



Audit and Risk Committee

AGENDA & REPORTS

for the meeting

Friday, 9 August 2024
at 9.00 am

in the Colonel Light Room, Adelaide Town Hall

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Membership	The Lord Mayor 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum	3
Presiding Member	Nicolle Rantanen Reynolds
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) Mark Davies Paula Davies Simon Rodger Councillor Jing Li Councillor Phillip Martin (Proxy)

1 Acknowledgement of Country

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

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

2 Apologies and Leave of Absence

On Leave:

The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith

Apology:

Councillor Jing Li (Councillor Phillip Martin as Proxy)

3 Declaration of Conflict of Interest

4 Report

4.1	2023/24 Business Plan and Budget Quarter 4 update	3 - 77
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5 Workshop

5.1	2024/25 Long Term Financial Plan Update	78 - 115
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6 Closure

2023/24 Business Plan and Budget Quarter 4 Update

Friday, 9 August 2024

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

Michelle Arbon, Acting Manager
Strategy & Insights

Public

Approving Officer:

Anthony Spartalis, Acting Chief
Operating Officer

EXECUTIVE SUMMARY

This report presents the preliminary financial performance and delivery status of Council's commitments against the 2023/24 Business Plan and Budget (BP&B) for the fourth quarter (April to June 2024) for the Audit and Risk Committee's consideration. Included within this report is an overview of Portfolio and Project achievements as well as updates and performance for Council subsidiaries. This is a preliminary report with all financial figures still to be audited by BDO which will commence Monday 12th August.

As such the results are subject to change following finalisation of the financial statements, to be presented to Audit and Risk Committee at its meeting to be held on 27 September 2024.

The preliminary year end operating position for 2023/24 is an operating surplus of \$8.984 million, which is \$2.169 million favourable to the Q3 budget of \$6.815 million. The favourable variance of \$2.169 million consisted of increased revenue of \$4.128 million, offset by increased expenditure of (\$1.959 million). The original adopted budget at the start of the financial year was \$1.920 million, to which the preliminary results are \$7.064 million favourable.

The year end Capital Expenditure as at 30 June 2024 is \$90.766 million, which is \$8.790 million less than the Q3 budget of \$99.556 million. This is largely due to the timing of Central Market Arcade Redevelopment, Rymill Park Lake, and On-Street Parking Meter Replacement. Several major projects amounting to \$1.213 million have been re-timed to future years. The original adopted Capital budget was \$100.734 million.

Quarterly reports are provided to the Audit and Risk Committee in accordance with its Terms of Reference and its role in monitoring the integrity of Council's financial statements and reporting, in addition to its role in reviewing and overseeing Council's integrated Business Planning process. This reporting framework supports Council's commitment to transparency and accountability.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the 2023/24 Preliminary Financial Position as presented in Attachment A to Item 4.1 on the Agenda for the Special meeting of the Audit and Risk Committee held on 9 August 2024, which include:
 - 1.1 Total operating income of \$238.598 million (\$234.470 million estimated in Q3)
 - 1.2 Total operating expenditure (including depreciation) of \$229.614 million (\$227.655 million estimated in Q3)
 - 1.3 An operating surplus of \$8.984 million (\$6.815 million estimated in Q3)
2. Notes results presented are subject to external audit, and therefore are estimates at this stage.
3. Notes the Capital Works Quarter 4 update as presented in Attachment A to Item 4.1 on the Agenda for the Special meeting of the Audit and Risk Committee held on 9 August 2024, which include:
 - 3.1. Major Projects expenditure of \$27.338 million (\$28.551 million estimated in Q3)

