, the roads and other council services would be helping more rate payers.
Contribution 13 of 27 | 10 October 2024

Allows sustainable roll out of investment in a climate of tight labour shortages in these areas
Contribution 12 of 27 | 9 October 2024

Asset model is reasonably questionable; particularly the depreciation, needs checking by an independent Council appointed asset auditor.
Contribution 11 of 27 | 8 October 2024

I'd rather remove the cars from the city roads than spend higher percentage of the cost maintaining them. This will be a theme.
Contribution 10 of 27 | 8 October 2024

City of Adelaide assets are in an excellent condition by global standards and ripping up Victoria Square every few years for no good reason is a huge waste of money plus the smaller streets in the city which have been perfectly accepted and ripped up to remove car parks (such as Frome Street, St Helena Place, etc).
Contribution 9 of 27 | 8 October 2024

Less financial stress
Contribution 8 of 27 | 8 October 2024

Makes sense
Contribution 7 of 27 | 8 October 2024

The example of the "upgrading" of Rymill Park does not fill me with confidence in other "asset renewals". Although the lake itself was in dire need of repair, the landscaping already looks dated, expensive, over-constructed, and not in keeping with parklands' general appearance. It has all the appearance of someone/a group wanting to "build a monument to themselves", rather than maintenance.
Contribution 6 of 27 | 8 October 2024

Deal with old panning issues FIRST. Save money by doing things right the first timer rather than taking an Emu approach.
Contribution 5 of 27 | 8 October 2024

Again, some are still recovering from economic downturn and should be given time
Contribution 4 of 27 | 8 October 2024

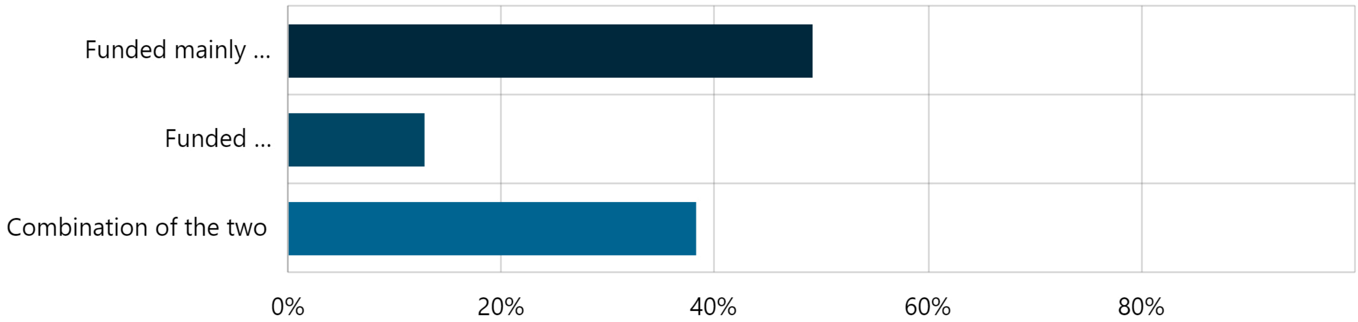
Seems more responsible.
Contribution 3 of 27 | 8 October 2024

Roads are fine, footpaths are poor, bike paths are non existent.
Contribution 2 of 27 | 7 October 2024

The rates at COA were stagnant for such a long time which has lead to the need for "budget repair". The council have been politically influenced by wealthy residents and business owners to not increase rates over a long period of time. Raise the rates and obtain budget for the much needed repairs and updates. Residents of COA can afford it.
Contribution 1 of 27 | 1 October 2024

17. How do you think this could be best managed?

Select Box | Skipped: 12 | Answered: 55 (82.1%)



Answer choices	Percent	Count
Funded mainly through borrowings (reduces rates but adds to Council's debt paid off by current and future ratepayers)	49.09%	27
Funded mainly through rates increases (does not increase Council's debt but greatly increases rates paid by current ratepayers)	12.73%	7
Combination of the two	38.18%	21
Total	**100.00%**	**55**

18. Please help us to understand your response by providing a comment.
Long Text | Skipped: 30 | Answered: 37 (55.2%)

Tags

No tag data

Featured Contributions

I think it’s great it’s makes more senses
Contribution 35 of 35 | 20 October 2024

Significant contributions from State govt for weir and bridge as these are not solely resident ratepayer responsibilities
Contribution 34 of 35 | 19 October 2024

Some of these major assets should be funded by the other two layers of extorting government. Close these assets off awhile and see what happens. It’s about time the three layers of government managed their money to pay for things like this. You all gouge enough!
Contribution 33 of 35 | 18 October 2024

Borrowing makes no sense. Manage money better. Increase rates.
Contribution 32 of 35 | 17 October 2024

This depends when you do it. If you delay these to fund the road upgrades, you could probably take on debt. If you want to do them now, I wouldn't take on debt, and would instead use rates to pay it.
Contribution 31 of 35 | 16 October 2024

Council should apply for SA Government funding for the upgrades to Adelaide Bridge and Torrens Weir. Adelaide Bridge is on a DIT-controlled Road. It does need upgrading/ strengthening - especially if it is to have a tram/ light rail extension built over it - and the SA Gov't want these projects to go ahead.
Contribution 30 of 35 | 15 October 2024

Future generations will have their own ideas and projects and this generation should not saddle them with debt
Contribution 29 of 35 | 15 October 2024

You spend money like water. Get rid of Rundle carpark, for example. Encourage more public transport: it's a cultural thing.
Contribution 28 of 35 | 15 October 2024

Upgrades would easily be covered by inflationary increases in Council asset pool.

Contribution 27 of 35 | 15 October 2024

large amount to be absorbed by rate increases
Contribution 26 of 35 | 15 October 2024

if State is not supporting these building works then rate increases probably can't fund these either so a combo seems the way to go.
Contribution 25 of 35 | 15 October 2024

Demolish the UPark and sell the land off to a developer. We do not need any more carparking in the city. And we especially do not need an ugly derelict eyesore in our main shopping and entertainment precinct.
Contribution 24 of 35 | 15 October 2024

As above, look at measures to be more economical with wages and perks at Adelaide council. The reputation is that money gets squandered by council on themselves and not where it is needed ie residents.
Contribution 23 of 35 | 13 October 2024

So the cost is spread over time and paid by all who benefit from the asset improvement.
Contribution 22 of 35 | 12 October 2024

everyone in SA uses these areas the government should help
Contribution 21 of 35 | 11 October 2024

Let the state government take care of it and disolve your useless council.
Contribution 20 of 35 | 10 October 2024

Roads and bridges are obviously essential and should be maintained.
Contribution 19 of 35 | 10 October 2024

Should it be only city council ratepayers footing the bill? After all, everyone uses these bridges!!!!
Contribution 18 of 35 | 10 October 2024

Balance use of debt and rates to manage infrastructure
Contribution 17 of 35 | 9 October 2024

Adelaide Bridge and Torrens Weir are public assets to be publicly funded by a mixture of borrowings and rate increases. The car park is in a different situation - it is a business, and any investment should be funded from revenue from that business, not from public funds.
Contribution 16 of 35 | 9 October 2024

I do not want to see further rate rises. Cost of living is too high to weather this
Contribution 15 of 35 | 8 October 2024

Regional significant major upgrade projects need to be jointly funded by located state government partnership, not going alone, too ambitious, creating an unnecessary financial burden
Contribution 14 of 35 | 8 October 2024

More and happy families throughout the state with more houses = more land tax for government revenue.
Contribution 13 of 35 | 8 October 2024

I have no opinion on this.
Contribution 12 of 35 | 8 October 2024

These are long term assets. Paying off long term assets via long term loans spreads the costs long term, and is therefore more intergenerationally equitable.
Contribution 11 of 35 | 8 October 2024

Adelaide Bridge and Torrens Weir should be paid for by the State and Federal Government as they are major infrastructure pieces. Rundle Street UPark should be able to pay for itself out of it's earning. If it is not financially sustainable, it should be sold.
Contribution 10 of 35 | 8 October 2024

Also Council could consider asset sales ? car park or unused land if any
Contribution 9 of 35 | 8 October 2024

Seems the fairest
Contribution 8 of 35 | 8 October 2024

Adelaide Bridge and Torrens Weir are both vital, practical and visible assets. Without Torrens Weir, there is no Lake and adjacent pleasure areas but at best, a muddy, shallow river, as 19thc photographs pre weir, show. The Bridge, likewise is part of vital, city access and an aesthetic adjunct to the Lake. I do not think ratepayers should bear the cost of assets primarily used by non-ratepayers. Federal or corporate funding?
Contribution 7 of 35 | 8 October 2024

Also use existing unallocated cash reserves.
Contribution 6 of 35 | 8 October 2024

At another time my answer would be different. Give people more time to recover from recent financial stress
Contribution 5 of 35 | 8 October 2024

Significant investments and would prefer rate money to go to other priorities.
Contribution 4 of 35 | 8 October 2024

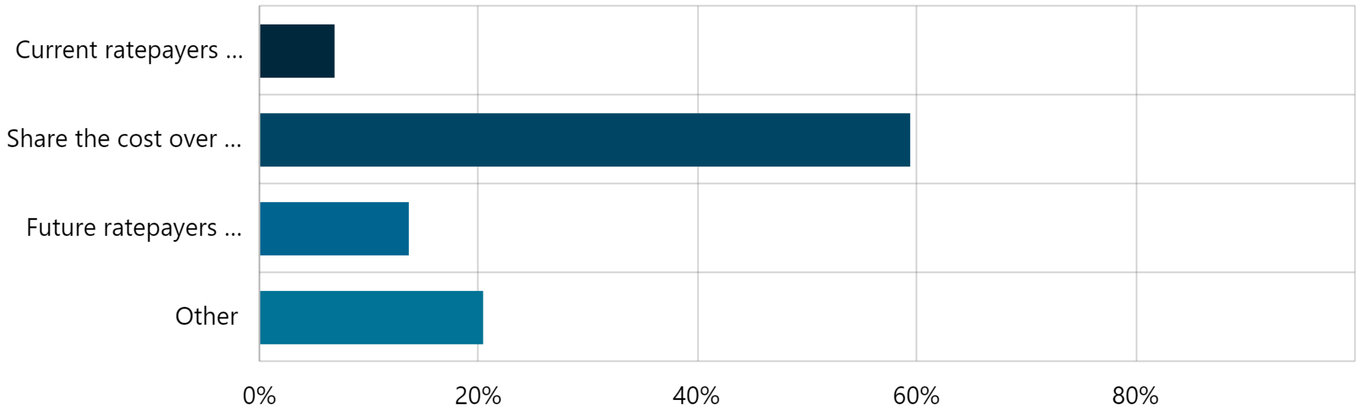
Perhaps the wrong question to provide this feedback, but: The space of Rundle St UPark could be much better utilised as a mixed use development. Council needs to let go of it’s addiction to car parking revenue and transition to income generating investments that also

provide a socially and environmentally positive return.
Contribution 3 of 35 | 7 October 2024

Investment is needed in the essential infrastructure (bridge and weir) to ensure both safety and continued service. However, for the commercial property, it would be more prudent to explore redevelopment and divestment options rather than extending the building's useful life. This prominent, 50+ year-old building, which is not the most aesthetically pleasing, sits on one of Adelaide's key, though declining, commercial strips. The land's highest and best use should be reconsidered—are the existing car parks even necessary? A redeveloped site could house much more than just a car park, bringing significant economic benefits for the strip, improving the presentation of the intersection, and creating new revenue streams for council.
Contribution 2 of 35 | 3 October 2024

ACC should sell Rundle St UPark
Contribution 1 of 35 | 30 September 2024

19. How should this cost be shared across current and future ratepayers?
Select Box | Skipped: 8 | Answered: 59 (88.1%)



Answer choices	Percent	Count
Current ratepayers should bear most of the cost	6.78%	4
Share the cost over current and future ratepayers	59.32%	35
Future ratepayers should bear most of the cost	13.56%	8
Other	20.34%	12
Total	**100.00%**	**59**

20. Please help us to understand your response by providing a comment.

Long Text | Skipped: 35 | Answered: 32 (47.8%)

Tags

No tag data

Featured Contributions

Well I think it's fair
Contribution 29 of 29 | 20 October 2024

These are long term generational assets
Contribution 28 of 29 | 19 October 2024

Raise rates. If there are vacant properties or land, double or triple rates. Lets try what happened in Melbourne CBD a number of years ago. As some point someone will have to make the hard decisions. Borrowing will only defer that decision to someone else to raise rates.
Contribution 27 of 29 | 17 October 2024

This is a tricky one. You want to encourage future ratepayers to have a reasonable set of rates, but you don't want to alienate current ones. I don't envy you this problem.
Contribution 26 of 29 | 16 October 2024

Future rate payers will benefit most from these projects.
Contribution 25 of 29 | 15 October 2024

The state government should be approached, they are also try to entice more people to the city, more people means more wear and tear on the infrastructure so there is a genuine case for them to provide some assistance If the weir does not receive the funding, no river Torrens, no attractive city and river walk
Contribution 24 of 29 | 15 October 2024

debt funded solution
Contribution 23 of 29 | 15 October 2024

I very much want to see the Adelaide Bridge upgraded so there is no further excuse for the State Govt. to stall a tram extension to North Adelaide and beyond.
Contribution 22 of 29 | 15 October 2024

It should be spread across future generations, but these projects require significant investment from the state government (exception being the UPark). The bridge provides access to states public transport network and for people moving through the city and state. The weir is responsible for the iconic riverbank of the Torrens within the CBD which is enjoyed by visitors from across the state, country and internationally, it is of high state significance.
Contribution 21 of 29 | 15 October 2024

who knows what's current and future, every year people should pay a little bit extra to fund these
Contribution 20 of 29 | 15 October 2024

Current rate payers should bear some of the cost if they are benefiting from the asset
Contribution 19 of 29 | 14 October 2024