- 3.2. New and Upgrades expenditure of \$9.343 million (\$16.862 million estimated in Q3)
 - 3.3. Renewals expenditure of \$54.085 million (\$54.143 million estimated in Q3)
 - 3.4. Capital Program expenditure of \$90.766 million (\$99.556 million estimated in Q3)
 - 3.5. Grant funding to support capital expenditure on new/upgraded assets of \$5.524 million (\$7.152 million estimated in Q3)
 4. Receives the Council Subsidiary Quarter 4 updates as provided as Attachments B, C, D and E to Item 4.1 on the Agenda for the Special meeting of the Audit and Risk Committee held on 9 August 2024.
 5. Notes that at the end of this Quarter 83% of Projects were capitalised within 10 weeks, exceeding the 70% target proposed by the Audit and Risk Committee at its meeting of 5 February 2021.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Quarterly reporting supports Council's <i>financial sustainability</i> objective within the Strategic Plan 2024-2028.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Quarterly reporting is an important part of monitoring the organisation's performance and effectiveness against Council's planned activities, which is required under Section 122 (1) of the <i>Local Government Act 1999</i> (SA).
Opportunities	Quarterly reporting enables Council to make informed and timely decisions to maintain or change its services, assets, and budgets to meet community expectations and needs, maintaining or improving Council's financial position, and enabling Council to be responsive to risks and opportunities.
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

FINANCIAL SUMMARY

1. The preliminary operating position for the 2023/24 financial year is an operating surplus of \$8.984 million, which is \$2.169 million favourable to the Q3 budget of \$6.815 million.
 - 1.4 Total operating income of \$238.598 million (\$234.470 million estimated in Q3)
 - 1.5 Total operating expenditure of \$229.614 million (\$227.655 million estimated in Q3).
2. This variance is driven by:
 - 2.1. Income is \$4.128 million favourable to budget due to commercial parking \$0.696 million, fines and interest associated with rates revenue \$0.406 million, North Adelaide Golf Course \$0.535 million, horticulture private works \$0.506 million, bus shelter advertising \$0.409 million, regulatory services \$0.393 million (includes expiations, temporary parking controls, development/encroachment fees) and other smaller variances.
 - 2.2. Expenditure is (\$1.959) million unfavourable to budget and includes the following key movements:
 - 2.2.1. An increase to the provision for Works-In-Progress (WIP) write-off provision of \$1.593 million. The increase is in line with the overall increase in the WIP balance as at 30 June 2024, which has increased by \$32.350 million (from \$43.815 million in 2022/23 to \$76.165 million in 2023/24) due to the status, timing of the completion and capitalisation of works. Key projects include Central Market Arcade \$9.410 million, Rymill Park Lake \$7.483 million, Currie-Grenfell St (West t East Tce) \$4.178 million, City Safe CCTV Network Upgrade (City Deal) \$3.717 million, Adelaide Town Hall Façade \$3.208 million.
 - 2.2.2. An increase to the doubtful debt provision of \$0.882 million. Any debtor balance older than 180 days is provided for as a doubtful debt. The increase is due to the recognition of permits and temporary parking controls issued and not yet paid \$0.529 million, Aquatic Centre \$0.062 million and other overdue balances.
 - 2.2.3. An increase to depreciation expense of \$0.526 million due to the recognition of depreciation on Library Books \$0.347 million previously treated as an inventory item, and other plant & equipment assets, of which \$0.229 million relates to UPark hardware replacement.
 - 2.2.4. An increase to grants & contributions of \$0.459 million largely due to the correct allocation of the nature of expenditure, as well as the re-timing of payments to event suppliers.
 - 2.2.5. Employee costs for ongoing service delivery is \$0.866 million favourable, offset by external temporary labour hire of (\$0.643 million).
 - 2.2.6. Savings in expenditure within computer software maintenance \$1.127 million due the renewal of enterprise licences in period to which they relate (prepayments), professional services \$0.666 million, and waste services of \$0.471 million has partially offset the unfavourable movements above.
3. The preliminary year end Capital Expenditure as at 30 June 2024 is \$90.766 million, which is \$8.790 million favourable to the Q3 budget of \$99.556 million. The original adopted budget at the start of the year was \$100.734 million.
4. As of 30 June 2024, Council had a net cash surplus of \$1.635 million (that is, no borrowings).
5. The preliminary results are estimates only at this stage. There are a number of items to be completed which may still impact the final numbers presented for the external audit.
 - 5.1. Items impacting the operating result include, but are not limited to:
 - 5.1.1. Provisions and accruals for any items not invoiced prior to 30 June 2024
 - 5.1.2. Impairment of major assets
 - 5.1.3. Grant income recognition
 - 5.1.4. Asset Revaluations
 - 5.1.5. Capitalisation of assets reaching practical completion prior to 30 June 2024 and the impact on depreciation.
6. Final audited financial statements will be presented to the Audit & Risk Committee meeting to be held on 27th September 2024.

CAPITAL PROGRAM

7. The Capital Program summary is available in **Attachment A** page 12.
8. The Capital Program is delivered across:
 - 8.1. Major Projects: Significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.
 - 8.1.1. At the end of Quarter 4, 64% of all Major Projects are on time and on budget or completed.
 - 8.2. New and Upgrade Projects: Works of a capital nature that are either introducing new assets or significantly upgrading existing assets, usually by extending the asset or increasing the level of service the asset provides.
 - 8.2.1. At the end of Quarter 4, 76% of all New and Upgrade Projects were on time and on budget, or completed.
 - 8.3. Renewals: Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.
 - 8.3.1. Progress has been made across all asset classes this quarter. 99.9% of the quarter 3 Renewal budget and program was delivered.

PROJECT DELIVERY SUMMARY

Strategic Projects

9. Council made a commitment of \$9.663 million (\$5.867 million net of grant funding) to deliver 48 Strategic Projects during 2023/24. Contained within the preliminary operating surplus is expenditure of \$9.111 million (\$5.762 million net of grant funding) for Strategic Project. At the end of the financial year:
 - 9.1. 36 projects had both timeframe to deliver and budget on track, or had been completed.
 - 9.2. Six projects had both timeframe to deliver and budget at risk and are being managed for completion in early 2024/25. These will be presented for Council for consideration of funding within Quarter 1 of 2024/25.
 - 9.3. Four projects are being deferred to future financial years.
 - 9.4. Two projects were cancelled.
10. For information on these changes refer to the Portfolio updates from page 16 in **Attachment A**.

Capital Works Program

11. Including the adjustments outlined in this report, Council made a commitment of \$99.556 million to deliver 371 projects as part of its Capital Works Program. At the end of this quarter:
 - 11.1. 16 New and Significant Upgrade Projects and 39 Renewal Projects were completed in the quarter, bringing the total number of completed projects to 170.
 - 11.2. 52 projects had both timeframe to deliver and budget on track.
 - 11.3. Seven projects had timeframe to deliver at risk and are being managed but may exceed estimated time.
 - 11.4. Six projects had budget at risk and are being managed but may exceed estimated adopted budget.
 - 11.5. Two projects have a timeframe to deliver off track.
 - 11.6. Three projects have been deferred.
 - 11.7. Nine projects have been cancelled.
12. For information on these changes, refer to the Capital Works summary from page 14 in **Attachment A**.
13. A true-up of the Capital Works Program with budget implications for 2024/25 will be presented to Council in Quarter 1 of 2024/25 for funding consideration.

COUNCIL SUBSIDIARIES SUMMARY

14. The Adelaide Central Market Authority, Adelaide Economic Development Agency and Kadaltilla / Adelaide Park Lands Authority have provided updates as per **Attachments B, C & D**, respectively.
15. The Brown Hill Keswick Creek Stormwater Board (Regional subsidiary), which Council is a member of, will be provided once audited financial statements are received.

Adelaide Central Market Authority (ACMA) – Financial Summary

16. The preliminary year end position for AMCA for 2023/24 is an operating surplus of \$0.081 million, which is \$0.069 million favourable when compared to the approved budget of \$0.012 million.
 - 16.1. Total operating income of \$5.476 million.
 - 16.2. Total operating expenditure of \$5.395 million.

Adelaide Economic Development Agency – Financial Summary

17. The preliminary year end position for AEDA for 2023/24 is an operating deficit of (\$0.002 million), which is \$0.216 million favourable when compared to the approved budget of (\$0.218 million) operating deficit.
 - 17.1. Total operating income of \$13.467 million (including \$8.880 million CoA contribution to fund AEDA activities).
 - 17.2. Total operating expenditure of \$13.469 million.

Kadaltilla / Adelaide Park Lands Authority – Financial Summary

18. The preliminary year end position for Kadaltilla for 2023/24 is a break even position, which is in line with the approved budget. Kadaltilla is a wholly owned subsidiary of the City of Adelaide, and funding is provided to match expenditure.
 - 18.1. Total operating income of \$0.224 million.
 - 18.2. Total operating expenditure of \$0.224 million.