Current ratepayers should pay only their time-proportionate share of the cost
Contribution 18 of 29 | 12 October 2024

everyone in SA uses these areas the government should help
Contribution 17 of 29 | 11 October 2024

Fund these by reducing expenditure
Contribution 16 of 29 | 10 October 2024

All ratepayers benefit from good roads. If council concentrated on its core issues, they would be in better condition.
Contribution 15 of 29 | 10 October 2024

Not just city ratepayers to pay the cost!!!!
Contribution 14 of 29 | 10 October 2024

Important to keeping population and city as quality place to live
Contribution 13 of 29 | 9 October 2024

As noted above, my answer is different in the case of the car park, where improvements should be funded by car park users, not ratepayers.
Contribution 12 of 29 | 9 October 2024

Do only one major regional significant upgrade project, not all three without support from other funding authority; too irresponsible
Contribution 11 of 29 | 8 October 2024

The state and National government has a surplus this year. Put it into a planned New Golden Monaro with primary school, high school, hospital, sports fields, playgrounds and shopping centre. People will come and they have at Golden Grove and poorly planned Mt Barker.
Contribution 10 of 29 | 8 October 2024

As above this is the most equitable arrangement for long term assets.
Contribution 9 of 29 | 8 October 2024

Best to spread cost over time
Contribution 8 of 29 | 8 October 2024

Fairest
Contribution 7 of 29 | 8 October 2024

Compared with other, proposed expenditure and upgrading of assets, the funding and upgrading of the Adelaide Bridge and Torrens Weir are features of the city which are apparent to all tourists (local and others) and are a vital part of functioning of Adelaide Oval, many and varied parades and festivals and may encourage funding from corporate and Federal sources.
Contribution 6 of 29 | 8 October 2024

I have been paying rates for all my life and still have the bike issue unresolved. If you were private business you would all be unemployed decades ago. YOU CANNOT BE TRUSTED AT ALL.
Contribution 5 of 29 | 8 October 2024

The benefits are long term
Contribution 4 of 29 | 8 October 2024

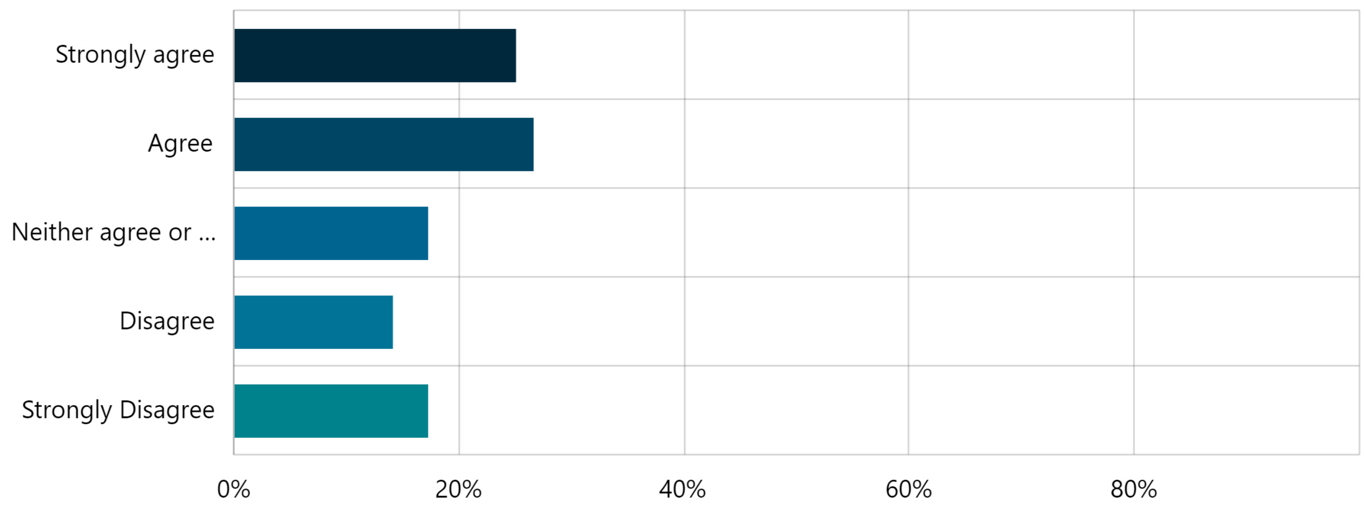
Harder to understand for me but it should be shared.
Contribution 3 of 29 | 8 October 2024

The Adelaide bridge investment should be seen as enabling a tram connection to North Adelaide and therefore catalysing significant new development and therefore new rate revenues.
Contribution 2 of 29 | 7 October 2024

Given there is no section for additional comments I will write here: I am continually disappointed by this Council in slashing the budgets for community and arts and cultural grants for the city. The Council made a poor and uneducated decision in not funding the Adelaide Crows' Indigenous program in 2023, which blew up in the media and their faces, and they have cut the grants program's budget in petty retaliation. Meanwhile the Heritage Incentive Scheme - gifting funding to wealthy and influential North Adelaide residents to renovate their private properties - receives a very large budget year on year, which is now 3 times that of Community Grants. No doubt the Council is influenced to maintain this program by the residents who vote and are the sole benefactors of this scheme. I would be very interested to know over the last 5 years, how much of the Heritage funding has gone to public buildings, and how much has gone to private residences. Community activation and support to artists is vital to a city's community and economy and the choice to take money away from community events, programs, and artists should be immediately rectified. Community grants already had such a small budget comparitively to the huge budgets to fund items such as street upgrades or asset renewals. Why are they being targeted and discussed at length as the location of "savings" for budget repair? Shame on this Council for grandstanding with their feet on the necks of community programs, cultural events and artists.
Contribution 1 of 29 | 1 October 2024

21. Council has committed 1.5% of rates revenue to making necessary upgrades our Park Lands community buildings.

Select Box | Skipped: 3 | Answered: 64 (95.5%)



Answer choices	Percent	Count
Strongly agree	25.00%	16
Agree	26.56%	17
Neither agree or disagree	17.19%	11
Disagree	14.06%	9
Strongly Disagree	17.19%	11
Total	**100.00%**	**64**

22. Please help us to understand your response by providing a comment.
Long Text | Skipped: 28 | Answered: 39 (58.2%)

Tags

No tag data

Featured Contributions

It's has to be done , upgrade is a must
Contribution 39 of 39 | 20 October 2024

Well maintained city infrastructure adds to the visual appeal, use of and vibrancy of the city
Contribution 38 of 39 | 19 October 2024

Parkland buildings were originally grant funded by occupiers. Council grants ground leases not ground and building leases. Part of the reason buildings are in decay is those who build them have for many years expected Council to maintain them. Council has had no historical obligation to repair and maintain parklands buildings but has spent a large amount of rate payers money doing just that especially where clubs and associations are linked to an elected member! Either reduce the parklands footprint - which is also policy or make those who occupy the buildings maintain them.
Contribution 37 of 39 | 18 October 2024

Benefits the community and tourism.
Contribution 36 of 39 | 18 October 2024

They are to be maintained to the best of our ability. Globally recognised for the design and no one has parklands globally.
Contribution 35 of 39 | 17 October 2024

I live in the city and mainly walk , ride a bicycle and occasionally drive or use public transport. We should not encourage cars to the city with car parks. I see no initiatives that will encourage getting aroud the city by walking riding or using public transport, Very backward thinking.
Contribution 34 of 39 | 17 October 2024

The parklands are a unique asset to Adelaide - I've not seen another city with such remarkable zoning of them. Upgrading facilities, while keeping most of the area green, accessible, and usable by the whole community, is an essential part of maintaining that character. You neither want them to become unmanaged brush, nor do you want them taken over by over-large urban developments. The character of the parklands, once lost, can never be reclaimed.
Contribution 33 of 39 | 16 October 2024

Ratepayers whould not have to fund upgrades to buildings which are not open to the public - unless they are generating sufficient

income for Council to make them cost-neutral. There are already enough buildings (club-houses, sheds etc) on the Parklands. These should be kept open to the public, green & free access.
Contribution 32 of 39 | 15 October 2024

It's an investment not a cost
Contribution 31 of 39 | 15 October 2024

No more buildings park Lands please. They seem to be an excuse to serve alcohol which is quite. unnecessary when playing or watching sport.
Contribution 30 of 39 | 15 October 2024

Fancy work. Be realistic.
Contribution 29 of 39 | 15 October 2024

Leave parklands alone
Contribution 28 of 39 | 15 October 2024

These community assets need to make money. Strategies to commercialise community buildings should be considered.
Contribution 27 of 39 | 15 October 2024

if the buildings are for the exclusive use for a specific sporting club, then they should bear most of the cost
Contribution 26 of 39 | 15 October 2024

some of these are severely outdated (in and out) with limited capacity for both genders to have their own change rooms and toilets, they need to be improved
Contribution 25 of 39 | 15 October 2024

1.5% is no where near enough given the seriously dilapated condition of most of the parklands.
Contribution 24 of 39 | 15 October 2024

These Park Lands buildings are used mostly by the wider metro Adelaide population - and a lot of the organisations using these facilities are profit making (i.e private schools, universities). Where an organisation is not-for-profit, Council should seek 50-50 funding with State Government ; if profit making business, unless the building upgrade results in majority use of the facility by the public, then these organisations should pay at least 80% of the costs.
Contribution 23 of 39 | 15 October 2024

How did the 1.5% be calculated as the amount required? Is it forever? Or until each building is upgraded? The LTFP says funding to 2033/34, will it end then? It isn't clear
Contribution 22 of 39 | 14 October 2024

The parklands are what make Adelaide unique and must be preserved forever.
Contribution 21 of 39 | 12 October 2024

everyone in SA uses these areas the government should help
Contribution 20 of 39 | 11 October 2024

You're wasting our money.
Contribution 19 of 39 | 10 October 2024

Parklands are an essential part of Adelaide.
Contribution 18 of 39 | 10 October 2024

A must to always continue upgrading our beautiful park lands
Contribution 17 of 39 | 10 October 2024

Important to support active community assets and interaction
Contribution 16 of 39 | 9 October 2024

I think priorities for expenditure should be set according to needs and priorities from time to time, preferably backed by business cases. Ringfencing a certain amount of revenue for a particular purpose is not logical. Only monies raised from the use of these facilities should be earmarked for expenditure on them. Further expenditure will depend on the public benefit to be delivered, compared with competing uses for the funds.
Contribution 15 of 39 | 9 October 2024

A reasonable balance
Contribution 14 of 39 | 8 October 2024

Our parklands are looking good. Victoria Park is looking fabulous. No more. Put money into the New Golden Monaro planning, investment and development.
Contribution 13 of 39 | 8 October 2024

Community buildings are critical.
Contribution 12 of 39 | 8 October 2024

State Government or the community groups should be paying for these. When I played sports we had 50 year old club rooms that were perfectly acceptable. The Council does not need to be building the Taj Mahal with other people's money.
Contribution 11 of 39 | 8 October 2024

As long as they are used appropriately
Contribution 10 of 39 | 8 October 2024

Parks are the communities vital nature spaces for health and well-being
Contribution 9 of 39 | 8 October 2024

Not a priority, compared with Torrens Weir and Adelaide Bridge. Perhaps funding from "communities" or corporate.
Contribution 8 of 39 | 8 October 2024

SAtop prioritising the bloody parklands over important issues. We cannot have nice things when NEEDED things go wanting.
Contribution 7 of 39 | 8 October 2024

I don’t know much about community buildings but maintenance is important.
Contribution 6 of 39 | 8 October 2024

Very important to focus on improving facilities for the community and i would encourage higher than 1.5% to improve outcomes for community.
Contribution 5 of 39 | 8 October 2024

A percentage rather than fixed cost approach is dangerous - what happens when upgrades are complete?
Contribution 4 of 39 | 7 October 2024

not really sure the scope of what is proposed.
Contribution 3 of 39 | 3 October 2024

These are desperately needed upgrades. Raise the rates for repairs which will lead to more activation in our Parklands. Also allow buildings to increase the size of their footprint as a. the land surrounding buildings is often just dirt and not utilised and b. the current buildings are too small and therefore ineffective to function as desired to grow these clubs.
Contribution 2 of 39 | 1 October 2024

I don't think any section of the budget should be quarantined
Contribution 1 of 39 | 30 September 2024

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20 October 2024

Mr. Jeremy Phillips

Executive Advisor, Corporate Services
Long Term Financial Plan
GPO Box 2252
Adelaide SA 5001
J.Phillips@cityofadelaide.com.au

Property Council Response: City of Adelaide – Draft Long Term Financial Plan

Dear Jeremy,

The Property Council welcomes the opportunity to provide a response to the City of Adelaide's *Draft 2024/25 -2033/34 Long Term Financial Plan* on behalf of its South Australian members.

The Property Council of Australia is the leading advocate for Australia's largest industry – property. Property Council member organisations are investors, owners, developers, builders, and managers of real estate across all major asset classes including commercial, office, residential, industrial, retirement communities, hotels, purpose-built student accommodation and more.

As an industry body, we recognise the importance of sensible financial management whilst seeking and creating opportunities to grow and promote Adelaide's CBD. Maintaining capital works, continuing the revitalisation of key Adelaide main streets and updating its Asset Management Plan are all essential components of a thriving capital city. We believe the Long-Term Financial Plan will play a crucial role in securing a prosperous future for our city.

Considering a significant portion of our member base contribute over 80% of the City of Adelaide's council rates revenue, the Property Council welcomes the City's decision to maintain a 92.5% assets renewal ratio as a sensible way to maintain and enhance the city. It is critically important that the Council continue to consider the negative impacts recent rate increases have had on the city. To attract and retain investment, and remain competitive, it is not feasible to repeat recent rate increases in future years. To do so would further overburden ratepayers. The cap on the asset renewal ratio is a prudent measure that ensures the continued upkeep and enhancement of the city's infrastructure without imposing excessive financial pressure on ratepayers. This approach aligns with our shared goal of fostering a stable and attractive environment for both residents and businesses.

We recognise the importance of this strategic decision in maintaining fiscal responsibility while mitigating the impact of rate increases on our community. The Property Council has consistently advocated for balanced and sustainable financial planning, and we commend the Council for its foresight in this matter.

As consumers grapple with cost-of-living pressure, it is important that all levels of government pull every lever to provide a business-friendly environment which stimulates the economy.

The Property Council looks forward to ongoing collaboration with the City of Adelaide to support initiatives that drive sustainable growth and economic resilience.

Bruce Djite
SA Executive Director, Property Council

LONG TERM FINANCIAL PLAN

2024-2025 TO 2033-2034

CITY OF ADELAIDE

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EXECUTIVE SUMMARY

The City of Adelaide's Long Term Financial Plan (LTFP) is a 10 year forecast of Council's financial performance and position. The plan is based on Council's current 2024-2028 Strategic Plan, and reflects anticipated service levels and social, economic and political indicators. The LTFP is one of Council's Strategic Management Plans and is integral to Council's Strategic Framework and financial planning.

The LTFP assists Council to monitor the City of Adelaide's financial sustainability and Council's ability to deliver services and maintain / upgrade the City's infrastructure fairly and equitably across generations.

This document outlines the context of the LTFP and importance of Council's financial sustainability. It explains the approach to preparing and reviewing the LTFP, key assumptions and risks, and the measures used to manage and monitor the Council's longer term financial sustainability.

Council has recently reviewed the LTFP within the context of the 2024/25 Business Plan and Budget (BP&B) process and considered a number of factors identified during the budget development process.

Of particular note is this Council's recognition of our financial position and the need for budget repair and investment in the City post the COVID-19 pandemic. This is reflected in a projected operating surplus of $9.67 million and capital investment in excess of $112 million.

Key outcomes include:

- A base operating surplus position over the life of the plan
- All Key Financial Indicators (KFIs) are within target ranges, except for Cashflow from Operations between 2027/28 – 2030/31, due to the outlay on significant renewals
- A more gradual return of the Asset Renewal Funding Ratio (ARFR) over 8 years to achieve 100% from 2031/32 onwards (previously 4 years to 2027/28)
- Introduction of an Asset Renewal Repair Fund (ARRF) to fund the annual increase of $14.9 million associated with the recently adopted Infrastructure Asset Management Plans (AMPs). Whilst AMPs are funded through operating revenue, in recognition of the need to balance the community's capacity to pay while ensuring community expectations are met, this LTFP assumes the use of short term borrowings to fund the ARRF.
- Significant renewals are required in the mid-long term of the LTFP, in accordance with our AMPs. These assets by nature are intergenerational, and as such it is intended to fund them through external contributions, in addition to borrowings. As the external funding is not yet secured, there is a risk that Council will need to fund the entire renewal of the assets (which would be $42 million in excess of the current assumption).

The projections indicate that the City of Adelaide is currently financially sustainable and can remain so for the forecast period covered by the 2024/25 to 2033/34 Long Term Financial Plan. In all cases, Council remains within the limits for each key financial indicator, except for the Cashflow from Operations ratio which exceeds the target band resulting from the need to fund Significant Renewals.

The plan highlight matters where Council decisions can impact future financial sustainability. Long term financial sustainability is therefore subject to ongoing decisions and effort, particularly (but not limited to):

- Ensuring decisions are consistent with Council's adopted financial principles
- Continued growth in revenue, through both rates and commercial activities, at or above the rate of growth in expenses
- Commitment to investment in new and upgrade assets in line with prudential borrowing limits
- Successfully securing external funding for the renewal of the Torrens Weir and Adelaide Bridge
- Use of the Future Fund for particular projects and initiatives

STRATEGIC CONTEXT

Under the Local Government Act (SA) 1999 Council must develop and adopt Strategic Management Plans which identify Council's objectives, how Council intends to achieve its objectives, how they fit with the objectives of other levels of government, performance measures and estimates of revenue and expense.

The City of Adelaide's Strategic Management Plans comprise:

- Strategic Plan
- Long Term Financial Plan
- Suite of Infrastructure and Asset Management Plans

The Long Term Financial Plan is a 10 year forecast of Council's financial performance and position based on its strategic plans, anticipated service levels and social, economic and political indicators. It provides guidance to support Council decision making and confirms Council's financial capacity to deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner.

The LTFP is an integral part of Council's Strategic Framework. It is built upon the 2024/25 Business Plan and Budget, the City of Adelaide's 2024-2028 Strategic Plan and six 2024 Infrastructure and Asset Management Plans.

The LTFP is updated annually to reflect the latest available information using the latest Business Plan and Budget as its base. Key outputs include a comprehensive set of financial indicators and forecast financial statements in accordance with legislative requirements.

STATEMENT ON FINANCIAL SUSTAINABILITY

Financial Sustainability

The Australian Local Government Association's adopted definition of financial sustainability is as follows:

> *"A council's long-term financial performance and position is sustainable where planned long-term service infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."*

It is based on the principles that:

- The current generation are able to "pay their way" by funding the services and infrastructure they utilise
- Investments in new infrastructure and assets funded through borrowings will not over burden future generations.

Financial Sustainability is monitored with reference to three key ratios:

- **Operating Surplus Ratio** which monitors the affordability of Council's services relative to its operational income
- **Net Financial Liabilities Ratio** which monitors the affordability of Council's borrowings relative to its operational income
- **Asset Renewal Funding Ratio** which monitors the rate at which Council is renewing its assets relative to its use of the assets.[1]

In addition to these core ratios, Council has a suite of other ratios it uses to monitor its performance and sustainability.

The role and purpose of each ratio is discussed in further detail in a later section.

Financial Principles and Finance Strategy

As part of the 2023/24 budget process, Council adopted a set of financial principles to assist with future decision-making to support our long term financial sustainability. These principles seek to ensure an equitable approach to rating, fees and charges which match the cost of related Council services, a prudent approach to the use of borrowings and proceeds from the sale of assets, and sustainable investment in our infrastructure and delivery of services.

The financial principles previously adopted by Council include:

- Transparency in decision making
- Approach to rates, fees and charges is fair and equitable
- Service delivery reflects the needs of the community
- Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI)
- Fees and charges reflect cost of services provided
- Maintain the current rating system
- Maintain an operating surplus
- Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities which require matched funding
- Consider new and different revenue streams and the approach to commercial businesses to reduce reliance on existing revenue sources
- Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings
- New or enhanced services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate or other revenues, and/or through savings – not from borrowings
- Capital renewal expenditure will be based on asset management plans and prioritised based on audit condition and risk

[1] The Asset Renewal Funding Ratio replaces the Asset Sustainability Ratio used previously.

- Proceeds from divesting underperforming assets will provision a future fund, to invest in future revenue-generating assets
- Consider the disposal, purchase and /or repurposing of property assets to unlock the potential and future prosperity of the City, without incurring a financial loss
- Borrowings will be used to fund new and upgrade projects (which include major projects) and not used to fund operations, expenses or renewal projects.

These principles are foundational to a financial management approach that supports the achievement of long term financial sustainability.

The following additional financial principles have been used in the development of this LTFP to enhance financial sustainability whilst balancing the needs of the Community:

- Short term borrowings will be used to fund the Asset Renewal Repair Fund, to ensure the increased spending required through the revised Asset Management Plans can be spread over a longer period to meet community expectation and their capacity to pay is managed over time through sustainable rate increases
- Generate a cash flow from operations ratio greater than 100% to generate adequate cash from operations to replace assets over time and to service new debt associated with new and upgraded assets by being able to repay the principal and interest associated with those borrowings.

Context for Budget Repair

The 2024/25 BP&B focuses on repairing our budget. Historical financial pressures associated with frozen rates and the COVID-19 pandemic, impacted our ability to renew assets, upgrade infrastructure and provide core community services.

Council, like other entities and households, has experienced significant increases in expenses and expenditure associated with inflation and the highest CPI levels experienced in recent times.

In 2024, Council adopted six Infrastructure and Asset Management Plans (IAMPs) which, on average, require an annual increase in funding of $14.9 million per annum (in today's dollars) compared to the previous IAMPs. In line with Council’s financial principles and local government goal practices, the IAMPs are funded through operating revenue.

Property Strategy

Sale proceeds of assets identified through the Property Strategy have been used to establish a Future Fund, enabling Council to fund the future purchase of income generating assets and to invest in strategic capital projects.

This strategy outlines a detailed assessment approach for future property investigations, grouped into the following categories:

- Redevelopment or re-purposing of assets to improve public value and to support income generating and City shaping initiatives.
- Sale of non-performing assets which provide limited strategic, community and commercial value.
- Retention of property assets where no action is currently required.

Future Fund and Investment Policy

In 2021/22, Council endorsed the Future Fund and Investment Policy and separated out the Future Fund from the Treasury Policy. This clarified policy intent for Future Fund operation, defining how the Fund would be used for investment, and the factors to be considered for sound decision making.

Requests to use funds from the Future Fund require a business case clearly demonstrating that the financial return to Council outweighs the present value of future financing costs. Council approval is required for all requests to use these funds.

The balance of the Future Fund at the end of the 2024/25 financial year is forecast to be approximately $34 million, accumulated from proceeds of non-performing assets sold in line with the Strategic Property Review, and Future Fund and

Investment Policy. This figure is subject to any transactions yet to be identified and subsequently approved by Council.

BASIS OF PREPARATION

This document presents the Long Term Financial Plan (LTFP) for the years 2024/25 to 2033/2034. The basis of the LTFP is the 2024/25 Business Plan and Budget adopted by Council, the 2024-2028 Strategic Plan, and 2024 Infrastructure and Asset Management Plan projections for new, upgraded and renewed assets for 2024/25 to 2033/34.

The LTFP is a projective report developed and adopted in consultation with Council each year, based on known information at a point in time. As such the review process of the LTFP is iterative and changes as new or updated information is presents.

In projecting forward performance, the LTFP considers:

- Council's Strategic Plan and Infrastructure and Asset Management Plans (including planned investment in new projects and infrastructure)
- The social, economic and political environment including indicators such as population growth, inflationary growth and interest rates
- Anticipated changes in future service levels that reflect the needs and expectations of the community in accordance with service delivery plans
- Funding and expenditure levers available to Council, including revenue and financing guidelines, such as Council's Rating Policy and Treasury Policy
- Revenue opportunities and cost drivers, including the impact of climate change and other factors on the city
- A rigorous assessment of Council's current financial position and financial sustainability.

KEY ASSUMPTIONS

Assumptions underpinning this LTFP are:

- Rate revenue growth is in line with forecast inflation (over and above growth from new developments and significant alterations and additions)
- Increase in fees and charges is in line with forecast inflation
- Salaries and wages forecasts are based on current enterprise agreements and, upon expiry, the inflation forecast will apply as the assumed increase
- Other revenue and expenditure increases in line with forecast inflation
- Interest rates reflect market expectations
- Capital expenditure is in line with the Infrastructure and Asset Management Plans.
- Further detail regarding these and other assumptions is outlined below.

Forecast Inflation

The South Australian Centre for Economic Studies (SACES) forecasts are the source for Adelaide's projected Consumer Price Index (CPI) in the 2024/25 BP&B. The LTFP from 2025/26 uses SACES annual forecasts where available, defaulting to the Reserve Bank of Australia midpoint within the target range of 2%-3%. These reputable data sources ensure assumption consistency across the life of the plan, and the SACES state-based projection increases LTFP forecast precision and relevance.

Rates

The 2024/25 LTFP assumes rate revenue increases (excluding growth) are in line with CPI and can be achieved through a combination of valuations and rate-in-the-dollar adjustments.

Years 2-10 of the LTFP currently assume an annual rates revenue increase of between 3.5%-4.0% through a combination of:

- Growth from new developments and capital improvements of 1.0%
- An uplift in property valuations and/or a change in the rate in the dollar to achieve 2.5%- 3.0% growth in existing rates revenue, in line with the current price index forecast

The application of CPI as a rate of valuation increase is relevant as the annual assessed value is based on income derived from a property and, generally, most property incomes are either indexed each year or increased by a fixed percentage linked to CPI.

Rates income is dependent upon three primary variables:

- The rate in the dollar for residential and non-residential property (set by Council)
- The increase/(decline) in property values, based on annual assessed value
- Growth from new developments and capital improvements.

The 2024/25 annual budget changed the dollar rate for the first time in 11 years to generate the exact level of rate income determined necessary to meet operational requirements. A mass valuation was undertaken across the City and North Adelaide for the 2024/25 financial year, which increased rate revenue by 10.6% (including the growth component). This was then reduced to 6.9% by 3.7% through a reduced dollar rate.

Valuations are heavily reliant on the receipt of information from ratepayers and as such valuations are generally conservative.

These assumptions are monitored as further information on the consumer price index and property valuations becomes available.

Fees and Charges

There are three principal types of fees charged by Council:

- General fees and charges set by statute (via the State Government)
- General fees and charges set by Council (or under delegation)

- Commercial fees and charges set under delegation.

Statutory charges, such as fees associated with services regulated under the Road Traffic Act, the Planning, Development and Infrastructure Act, the South Australian Public Health Act, the Food Act and the Dog & Cat Management Act reflect dollar increments or percentage increases as specified by the respective authority or body.

Fees and charges set by Council or under delegation are reviewed each year in conjunction with the development of the Business Plan and Budget. The review ensures that the fees:

- Reflect (or move progressively toward) the cost of the services delivered
- 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

For the purposes of the LTFP, it is assumed that fees and charges will increase, on average, in line with CPI unless there are specific circumstances that will have a material impact on the quantum of fees and charges, such as changes in property tenancies associated with the Adelaide Central Market Arcade expansion.