ASSESSMENT OF KPIS

KPI 1: 70% of Projects capitalised within 10 Weeks

19. 83% of completed projects were capitalised within 10 weeks of practical completion at the end of this quarter.

KPI 2: < 10% Variance between Preliminary Year End and Annual Financial Statement

20. This KPI can only be determined once the 2023/24 Financial Statements are audited and will be measured against the estimated operating surplus of \$8.984 million.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – City of Adelaide 2023/24 Business Plan and Budget: Quarter 4 Report

Attachment B – Adelaide Central Market Authority Quarter update

Attachment C – Adelaide Economic Development Agency Quarter update

Attachment D – Kadaltilla / Adelaide Park Lands Authority Quarter update

- END OF REPORT -

2023/24 Business Plan & Budget

Investing in streets, parks and the community

April to June 2024 Quarter Four Progress Report



CITY OF
ADELAIDE

Kurna Acknowledgement










City of Adelaide tampendi, ngadlu Kurna yertangga banbabanbalyarnendi (inbarendi). Kurna meyunna yaiya mattanya Womma Tarndanyako. Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaiya miyurna iyangka yalaka ngadlu tampinhi.

City of Adelaide acknowledges the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations.




Legend

Throughout this document, these icons represent:

Status:

-    that the project timeline, delivery and budget are on track (based on latest adopted schedule and budget)
-    that the project has risks that are being managed and may exceed estimated time and adopted budget
-    that the project is no longer on track or within adopted budget / delivered outside of schedule and budget

Budget:

-  that there is no change from the most recent adopted budget to the proposed budget
-  that there is a decrease from the most recent adopted budget to the proposed budget
-  that there is an increase from the most recent adopted budget to the proposed budget

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CEO message



Delivering the 2023/24 Business Plan and Budget

It is my pleasure to provide the fourth quarter report against the 2023/24 Business Plan and Budget to the Council and our Community.

The report highlights our delivery of the vision of our Strategic Plan over the fourth quarter of 2023/24 through the delivery of our programs, projects and services implementing the Council's endorsed priorities and strategies.

The delivery of the 2023/24 Capital Program has seen good progress with works advancing on Town Hall Façade Conservation, Rymill Park Lake, Market to Riverbank and Market Square. Capital expenditure to the end of June 2024 totalled \$90.766m.

There has been strong delivery on the 2023/24 Strategic Projects including the Adaptive Re-use City Housing Initiative, City Plan, and the delivery of Kaurna Voices, an interactive map launched during National Reconciliation Week. Strategic Project expenditure to the end of June 2024 totalled \$9.113m.

Our ongoing financial planning and management over the 23/24 Financial Year has seen delivery of an estimated operating result favourable to the budget, with an operating surplus of \$8.984m. These preliminary figures will be finalised over the coming weeks through the work of our external auditors, and will be available in our Annual Report.

I hope you will find this Business Plan and Budget Quarterly Update a comprehensive, yet easy to read summary of activities, projects and expenditure over the last quarter.

Michael Sedgman
Chief Executive Officer

Headline deliverables

Quarter update for our headline deliverables / projects, which have been identified due to their complexity, risk, budget and / or impact on our city and community.

Strategic Projects



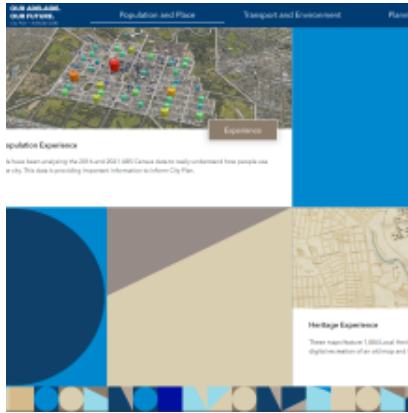
● Adaptive Re-use City Housing Initiative

Budget: \$0.193m

Two Steering Group Meetings occurred throughout quarter 4.

Building audit underway, including visual surveys and coordination of GIS. To date 80 properties have been identified.

ARCHI (Adaptive Reuse City Housing Initiative) Incentive Scheme grant from Capital City Committee approved.