Fees for Council's commercial operations, including commercial properties, the UPark car parks and North Adelaide Golf Course, will be subject to market conditions and commercial considerations on a year by year basis. However, for the LTFP, increases have been aligned to the movement in the price index.

Grants, Subsidies and Contributions

Annual grants, subsidies and contributions are assumed to continue for the duration of the LTFP at current levels, indexed in line with CPI, unless agreements are known to expire or change.

Where grants, subsidies and contributions are for specific projects or related to specific events, they will be recognised in the LTFP in line with the relevant accounting standards.

Of note are the grants assumed to assist with funding significant renewals, which commensurately offset the amount of debt drawn and the operating position, where such grants must be recognised as operating revenue (refer Table 2: Significant Renewals Costs and Timing).

Employee Costs

Salaries and wages forecasts are based on current and/or expected enterprise agreement outcomes. Increase is assumed for all enterprise agreements in line with agreed enterprise agreements. Where no agreement exists, due to expiry, the increase assumption is based on CPI. Actual increases will be dependent upon future enterprise agreement negotiations, with new agreements reflected in the LTFP upon the completion of negotiations. Increases in the Superannuation Guarantee are consistent with Australian Taxation Office advice.

Contractual Expenditure and Materials (including Utilities)

Expenditure is generally increased by the price index unless there are specific costs of a material value that are known or forecast to vary significantly from the price index (e.g. electricity contract, hard waste levy).

Service Delivery

City of Adelaide is responsible for the delivery of a range of service offerings to its ratepaying community and visitors alike. Council delivers these services through its 17 Programs and three wholly owned subsidiaries. The LTFP assumes that service delivery remains unchanged and is delivered at the same, consistent levels assumed in the 2024/25 annual budget. Any changes to service levels are required to be resolved by Council and will impact the LTFP in the future should changes to the service have financial implications.

Asset Maintenance, Renewal and Upgrade

City of Adelaide is responsible for the management, operation and maintenance of the city's infrastructure, a diverse property portfolio and plant, fleet and equipment.

Infrastructure and Asset Management Plans (IAMPs), which form part of Council's Strategic Management Plans, are reviewed in detail every four years to identify asset condition and consumption to assist in resource and maintenance planning. Detailed modelling enables Council to optimise maintenance and renewal expenditure to ensure optimal asset lifecycles and sustainability. The 10-year AMPs will also consider new infrastructure needs to meet future community service expectations in a sustainable manner.

Forecast expenditure in the LTFP is presently based on the 2024 AMPs. Asset Renewal costs for the life of the LTFP are $695 million (in today's dollars), with the majority of spend allocated to infrastructure of $599 million and the remainder on corporate or commercial based assets as detailed below.

Whilst the AMPs include all forecast renewal expenditure, there are significant renewals identified within the AMP over the next 10 years. This section and the table below exclude them for the purposes of identifying funding pathways to ensure intergenerational equity.

Significant Renewals

It is worth noting that mid-long term, the LTFP reflects significant assets that will require renewal in accordance with our AMPs. The current assumption within the LTFP is that Levels of Service will remain the same.

It is also assumed that all significant renewals will be funded 100% by Council with assistance from other spheres of government through advocacy efforts where available. However, the risk and opportunities section of this document highlights the required actions of Council to reduce the burden of these significant renewals in future years.

Adelaide Bridge

The Transportation AMP assumes that the Adelaide Bridge will be renewed on a like-for-like basis with existing load bearing. This once in a generation renewal will place substantial pressure on the existing ratepayer base. As such, ongoing structural audits are being undertaken in conjunction with an options analysis to provide more detailed approaches and costs. For the purposes of the LTFP, it is renewal with existing load bearing is assumed with Council funding 75% of the renewal based on existing grant funding programs available (yet to be secured).

This holding position paves a way forward for continued advocacy with other levels of government.

Table 1: Summary of 10-Year Asset Renewal program

10 Year Asset Renewal Program $'000s	100% AMP Un-indexed	Renewal Program Un-indexed	Renewal Program Indexed
Transportation	276,205	267,663	299,905
Buildings	110,509	106,977	119,573
Water Infrastructure	85,970	83,378	93,590
Urban Elements	48,822	47,340	53,114
Lighting & Electrical	48,764	47,347	53,281
Park Lands & Open Space	28,476	27,615	30,993
Total Infrastructure Renewals	**598,746**	**580,320**	**650,455**
Delivery Resources	61,240	59,311	66,367
Plant, Fleet & Equipment Replacement	34,688	33,589	37,566
Total Renewal & Replacement of Assets	**694,674**	**673,219**	**754,389**

Torrens Weir Structure

The Water Infrastructure AMP assumes that the Torrens Weir Structure will be renewed on a like-for-like basis. This once in a generation renewal will place substantial pressure on the existing rate payer base. As such, ongoing structural audits are being undertaken in conjunction with options analysis to provide more detailed information on potential approaches and costs. For the purposes of the LTFP, a like-for-like

Significant Renewals $'000s	Financial Year	Un-indexed	Indexed	External Funding
Adelaide Bridge	2027/28 - 2028/29	60,000	65,550	(15,000)
Torrens Weir Structure	2028/29 - 2029/30	40,000	44,700	(26,666)
Rundle Upark	2029/30 - 2030/31	15,000	17,138	-

Table 2: Significant Renewals Costs and Timing

renewal is assumed with and Council funding 33% of the renewal based on existing grant funding programs available (yet to be secured). The options analysis being undertaken may recommend an alternative solution for which new and upgraded funding will be required with a commensurate increase in debt. As such, this position is one of holding to progress development of the LTFP.

Rundle UPark

The Building AMP assumes that the UPark will be renewed on a like-for-like basis. The previous term of Council removed the like-for-like renewal from the LTFP on the basis that it would undertake an EOI process to explore joint venture opportunities that would realise the property's development potential, and that the EOI process would consider adaptable reuse opportunities.

Whist the future of the site is still to be determined, Council has resolved to reinstate the renewal of the UPark and associated income and expenditure into the LTFP. The renewal is assumed to be an extension of its useful life, rather than a replacement. A structural condition audit will determine risks, timing and associated costs with extending the useful life of the building, however for the purpose of the LTFP, a $15 million allocation has been included.

Asset Renewal Repair Fund

Council has recognised that maintaining an Asset Renewal Funding Ratio (ARFR) of below 100% for an extended period equates to an underinvestment in its assets and infrastructure. The 2023/24 to 2032/33 LTFP assumed returning to a 100% ARFR over four years. In 2024, the Council updated its AMPs, identifying an increase in funding requirement of $14.9 million per annum when compared to the previous AMPs and LTFP. This funding shortfall gave rise to the Asset Renewal Repair Fund (ARRF). The ARRF is the additional amount required to be expended on asset renewals as a result of the recently adopted AMPs, when compared to the previous AMPs

The AMPs, in line with adopted principles, are funded through operating revenue. The 2024/25 LTFP recognises the need to balance the community's capacity to pay while ensuring community expectation is met. As a result, Council has resolved to transition to a 100% ARFR over an 8 year period, reaching 100% in 2031/32. In addition, short term borrowings will be used to fund the ARRF, to ensure the increase spend required through the revised Asset Management Plans are smoothed through sustainable rate increases, mitigating the immediate burden that would otherwise be incurred by current ratepayers.

Adelaide Aquatic Centre

The Aquatic Centre ceased operations on 1 August 2024 and the site has been handed over to the State Government. Council has committed up to $20 million towards demolishing the existing Adelaide Aquatic Centre and reinstating parklands and community sports grounds.

The latest estimates and agreed contributions, based on high level projections result in an overall financial impact of:

- removal of all operating income and expenses post 1 August 2024
- recognition of a rehabilitation reserve for the demolition of the Centre in line with the latest estimates provided
- future capital commitment for the community level sports grounds

The expectation is that any transaction associated with the contribution towards demolition, rehabilitation and restatement of park lands will not have an operating position impact.

New and Upgraded Assets

New and Upgraded Assets, including property transactions and developments such as Central Market Arcade redevelopment and 88 O'Connell Street, have been incorporated in the LTFP where a Council decision or commitment to progress the project has been made.

The total spend on identified new and significant upgrades for the life of the LTFP is $176 million, as detailed below.

The 2023/24 to 2032/33 LTFP assumed a forward commitment of $15 million per annum for the entire life of the LTFP, in line with its commitment to upgrade Mainstreets. This has ramifications for the level of borrowings and associated costs which is discussed in more detail below.

The 2024/25 to 2033/34 LTFP adjusts the Capital Program in the outer years to fit within current Prudential Borrowing Limits (after considering all other LTFP components). Any forward commitment is subject to a Business Case approved by Council.

Table 3: New and Significant Upgrade Projects

Projects	Financial Year	$'000s
Central Market Arcade Redevelopment	2024/25 - 2025/26	24,696
Hindley Street Upgrade	2024/25 - 2025/26	14,220
Gouger Street Upgrade	2024/25 - 2026/27	14,500
O'Connell Street Upgrade	2024/25 - 2027/28	14,950
Melbourne Street Upgrade	2025/26 - 2027/28	6,500
Hutt Street Upgrade	2024/25 - 2026/27	12,450
Brown Hill Keswick Creek	2024/25 - 2033/34	3,200
Aquatic Centre Community Playing Field	2025/26	6,157
218-232 Flinders Street	2025/26 - 2026/27	1,000
Public Realm Greening Program	2024/25	1,700
Charles Street	2024/25	5,925
Upgrade to Park Lands Buildings (1.5% Rates Revenue)	2024/25 - 2033/34	25,237
Other ^	2024/265	22,604
Assumed forward Commitment	2028/29 - 2033/34	23,178
Total New and Upgraded Assets		**176,316**

During the 2024/25 BP&B process, Council made a commitment to invest 1.5% of Rates Revenue to Upgrade buildings within the Park Lands, equating to $25.2million in today's dollars over the life of the LTFP.

Where capital expenditure is in excess of $4 million (escalated in line with the Prudential Management Policy), prior to commencement, approval is subject to a prudential report being presented and considered by Council to understand the impact on the LTFP.

Depreciation, Amortisation and Impairment

Depreciation is informed by Infrastructure and Asset Management Plans and reflects increases in valuations and new asset additions.

Amortisation and impairments are determined by condition audits and revaluations. This has not been factored into the LTFP but will be incorporated into the base budget and LTFP each year, if and when adjustments are necessary.

Interest and Borrowings

Council's services, projects and infrastructure works are predominantly funded through rates, fees and charges, grants and subsidies. Borrowings are principally utilised for new and upgrade infrastructure projects, including city shaping projects such as the development of Central Market Arcade, significant community infrastructure and commercially focused projects with a financial return on investment.

For significant renewals, such as Adelaide Bridge and the Torrens Weir, debt may have to be utilised to deliver these projects. The LTFP assumes that Council funds these projects offset by drawing on debt. As such, Council's debt is set to increase significantly in the years in which this expenditure is forecast to occur. To mitigate the significant financial impact of these two projects, Council will need to actively seek funding assistance with these projects.

City of Adelaide has utilised the Deloitte Access Economics data as a source for projecting interest rates for the purposes of the LTFP. The rates are reviewed quarterly and are based on the latest information and indicators.

Council's Subsidiaries

City of Adelaide has three subsidiaries: Adelaide Central Market Authority; Adelaide Economic Development Agency; and Kadaltilla/Adelaide Park Lands Authority.

The LTFP assumes that service delivery of the subsidiaries will remain unchanged and is delivered at the same, consistent levels assumed in the 2024/25 annual budget.

Capital, funding and operating costs required for the Adelaide Central Market Authority expansion have been assessed for amounts and timing from 2024/25 onwards and have been incorporated into the LTFP. Increased operating revenues and expenses are assumed once the expanded Market begins to operate in 2026.

RISKS AND OPPORTUNITIES

Although the Long Term Financial Plan is based upon the latest available information, it is a future projection and is therefore subject to risk. It cannot anticipate inherent risks such as unforeseen economic, political, environmental and market changes and so on this basis should be considered as a guide to future actions and opportunities, a tool for Council to assess the long-term financial sustainability of its decisions.

Issue1: Council Rate Growth

Forecast growth in rate revenue has a material impact on the LTFP, as the growth factor is incorporated into the base for property valuations in the following year. Any changes to the growth forecast will impact on the outer financial years.

In 2024/25 Council sought valuations across the entire city. As such, rate revenue increased by 6.9% (including growth). This has elevated the base rate revenue and had a commensurate impact on revenue over the life of the LTFP.

Not withstanding this, it is crucial that revenue keeps pace with increases in costs to ensure that Council can continue to deliver services at current levels.

Council Action:

Market indicators, combined with analysis from the Council rates and valuations team, will be closely monitored and assumptions for rates growth will be updated with the latest available data.

Issue 2: Government Legislation

The LG reform has introduced a Rates Oversight scheme to be monitored by the Essential Services Commission (ESCOSA). The potential impact of such legislation is still to be gauged, however it could impact Council's capacity to increase rates in response to emerging financial challenges.

Council Action

To continue to work with ESCOSA, the LGA and SA Government working groups to ensure a fair and equitable rating system is maintained to enable sustained delivery of community services.

Issue 3: Fees and Charges

During 2023/24, patronage across the City returned to pre-COVID-19 levels. In the 2024/25 annual budget, approximately 36% of Council's income is derived from fees and charges, including on-street parking, parking expiations and off street parking. Through the COVID-19 pandemic, Council experienced a loss in this revenue stream, where it became apparent how reliant Council was on this income source to deliver its services.

Council Action:

The ongoing recovery of fees and charges will be monitored on a quarterly basis, with the LTFP updated as required.

Issue 4: Interest rates

Interest rates are currently at levels significantly above the historical low experienced over the last few years as the Reserve Bank of Australia sought to stimulate the economy to ward of the negative effects of the global pandemic and are now using sustained higher interest rates in an attempt to control inflation.

There has been much speculation on whether interest rates will be held at current levels for some time or start to decline in 2024. With current CPI levels, interest rates are likely to be maintained at current levels until the Reserve Bank reaches its target for inflation of between 2-3%.

With the investment mindset of the current Council, debt levels are expected to increase and as such, changes in interest rates could have either a beneficial or negative impact on the LTFP.

Council Action:

Council's current interest rate is 5.60%. Deloitte Access Economics interest rate forecasts can be seen in Table 3: Interest Rate Projections. Notwithstanding this, the risk of potential increases in interest rates will be monitored and mitigated where possible in accordance with Council's Treasury Policy.

Issue 5: External Funding

The LTFP has been prepared on the basis that Council's operating income is expected to fully fund all service delivery and asset renewals. However, it is common for other levels of Government to offer various grant programs which provide assistance to Council to fund larger projects. With the exception of the Significant Renewals, where there is certainty in those funding sources, they have been included in the LTFP; if uncertain then the assumption is that Council will provide 100% funding. This is a conservative position for Council and leaves an opportunity to ensure the burden of funding these projects are transparent to the community and allows for discussion with other levels of Government for consideration.

Council Action:

Strategic items that will require significant funding over the next 10 years are characterised as significant renewal projects. Council will continue to have open discussions with all levels of government to ensure significant city assets are funded appropriately without placing the sole burden on ratepayers and seek contributions from all those who experience the City and its surrounds.

Issue 6: Delivery of Property Strategy and Action Plan

The LTFP includes the delivery of the property strategy and action plan endorsed by Council. This action plan is based around divesting non-performing assets and allocating the proceeds to the Future Fund.

The delivery of this plan is subject to variables, and in particular market conditions. The sale of substantial assets must be timed and managed to ensure maximum value is achieved and is strategically aligned.

Council Action:

Identified assets will be reviewed on a regular basis and forward actions will continue to be updated as property asset performance changes over time. This will ensure the optimum use of the property portfolio.

Each identified property asset will be the subject of further detailed analysis with the results of such further investigations to be the subject of Council Member consideration and decision making.

Issue 7: Wages and Materials inflationary pressures

The impacts of COVID-19 on the global supply market have been significant and continue to have an impact. Government stimulus initiatives pushed prices higher resulting from higher demand. This was exacerbated by the war in the Ukraine with the flow-on effects being felt globally, particularly with regard to energy-reliant commodities and products.

Whilst increases are easing, the cost of materials hit 20-year highs, with some material costs presenting between 20%- 40% greater than in recent years. These material costs are most significant in the infrastructure markets and have created not only cost pressures but also delivery issues in the market. The market is still heavily weighted in favor of the vendors.

And while costs increased significantly, wages did not immediately follow suit. However, the pressure on governments to manage these two significant factors in the economy have been increasing and are a risk to sustainability. There is an expectation that wages will start to trend upwards however this is minimal based on current data. The ability for Council to influence these is limited and as a result City of Adelaide will continue to be a price taker which could result in increased costs for some time to come, particularly in the short to medium term of the LTFP.

Issue 8: Asset Valuations

The cost of materials noted above may also impact the value of Council's assets. Council undertakes Asset Valuations on a regular basis and within a 5-year period in line with Legislation. Where asset valuations increase, it is a result of the cost to construct those assets. This has an impact on Council's AMPs and operating position through the renewal of assets and annual depreciation expense.

Council Action:

While legislation dictates that asset revaluations must be performed every 5 years, Council will undertake a desktop revaluation through an indexation of unit rates on an annual basis to smooth any large increases between valuations. These unit rates will also be utilised to update the AMPs. This will ensure that both the LTFP through depreciation, and AMP through renewals are funded through rates revenue at the appropriate level.

SENSITIVITY ANALYSIS

In order to test the assumptions contained within the LTFP, a range of sensitivity analysis have been undertaken. Only those with material impacts have been included, noting the sensitivities related to CPI and interest rate variations are immaterial in relative terms. For example, a 1% movement in CPI does not have a material impact on the financials and hence to the users of the LTFP, as both income and expenditure are inflated by CPI across the LTFP.

Asset Renewal Funding Ratio (AFRF)

The 2023/24 adopted LTFP assumed a transition to 100% ARFR over 4 years from 2023/24 to 2027/28. The 2024/25 LTFP has extended that transition to 8 years, primarily as a result of the increase funding required through the recently adopted AMPs, to reduce the short term impact on ratepayers. The following analysis compares the ARFR transition over 4 and 8 years showing the relative impact on rates revenue.

Asset Renewal Repair Fund (ARRF)

As identified within this document, Council has recently updated its AMPs, identifying an increase in funding requirement of $14.9 million per annum over the life of the LTFP when compared to the previous AMPs and LTFP. This funding shortfall represents Asset Renewal Repair Fund (ARRF).

AMPs are to be funded through operating revenue, and by recognising the need to balance the community's capacity to pay while ensuring community expectation is met, the parameters within this LTFP assumes the use of short term borrowings to fund the ARRF. The following table compares the impact on rates revenue if the increase in funding requirement was not smoothed over a 3 year period. The impact on 2025/26 is an increase in rates revenue of 6.7% above CPI.

Significant Renewals

As identified within this document, in the mid-long term, the LTFP reflects significant renewals required in accordance with our AMPs. These assets by nature are intergenerational, and as such, it is intended to fund them through external contributions, in addition to borrowings. This will eliminate the burden on existing rate payers, and smooth the cost over those who will benefit from the assets.

As the external funding is not yet secured, there is a risk that Council will need to pay for the entire renewal of the assets of $115 million (an increase of $42 million in excess of the current assumption). In this event, Council will exceed its Prudential Borrowing Limit (assuming all else remains constant) or reduce its ability to deliver on new and upgraded assets assumed in the LTFP.

If additional funding is secured to renew these significant assets, then either a reduction in borrowings, and / or additional funding will be available for new and upgraded assets.

Mainstreets

In the 2023/24 Budget decision, Council committed to funding the delivery of five Mainstreet Upgrades within the current term of council. The allocation within the LTFP is $62.6 million within new and upgrade assets, which limits the funding available

Table 4: Impact of Spreading Asset Renewal Repair Fund over 3 Years

Renewal Impact on Rate Revenue	2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		20230-31		2031-32		Total Increase	
$000's	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%
Asset Renewal Repair Fund (exc ARFR Increase) over 1 year	4,582	3.4%	9,330	6.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	13,912	10.12%
Asset Renewal Repair Fund (exc ARFR Increase) over 3 years	4,582	3.4%	3,110	2.2%	3,110	2.0%	3,110	2.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	13,912	9.65%
Variance	**-**	**0.0%**	**6,220**	**4.5%**	**(3,110)**	**(2.0%)**	**(3,110)**	**(2.0%)**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**0**	**(0.46%)**

to deliver on other new and upgraded projects outside of the commitment to Mainstreets.

Renewal Impact on Rate Revenue	2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		20230-31		2031-32		Total Increase	
$000's	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%
ARFR Transition over 4 years	1,514	1.1%	1,514	1.1%	1,764	1.2%	1,760	1.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	6,552	4.50%
ARFR Transition over 8 years	1,514	1.1%	606	0.4%	705	0.5%	704	0.5%	704	0.4%	705	0.4%	704	0.4%	1,058	0.6%	6,701	4.36%
Variance	**-**	**0.0%**	**908**	**0.7%**	**1,058**	**0.7%**	**1,056**	**0.7%**	**(704)**	**(0.4%)**	**(705)**	**(0.4%)**	**(704)**	**(0.4%)**	**(1,058)**	**(0.6%)**	**(149)**	**0.14%**

Table 5: Impact of Transitioning to 100% ARFR over 8 Years

Asset Renewal Funding Ratio	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	20230-31	2031-32	Total Increase
ARFR Transition over 4 years	92.5%	95.0%	97.5%	100.0%	100.0%	100.0%	100.0%	100.0%	**7.5%**
ARFR Transition over 8 years	92.5%	93.5%	94.5%	95.5%	96.5%	97.5%	98.5%	100.0%	**7.5%**
Variance	**0.0%**	**1.5%**	**3.0%**	**4.5%**	**3.5%**	**2.5%**	**1.5%**	**0.0%**	**0.0%**

Table 6: Asset Renewal Funding Ratio

	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	years
Current Mainstreet Allocation											
Hindley Street Upgrade	4,980	9,240	-	-	-	-	-	-	-	-	**14,220**
Gouger Street Upgrade	1,250	4,000	9,250	-	-	-	-	-	-	-	**14,500**
O'Connell Street Upgrade	1,000	1,500	1,000	11,450	-	-	-	-	-	-	**14,950**
Melbourne Street Upgrade	100	1,400	1,000	4,000	-	-	-	-	-	-	**6,500**
Hutt Street Upgrade	1,250	5,000	6,200	-	-	-	-	-	-	-	**12,450**
Total Current Mainstreet Allocation	**8,580**	**21,140**	**17,450**	**15,450**	**-**	**-**	**-**	**-**	**-**	**-**	**62,620**
Deferral Option											
Hindley Street Upgrade	4,980	9,240	-	-	-	-	-	-	-	-	**14,220**
Gouger Street Upgrade	-	-	-	1,250	4,000	9,250	-	-	-	-	**14,500**
O'Connell Street Upgrade	-	-	-	-	1,000	1,500	1,000	11,450	-	-	**14,950**
Melbourne Street Upgrade	-	-	-	-	-	100	1,400	1,000	4,000	-	**6,500**
Hutt Street Upgrade	-	1,250	5,000	6,200	-	-	-	-	-	-	**12,450**
Total Deferral Option	**4,980**	**10,490**	**5,000**	**7,450**	**5,000**	**10,850**	**2,400**	**12,450**	**4,000**	**-**	**62,620**
Variance	**3,600**	**10,650**	**12,450**	**8,000**	**(5,000)**	**(10,850)**	**(2,400)**	**(12,450)**	**(4,000)**	**-**	**-**

Table 7: Effect of Spreading Mainstreets Program

One option available is to defer the delivery of these upgrades to one Mainstreet at a time, planning and designing the next upgrade as the current upgrade is delivered. This will provide capacity to deliver on other priorities within Council's adopted strategies, including the Strategic Plan and Integrated Climate Strategy.

KEY FINANCIAL INDICATORS

A suite of financial indicators (KFIs) is used to measure Council's financial performance, to guide decision making on major projects and significant components within the LTFP, and to secure its continued financial sustainability.

Three nationally recognised financial sustainability indicators have been adopted in principle by Local Government in Australia and are utilised by City of Adelaide. These are:

- The Operating Surplus Ratio
- The Net Financial Liabilities Ratio
- The Asset Renewal Funding Ratio.

Council also considers an additional four indicators to review the ability to borrow in line with its Prudential Borrowing Limit:

- Asset Test Ratio
- Interest Expense Ratio
- Leverage Test Ratio
- Cashflow from Operations Ratio.

For each indicator a description of exactly what is being measured, an explanation of the target, the projected results (shaded in green when the result is within target, orange when near being outside of the target range and red when the result is outside the target range) and a summary of the explanation of LTFP projected results from the analysis is provided.

It is important to understand that any stand alone one year does not define Council's financial sustainability. Sustainability refers to the achievement of the ratio targets in more years than less in a long term period. For example, significant one-off items can have an impact in a given year without affecting the ongoing sustainability of Council. The effects of the Adelaide Bridge, Rundle UPark and Torrens Weir are good examples of this.

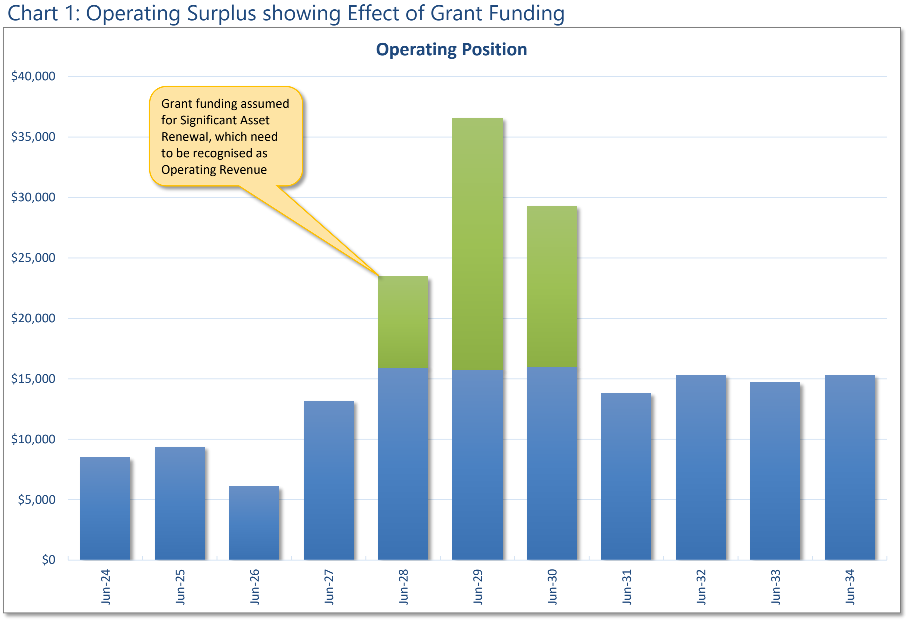
Operating Surplus

This indicator represents the difference between day-to-day income and expenses for a period.

A council's long-term financial sustainability is dependent upon ensuring that, on average over time, its expenses are less than associated revenues. If a council is not generating an operating surplus in most periods then it is unlikely to be operating sustainably. The target is to achieve between $2m and $10m in any given year.

The chart below shows the impacts of key assumptions assumed in the LTFP. In particular, the assumption to continue to invest in new and upgraded projects (to meet the emerging needs of the community) results in a higher level of assets, and related borrowings. As such, increased depreciation (from a higher asset base) and interest costs (from higher borrowings) see expenses growing at a faster rate than revenue (which is largely based on CPI increases). Depreciation is further exacerbated by the significant increase in the costs to deliver assets, both renewal and new and upgrade (refer Risks and Opportunities Section).

Chart 1: Operating Surplus showing Effect of Grant Funding



Operating Surplus Ratio

Definition: Operating surplus as a

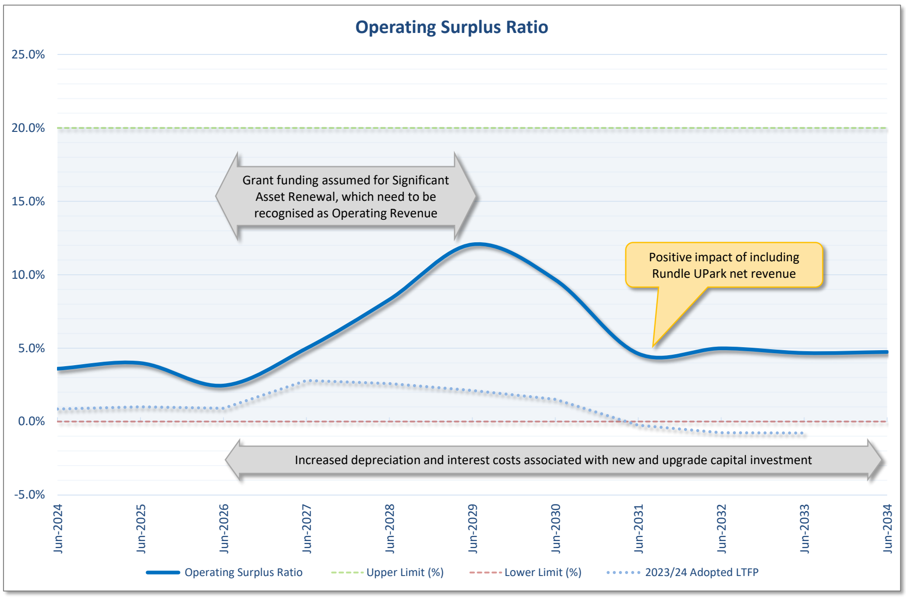


Chart 2: Operating Surplus Ratio

percentage of operating revenue

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

Target: The *Local Government Act (SA) 1999* target is to achieve an average operating surplus ratio between 0% and 10% over any five-year period. However, as a Capital City Council, the City of Adelaide has significant responsibilities in improving its public realm and considers that an average operating surplus ratio between 0% and 20%, over any five-year period, is a more appropriate target. A result in excess of this may indicate that council is setting rates and/or other fees and charges at levels well in excess of expenses and this has negative intergenerational equity implications.

In addition, operating deficits are not sustainable or equitable in the long term as they result in services consumed by current ratepayers being paid for by future ratepayers. A fair and equitable tax system is one in which taxes paid by each generation is in proportion to the benefits each generation receives.

Explanation of LTFP Projected Results: The ratio sits within target ranges over the life of the LTFP, reflecting sustainable surpluses based on as increase to base rating revenue to fund renewals, followed by CPI increases thereafter. Of note is the sharp increase from 2028-2029 which reflects treating grant income associated with significant renewals as operating revenue.

The underlying structural budget is sustainable over the life of the LTFP.

Net Financial Liabilities

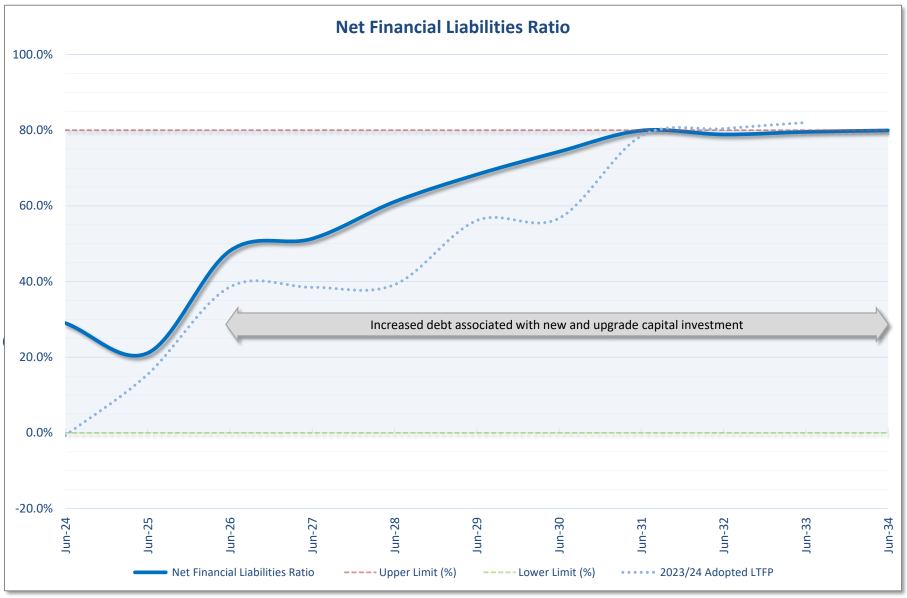
This indicator represents the money owed to others less money held, invested or owed to Council.

A council's indebtedness should be managed to ensure its liabilities and associated costs can be met without the prospect of disruptive service cuts and/or excessive rate increases (ie without impinging on financial sustainability). There is in essence no right or wrong target level for net financial liabilities (defined as total liabilities less financial assets) as this depends on infrastructure plans. The ideal target is that net financial liabilities are no greater than annual operating revenue and not less than zero.

Net Financial Liabilities Ratio

Definition: Financial liabilities as a percentage of operating income

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



Target: The LGA recommends that the target for Net Financial Liabilities should be greater than zero (and less than 100%, that is, the amount owed is equal to or less than total annual income). A target below zero indicates that Council places a higher priority on accumulated financial assets than applying funds generated from ratepayers to the provision of services and/or infrastructure renewal. This could leave a council open to accusations that it is overcharging ratepayers relative to its funding needs.

The more conservative target set by City of Adelaide is that liabilities as a percentage of total operating revenue will not exceed 80%.

Explanation of LTFP Projected Results: City of Adelaide's net financial liabilities are within the prescribed target for the life of the plan. Lower ratios in the short term highlight low levels of debt, steadily increasing over the life of the LTFP reflecting increased borrowings to deliver on Council's commitment to invest in new and upgraded assets and fund a large proportion of significant renewals.

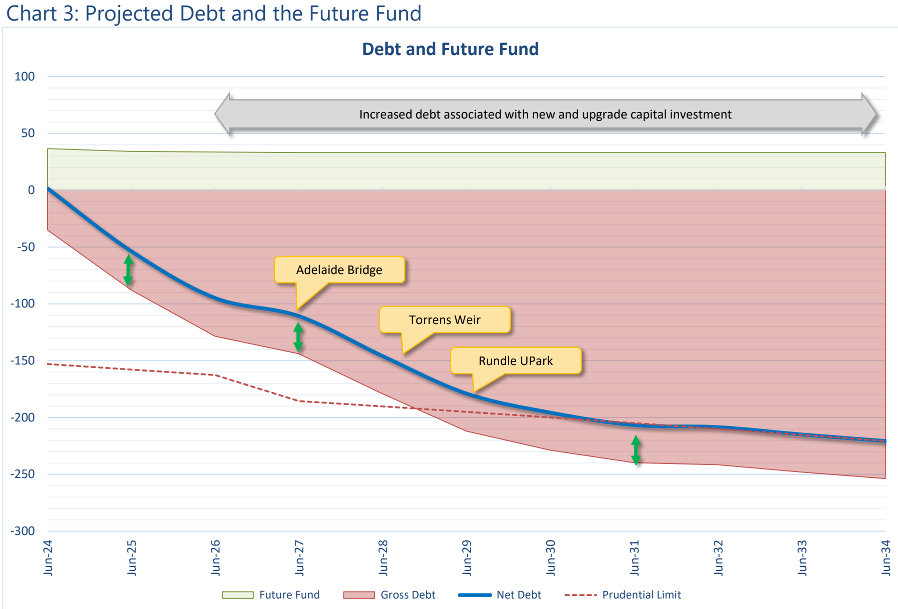
Note that Councils new and upgrade capital program has been adjusted from 2028/29 onwards to work within existing prudential limits.

Any increase in contributions towards the significant renewals will allow Council to either maintain a lower level of debt and/or invest more in new and upgrade projects.

The level of borrowings is projected to be within acceptable prudential limits, assisting Council to maintain long-term sustainability. Typical prudential limits set by financial institutions as part of covenants associated with loans are around 80% of asset values. Council has therefore set a conservative limit at 50% of saleable property assets (see below), providing additional comfort in excess of generally accepted banking norms.

It should be noted that the Council has created a Future Fund that ring fences proceeds from the sale of surplus or underperforming assets, to reinvest into revenue generating assets. The funds generated from asset sales effectively offset the level of borrowings Council would otherwise incur had the assets not been disposed. Accordingly, Council pays less interest over time, incurring interest on a lower 'offset' balance of borrowings.

Chart 3: Projected Debt and the Future Fund



Asset Renewal Funding Ratio (ARFR)

Definition: Expenditure on asset renewals as a percentage of forecast expenditure required as per the asset management plans.

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

Target: A ratio lower than 100% suggests that Council is not maintaining assets and infrastructure in order to optimise asset lives. A ratio higher than 100% suggests that Council is replacing assets earlier than needed or at a level in excess of that set in the asset management plans. Adoption of a target ratio between 90% and 110%, is in line with the *Local Government Act (SA) 1999*.

Explanation of LTFP Projected Results: It is assumed that over the long term financial plan, asset renewals will be funded in line with the Infrastructure & Asset Management Plans. In the previous term, Council resolved to set the ARFR (previously the Asset Sustainability Ratio) at 90%. This term of Council recognises the potential impact of this decision and the possible under-investment in assets and infrastructure and, as such, the LTFP assumes transitioning the ARFR from 90% to 100% over the next eight years. Averages for asset renewal reflect an even performance over the life of the plan. The ratio from 2031/32 onwards is directly representative of the transition from 90% to 100%. This ratio should be continually monitored as asset management plans are reviewed and updated.

Prudential Limits (Borrowings)

Definition

- Asset Test Ratio: Borrowings as a percentage of total saleable property assets
- Interest Expense Ratio: Annual interest expense relative to General Rates Revenue (less Landscape Levy)
- Leverage Test Ratio: Total borrowings relative to General Rates Revenue (less Landscape Levy) expressed as the number of years of General Rates Revenue required to repay borrowings

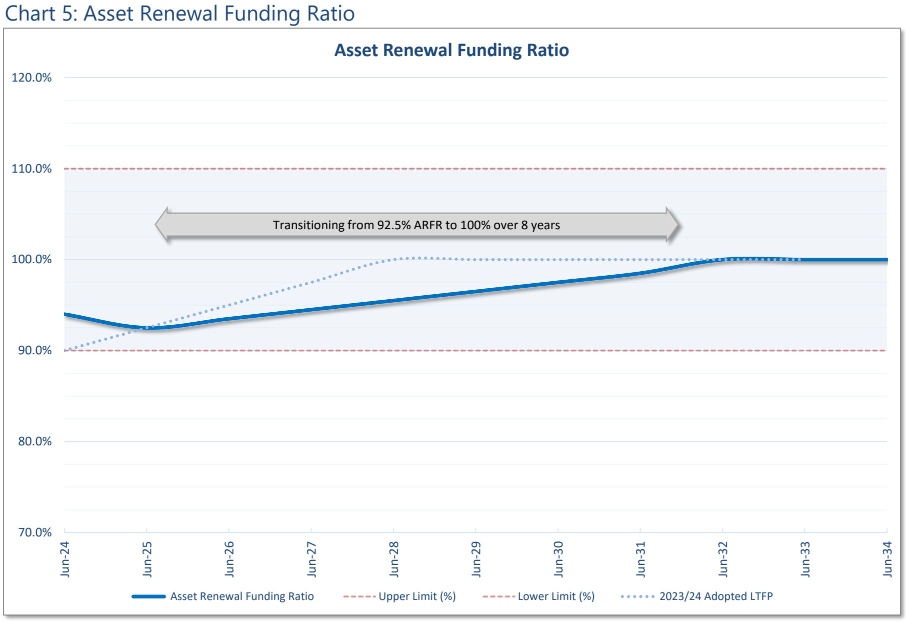
What is being measured: The maximum level of debt is prescribed by Council by way of prudential limits. While Council does not place a physical monetary limit on the level of borrowings, an upper limit is determined through its financial indicators. When borrowing, Council will consider these indicators in terms of total borrowings, and the ability to service the interest incurred and debt repayments.

Target: The Treasury Policy reviewed in 2022 ensures Council's ability to manage cash and borrowings in accordance with prescribed limits.

The Prudential limits set within the Treasury Policy are:

- Asset Test Ratio: Maximum of 50%

Chart 5: Asset Renewal Funding Ratio



- Interest Expense Ratio: Maximum of 10%
- Leverage Test Ratio: Maximum 1.5 Years

Prudential limits are breached when one of the ratios fall outside the targets stipulated in the policy. The breach must be reported with remediation actions to the CEO immediately.

Explanation of LTFP Projected Results: City of Adelaide's borrowings are within the prescribed targets across the Long Term Financial Plan.

The Asset Test Ratio shows that Council has capacity in its total saleable assets to be able to meet the repayment of borrowings should the assets need to be sold in order to repay debt.

The increasing ratioThe increasing ratio reflects the cumulative impact of utilising debt to deliver on Council's commitment to invest in the City, in addition to debt required to fund significant renewals (that is, the Torrens Weir, Adelaide Bridge and Rundle UPark). This has limited the ability to deliver new and upgraded assets from 2029/30 to remain within the target ratio. The sale and development of property assets will impact prudential limits, and hence the Asset Test Ratio, in periods where transactions occur.

Similarly, the steady increase in borrowings sees the Interest Expense Ratio for the life of the plan increasing, albeit sitting comfortably within the target range and beginning to reduce from 2032/33.

The Leverage Test Ratio indicates the time it would take to repay borrowings from general rates revenue. The plan supports Council's ability to repay the debt if called upon from less than 1½ year's rates revenue in any year of the plan, and tracks in line with the other two prudential borrowing indicators.

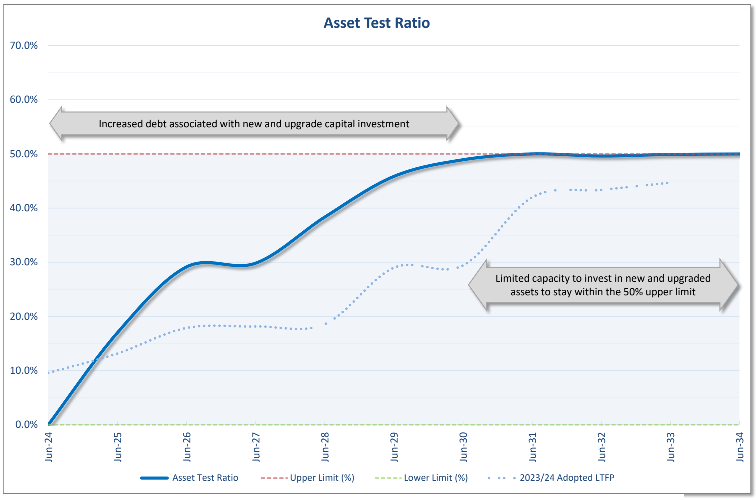


Chart 6: Asset Test Ratio

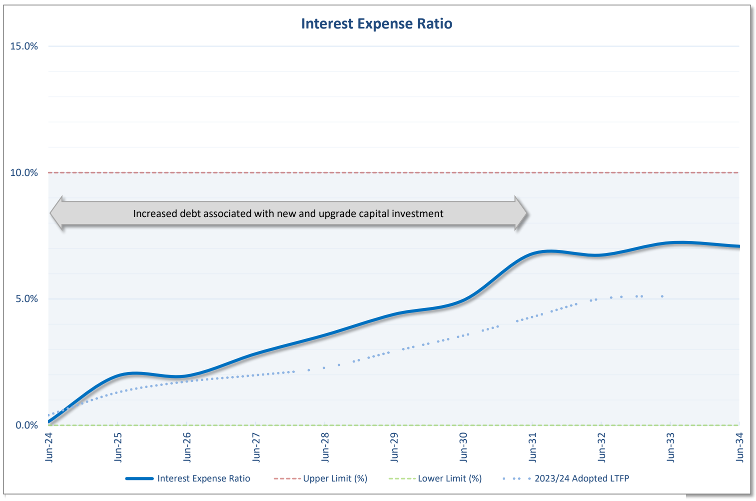


Chart 7: Interest Expense Ratio

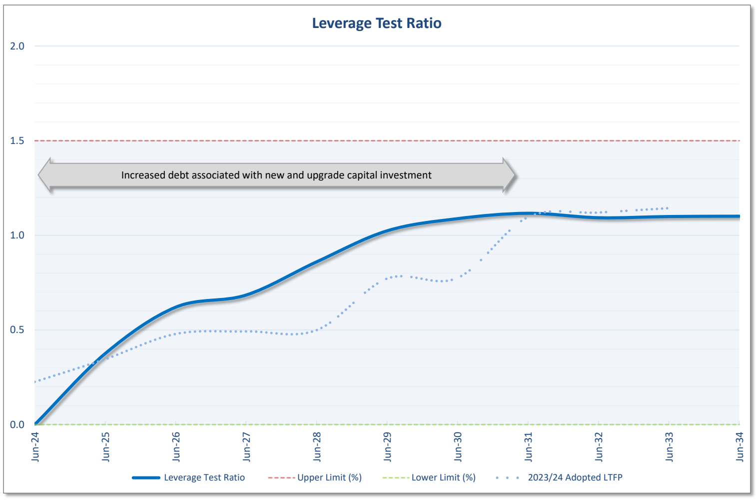


Chart 8: Leverage Test Ratio

Cashflow from Operations Ratio

Definition: Operating Income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets.

What is being measured: This ratio measures Cash Flow from Operations as a percentage of forecast expenditure in the asset management plans, in addition to expenditure on delivering services.

This indicator shows whether Council is generating adequate cash from its operations to cover the replacement of assets over time.

A lower ratio indicates that Council is not generating enough cash from operations to cover asset replacement (less than 100%). As a result, Council will need to fund the replacement of assets from unsustainable sources of income resulting in increased levels of borrowings over time.

<u>Target</u>: A result greater than 100% suggests Council's operations will generate enough cashflow to support the funding of asset replacement over time.

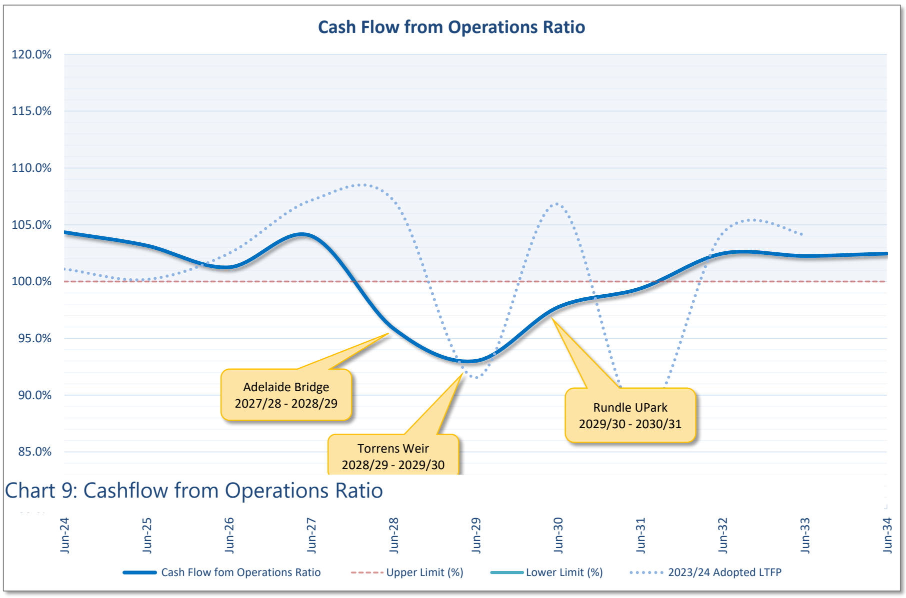


Chart 9: Cashflow from Operations Ratio

<u>Explanation of LTFP Projected Results</u>: Most years of the LTFP project a positive result. Years 4 to 7 of the plan reflect the significant renewals required in these years.

This ratio highlights the risk in Council's ability to fully fund the larger renewals that are identified in the LTFP. This is not to suggest deficiency in

renewal, but rather highlight the opportunity in advance to seek alternative funding sources such as State or Federal grants to assist with the funding of significant asset renewal projects for the benefit of the wider SA metropolitan area.

The underlying structural cashflow (that is, adjusting for expenditure on significant renewals) delivers an average projection between 100% and 105%, suggesting Council's cashflow is sustainable.

FINANCIAL STATEMENTS

Explanation of the Financial Statements

The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity and are used by wide range of stakeholders in making economic decisions. To meet this objective, financial statements provide information about an entity's:

- Assets
- Liabilities
- Equity
- Income and expenses, including gains and losses
- Cash flows.

Statement of Comprehensive Income

The Statement of Comprehensive Income provides information about the financial performance of Council. It provides a summary of all the sources of operating revenue and expenditure; the difference is known as the operating surplus / (deficit).

The Net Surplus / (Deficit) represents the operating position with the inclusion of asset disposal and fair value adjustments, being the gain or loss on the sale of replaced assets, assets surplus to requirement, and fair value adjustments for investment property. Any amounts received for new and upgraded assets are also included in the Net Surplus.

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss and include items such as changes in the valuation of infrastructure, property, plant & equipment, and any actuarial gains on the defined benefit plan.

Statement of Financial Position

The Statement of Financial Position presents the financial position of Council at a given date. It comprises three main components: assets, liabilities and equity.

The difference between the assets and liabilities is known as the net assets or equity of Council.

Current Assets and Liabilities are short- term and due within one year. Non- Current Assets and Liabilities represent longer term amounts that are due beyond 12 months.

Statement of Changes in Equity

The Statement of Changes in Equity reflects the movement in equity reserves during the period, being the financial performance of the year plus any other comprehensive income gains.

Statement of Cash Flows

The Statement of Cash Flows represents the amount of cash and cash equivalents entering and leaving the Council. It measures how well Council manages its cash position, meaning how well it generates cash to pay its debt obligations and fund its operating expenses and capital investments.

The main components of the cash flow statement are:

- Cash from operating activities, being the sources and uses of cash to fund Council operations and deliver services
- Cash from investing activities, being the capital investment on the renewal / replacement of existing assets and new / upgraded assets, as well as any sale proceeds and amounts received for the new / upgraded assetsCash from financing activities, which includes the proceeds and repayment of borrowings.

Uniform Presentation of Finances

The primary objective of the Uniform Presentation of Finances is to ensure that all councils provide a consistent set of core financial information in their financial statements, enabling meaningful comparisons of each council's position.

The statement highlights:

- The Operating Surplus / (Deficit) measure which is considered a critical indicator of a Council's financial performance

- The Net Outlays on Existing Assets represents the capital investment on the renewal and replacement of existing assets adjusted for all depreciation, amortisation and impairment from the operating surplus / (deficit), given its non-cash nature. Depreciation is defined as the cost of an asset spread over the useful life of the asset, and is an indication of what Council should be spending on renewing or replacing assets annually. If depreciation is higher than capital investment, it suggests that our assets are not being replaced at the same level that they are being utilised, and could indicate that a higher investment may be required in future years.

Note that significant renewals are allowed for in the annual depreciation however the expenditure made in the periods required will see a significant mismatch between depreciation and annual expenditure in that period.

Net Outlays on Existing Assets also includes proceeds from the sale of replaced assets (e.g. plant and fleet).

The Net Outlays on New and Upgraded Assets represents the capital investment on new and upgraded assets (including investment property) and amounts received specifically for new and upgraded assets (e.g. Grant funding).

It also includes proceeds from the sale of surplus assets. This includes investment property and non-current assets held for sale.

The Net Lending / (Borrowing) for Financial Year result is a measure that takes account both operating and capital activities for the financial year.

A Net Lending position indicates that Council has repaid debt or increased reserves from activities.

A Net (Borrowing) position indicates that Council has required additional debt to fund its activities.

A zero result in any one year means that Council has covered all its expenditure (both operating and capital) from the current year's income.

FINANCIAL STATEMENTS

Statement of Comprehensive Income										
$'000s	**2024-25 Budget**	**2025-26 Plan**	**2026-27 Plan**	**2027-28 Plan**	**2028-29 Plan**	**2029-30 Plan**	**2030-31 Plan**	**2031-32 Plan**	**2032-33 Plan**	**2033-34 Plan**
Income										
Rates Revenues	144,908	154,896	163,902	171,850	176,888	182,021	187,282	193,028	197,863	202,809
Statutory Charges	16,893	17,400	17,835	18,281	18,738	19,206	19,686	20,178	20,683	21,200
User Charges	67,399	68,941	76,600	78,515	80,478	82,490	84,552	86,666	88,833	91,054
Grants, Subsidies and Contributions	4,842	4,646	4,762	4,881	5,003	5,128	5,257	5,388	5,523	5,661
Grants, Subsidies and Contributions - Capital	-	-	-	7,500	20,833	13,333	-	-	-	-
Investment Income	166	171	176	180	184	189	194	199	204	209
Reimbursements	150	155	159	163	167	171	175	180	184	189
Other Income	866	892	915	937	961	985	1,009	1,035	1,061	1,087
Total Income	**235,225**	**247,101**	**264,348**	**282,308**	**303,252**	**303,524**	**298,155**	**306,674**	**314,350**	**322,208**
Expenses										
Employee Costs	86,220	88,853	91,074	93,351	95,685	98,077	100,529	103,042	105,618	108,259
Materials, Contracts & Other Expenses	81,973	84,091	88,500	90,712	92,980	95,304	97,687	100,129	102,632	105,198
Depreciation, Amortisation & Impairment	56,857	64,462	66,471	68,287	69,985	71,665	73,382	75,210	77,137	79,120
Finance Costs	808	3,626	5,122	6,508	8,030	9,159	12,764	13,001	14,281	14,354
Total Expenses	**225,858**	**241,031**	**251,167**	**258,858**	**266,679**	**274,206**	**284,363**	**291,382**	**299,669**	**306,931**
Operating Surplus / (Deficit)	**9,367**	**6,070**	**13,181**	**23,450**	**36,573**	**29,318**	**13,793**	**15,291**	**14,681**	**15,277**
Physical Resources Received Free of Charge	-	-	-	-	-	-	-	-	-	-
Asset Disposal & Fair Value Adjustments	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	7,026	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	**16,393**	**6,070**	**13,181**	**23,450**	**36,573**	**29,318**	**13,793**	**15,291**	**14,681**	**15,277**
Changes in Revaluation Surplus - I,PP&E	-	18,470	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	18,470	-	-	-	-	-	-	-	-
Total Comprehensive Income	**16,393**	**24,540**	**13,181**	**23,450**	**36,573**	**29,318**	**13,793**	**15,291**	**14,681**	**15,277**

FINANCIAL STATEMENTS

Statement of Financial Position										
$'000s	**2024-25 Budget**	**2025-26 Plan**	**2026-27 Plan**	**2027-28 Plan**	**2028-29 Plan**	**2029-30 Plan**	**2030-31 Plan**	**2031-32 Plan**	**2032-33 Plan**	**2033-34 Plan**
ASSETS										
Current Assets										
Cash and Cash Equivalents	800	800	800	800	800	800	800	800	800	800
Trade & Other Receivables	45,116	13,630	14,581	15,571	16,725	16,740	16,444	16,914	17,337	17,770
Inventories	741	741	741	741	741	741	741	741	741	741
Total Current Assets	46,657	15,172	16,122	17,112	18,266	18,281	17,985	18,455	18,878	19,311
Non-Current Assets										
Financial Assets	679	611	550	495	445	401	361	325	292	263
Equity Accounted Investments in Council Businesses	2,258	2,578	2,898	3,218	3,538	3,858	4,178	4,498	4,818	5,138
Investment Property	2,968	2,998	3,028	3,058	3,089	3,120	3,151	3,183	3,214	3,247
Infrastructure, Property, Plant & Equipment	1,924,347	2,012,411	2,036,765	2,112,081	2,177,917	2,220,337	2,241,399	2,254,890	2,272,376	2,289,711
Other Non-Current Assets	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306
Total Non-Current Assets	1,931,559	2,019,904	2,044,547	2,120,159	2,186,296	2,229,022	2,250,396	2,264,202	2,282,007	2,299,665
TOTAL ASSETS	1,978,216	2,035,076	2,060,669	2,137,271	2,204,562	2,247,303	2,268,381	2,282,657	2,300,885	2,318,976
LIABILITIES										
Current Liabilities										
Trade & Other Payables	19,071	21,793	23,101	25,166	27,576	28,839	29,784	31,488	33,137	34,787
Provisions	21,596	15,114	15,492	15,879	16,276	16,683	17,100	17,528	17,966	18,415
Borrowings (Lease Liability)	5,142	5,264	4,649	5,066	5,066	5,066	5,066	5,066	5,066	5,066
Total Current Liabilities	45,808	42,172	43,243	46,111	48,918	50,588	51,951	54,082	56,169	58,268
Non-Current Liabilities										
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	53,677	94,834	110,771	145,944	178,864	195,625	206,553	208,411	214,874	220,591
Provisions	2,103	2,167	2,221	2,276	2,333	2,391	2,451	2,513	2,575	2,640
Borrowings (Lease Liability)	30,922	25,658	21,009	36,064	30,998	25,932	20,867	15,801	10,735	5,669
Total Non-Current Liabilities	86,703	122,659	134,001	184,284	212,195	223,949	229,871	226,724	228,185	228,900
TOTAL LIABILITIES	132,511	164,831	177,244	230,395	261,113	274,537	281,821	280,806	284,354	287,168
Net Assets	**1,845,705**	**1,870,245**	**1,883,426**	**1,906,876**	**1,943,449**	**1,972,766**	**1,986,559**	**2,001,851**	**2,016,531**	**2,031,808**
EQUITY										
Accumulated Surplus	807,169	813,739	827,419	850,869	887,442	916,760	930,553	945,844	960,525	975,802
Asset Revaluation Reserves	1,004,383	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853
Other Reserves	-	-	-	-	-	-	-	-	-	-
Future Reserve Fund	34,154	33,654	33,154	33,154	33,154	33,154	33,154	33,154	33,154	33,154
Total Council Equity	**1,845,705**	**1,870,245**	**1,883,426**	**1,906,876**	**1,943,449**	**1,972,766**	**1,986,559**	**2,001,851**	**2,016,531**	**2,031,808**

Statement of Changes in Equity										
$'000s	2024-25 Budget	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan
Balance at the end of previous reporting period	1,829,312	1,845,705	1,870,245	1,883,426	1,906,876	1,943,449	1,972,766	1,986,559	2,001,850	2,016,531
a. Net Surplus / (Deficit) for Year	16,393	6,070	13,181	23,450	36,573	29,318	13,793	15,291	14,681	15,277
b. Other Comprehensive Income	-	18,470	-	-	-	-	-	-	-	-
Total Comprehensive Income	16,393	24,540	13,181	23,450	36,573	29,318	13,793	15,291	14,681	15,277
Balance at the end of period	1,845,705	1,870,245	1,883,426	1,906,876	1,943,449	1,972,766	1,986,559	2,001,850	2,016,531	2,031,808

FINANCIAL STATEMENTS

Statement of Cash flows										
$'000s	**2024-25 Plan**	**2025-26 Plan**	**2026-27 Plan**	**2027-28 Plan**	**2028-29 Plan**	**2029-30 Plan**	**2030-31 Plan**	**2031-32 Plan**	**2032-33 Plan**	**2033-34 Plan**
Cash Flows from Operating Activities										
Receipts										
Operating Receipts	232,801	245,087	263,397	281,318	302,098	303,509	298,451	306,204	313,927	321,774
Payments										
Finance Payments	(2,800)	(2,986)	(4,582)	(5,672)	(7,195)	(8,324)	(11,929)	(12,166)	(13,446)	(13,519)
Operating Payments to Suppliers and Employees	(167,291)	(171,601)	(178,883)	(183,225)	(187,665)	(194,051)	(199,924)	(204,031)	(209,157)	(214,353)
Net Cash provided by (or used in) Operating Activities	62,710	70,500	79,932	92,420	107,238	101,134	86,598	90,007	91,324	93,902
Cash Flows from Investing Activities										
Receipts										
Amounts Received Specifically for New/Upgraded Assets	6,026	-	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	18,500	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	500	500	500	500	500	500	500	500	500	500
Repayments of Loans by Community Groups										
Distributions Received from Equity Accounted Council Businesses										
Payments										
Expenditure on Renewal/Replacement of Assets	(56,022)	(67,936)	(70,198)	(105,007)	(130,454)	(108,644)	(88,928)	(83,100)	(84,863)	(86,624)
Expenditure on New/Upgraded Assets	(56,489)	(38,799)	(20,627)	(18,244)	(5,367)	(5,441)	(5,517)	(5,601)	(9,759)	(9,831)
Net Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(87,805)	(106,555)	(90,645)	(123,071)	(135,640)	(113,906)	(94,265)	(88,521)	(94,443)	(96,275)
Cash Flows from Financing Activities										
Receipts										
Proceeds from Borrowings	30,084	41,157	15,937	35,172	32,921	16,761	10,928	1,858	6,463	5,716
Payments										
Repayment from Borrowings	-	-	-	-	-	-	-	-	-	-
Repayment of Lease Liabilities	(4,989)	(5,102)	(5,224)	(4,521)	(4,518)	(3,989)	(3,262)	(3,344)	(3,344)	(3,344)
Net Cash provided by (or used in) Financing Activities	25,095	36,056	10,713	30,651	28,403	12,772	7,667	(1,486)	3,119	2,372
Net Increase (Decrease) in Cash Held	(0)	(0)	0	(0)	0	0	(0)	(0)	0	(0)
plus: Cash & Cash Equivalents at beginning of period	800	800	800	800	800	800	800	800	800	800
Cash & Cash Equivalents at end of period	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**

FINANCIAL STATEMENTS

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Uniform Presentation of Finances										
$'000s	**2024-25 Budget**	**2025-26 Plan**	**2026-27 Plan**	**2027-28 Plan**	**2028-29 Plan**	**2029-30 Plan**	**2030-31 Plan**	**2031-32 Plan**	**2032-33 Plan**	**2033-34 Plan**
Income										
Rates Revenues	144,908	154,896	163,902	171,850	176,888	182,021	187,282	193,028	197,863	202,809
Statutory Charges	16,893	17,400	17,835	18,281	18,738	19,206	19,686	20,178	20,683	21,200
User Charges	67,399	68,941	76,600	78,515	80,478	82,490	84,552	86,666	88,833	91,054
Grants, Subsidies and Contributions	4,842	4,646	4,762	4,881	5,003	5,128	5,257	5,388	5,523	5,661
Grants, Subsidies and Contributions - Capital	-	-	-	7,500	20,833	13,333	-	-	-	-
Investment Income	166	171	176	180	184	189	194	199	204	209
Reimbursements	150	155	159	163	167	171	175	180	184	189
Other Income	866	892	915	937	961	985	1,009	1,035	1,061	1,087
Total Income	235,225	247,101	264,348	282,308	303,252	303,524	298,155	306,674	314,350	322,208
Expenses										
Employee Costs	86,220	88,853	91,074	93,351	95,685	98,077	100,529	103,042	105,618	108,259
Materials, Contracts & Other Expenses	81,973	84,091	88,500	90,712	92,980	95,304	97,687	100,129	102,632	105,198
Depreciation, Amortisation & Impairment	56,857	64,462	66,471	68,287	69,985	71,665	73,382	75,210	77,137	79,120
Finance Costs	808	3,626	5,122	6,508	8,030	9,159	12,764	13,001	14,281	14,354
Total Expenses	225,858	241,031	251,167	258,858	266,679	274,206	284,363	291,382	299,669	306,931
Operating Surplus / (Deficit) before Capital Amounts	9,367	6,070	13,181	23,450	36,573	29,318	13,793	15,291	14,681	15,277
Net Outlays on Existing Assets										
CapEx on Renewal & Replacement of Existing Assets	(56,022)	(67,936)	(70,198)	(105,007)	(130,454)	(108,644)	(88,928)	(83,100)	(84,863)	(86,624)
add back Depreciation, Amortisation and Impairment	56,857	64,462	66,471	68,287	69,985	71,665	73,382	75,210	77,137	79,120
add back Amounts received specifically for Existing Assets	-	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Replaced Assets	500	500	500	500	500	500	500	500	500	500
Net Outlays on Existing Assets	1,335	(2,975)	(3,227)	(36,220)	(59,969)	(36,479)	(15,045)	(7,390)	(7,226)	(7,004)
Net Outlays on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	(56,809)	(39,119)	(20,627)	(18,244)	(5,367)	(5,441)	(5,517)	(5,601)	(9,759)	(9,831)
add back Amounts received specifically for New and Upgraded Assets	6,026	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets	18,500	-	-	-	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	(32,283)	(39,119)	(20,627)	(18,244)	(5,367)	(5,441)	(5,517)	(5,601)	(9,759)	(9,831)
Net Lending / (Borrowing) for Financial Year	**(21,581)**	**(36,024)**	**(10,673)**	**(31,014)**	**(28,763)**	**(12,603)**	**(6,770)**	**2,301**	**(2,305)**	**(1,558)**

KEY FINANCIAL INDICATORS

Financial Indicator	Explanation	Target	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	5 Year Average	10 Year Average
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	4.0%	2.5%	5.0%	8.3%	12.1%	9.7%	4.6%	5.0%	4.7%	4.7%	6.4%	6.0%
Net Financial Liabilities	Financial liabilities and a percentage of operating income	Less than 80%	21%	48%	51%	61%	68%	74%	80%	79%	80%	80%	50%	64%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	93%	94%	95%	96%	97%	98%	99%	100%	100%	100%	95%	97%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	17%	29%	30%	38%	46%	49%	50%	50%	50%	50%	32%	41%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	2.0%	2.0%	2.8%	3.6%	4.4%	4.9%	6.8%	6.7%	7.2%	7.1%	2.9%	4.7%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.4	0.6	0.7	0.9	1.0	1.1	1.1	1.1	1.1	1.1	0.5	0.8
Cash Flow fom Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	103%	101%	104%	96%	93%	98%	99%	102%	102%	102%	102%	100%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Prudential Limit $m	157.9	162.6	185.6	190.2	195.0	199.9	204.9	210.0	215.2	220.6	178.3	194.2
		Borrowings $m	53.7	94.8	110.8	145.9	178.9	195.6	206.6	208.4	214.9	220.6	81.0	141.0
		%	34%	58%	60%	77%	92%	98%	101%	99%	100%	100%	46%	72%
Operating Position	Operating Income less Expenditure	$2m - $10m	9.4	6.1	13.2	23.5	36.6	29.3	13.8	15.3	14.7	15.3	12.1	17.0
Future Fund	Proceeds from the sale of Council assets to fund new income generating assets or new strategic capital projects	N/A	34.2	33.7	33.2	33.2	33.2	33.2	33.2	33.2	33.2	33.2	33.8	33.8

KEY ASSUMPTIONS (INDICES)

Consumer Price Index (SA)

Rate %	2024-25 Budget	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan
CPI (SA)	3.3%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Interest Rates

Rate %	2024-25 Budget	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan
Interest Rate	5.6%	4.5%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%

GLOSSARY

Asset

Assets are future economic benefits controlled by the Council as a result of past transactions or other past events.

Asset Renewal Funding Ratio

(also known as the Asset Sustainability Ratio)

Expenditure on asset renewals as a percentage of forecast required expenditure in the infrastructure asset management plans.

Asset Test Ratio

Borrowings as a percentage of total saleable property assets.

Consumer Price Index (CPI)

The Consumer Price Index (CPI) is a measure of changes, over time, in retail prices of a constant basket of goods and services representative of consumption expenditure by resident households in Australian metropolitan areas. The simplest way of thinking about the CPI is to imagine a basket of goods and services comprising items typically acquired by Australian households. As prices vary, the total price of this basket will also vary. The CPI is simply a measure of the changes in the price of this basket as the prices of items in it change.

Equity

Equity is the residual interest in the assets of the Council after deduction of its liabilities.

Leverage Test Ratio

Total borrowings relative to rates revenue (less landscape levy)

Liability

Liabilities are the future sacrifices of economic benefits that the Council is presently obliged to make to other entities or organisations as a result of past transactions or other past events

Interest Expense Ratio

Proportion of Council's general rate income that is being used to service debt (interest).

Liquidity

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

Net Financial Liabilities

Financial liabilities as a percentage of operating surplus.

Operating Surplus Ratio

Operating surplus as a percentage of operating revenue