● City Plan

Budget: \$0.475m

Draft City Plan endorsed by Council in June 2024 for public consultation.

Public consultation opened 18 June 2024 and closed on 16 July.

70 submissions were received which will inform the final City Plan to be presented to Council in Quarter 1 2024/25.



● Kurna Voices

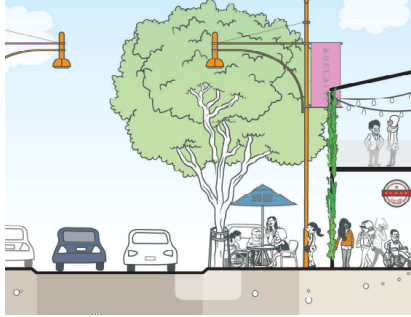
Budget: \$0.075m

A new interactive map launched during Reconciliation week (27 May – 3 June).

This cultural mapping exercise of the Adelaide Park Lands, captures and celebrates the stories and cultural history for the Kurna community.

<https://www.cityofadelaide.com.au/community/reconciliation/kurna-voices/>

Major / New and Upgrade Projects



● Hindley Street Revitalisation

Current Budget: \$0.780m

Stage: Detailed Design

Concept design released for public consultation from 8 April to 14 June 2024.

114 submissions received which will inform further design.



▲ Bikeways (North-South)

Current Budget: \$1.338m

Stage: Deliver

Work commenced in May 2024 along Frome Street to Frome Road. Building on the existing Frome Bikeway, the new section will connect Unley to Prospect.



● Melbourne Street improvements

Current Budget: \$0.232m

Stage: Deliver

Planter boxes & new street furniture installed.

Planning for lighting, flower baskets, entryway banners and signage in progress.



● Central Market Arcade Redevelopment

Current Budget: \$6.222m

Stage: Deliver

Significant on-site works have been completed including site establishment, structural demolition, site remediation and earthworks. Basement excavation and retention works are underway with Grote St side reaching lower basement levels.



● Market to Riverbank Laneways Upgrade

Current Budget: \$2.114m

Stage: Deliver

Final stages of works being undertaken including lighting, landscaping and footpath works. Completion expected August.



● Murlawirrapurka / Rymill Park upgrade

Current Budget: \$5.185m

Stage: Deliver

Construction is nearing completion with minor works to close out project occurring.

Rymill park reopened to the public in May 2024, in time for the Adelaide Equestrian Festival.

Renewals



● **Town Hall Facade Conservation**

Current Budget: \$2.831m

Stage: Build / Construct

Conservation works on the King William facade are ongoing and will continue into 2024/25.

Mesh wrap, designed to look like the building's historic façade has been installed over the scaffolding.

● **Parking Meter Renewal**

Current Budget: \$1.550m

Stage: Deliver

Hardware rollout and installation has completed and managed in a timely and low risk manner to minimize disruption for customers. Budget savings realised with return of funds for 23/24.



▲ **Plant and Fleet Replacement**

Current Budget: \$2.726m

Stage: Deliver

Program being balanced by items ordered in 22/23, with similar adjustments for 24/25 for identified items not able to be delivered prior to EOFY.

Light passenger fleet now transitioned to 65% ZEV (Zero Emissions Vehicles). On target to reach 75% transition of Light Passenger Vehicles by 2025.

● **CCTV / Security and BMS Network Renewal and Compliance Program**

Current Budget: \$0.720m

Stage: Deliver

55% of CCTV camera replacements are installed and operational. Cable work scheduled to recommence at the start of 2024/25.



▲ **Lights Vision Footpath Renewal**

Current Budget: \$0.260m

Stage: Deliver

Footpath renewal works are progressing well (over 50% completed), with staging occurring to ensure the site is well maintained.

Completion was delayed due to inclement weather but is on track for finalisation by early 2024/25.

Budget update

Summary

Preliminary End of Year Operating Position:

- The preliminary end of year operating position for 2023/24 is an operating surplus of \$8.984m, which is \$2.169m favourable to the approved Q3 budget of \$6.815m. The variance is driven by:
 - Income \$4.128m favourable to budget due to commercial parking \$0.696m, fines and interest associated with rates revenue \$0.406m, North Adelaide Golf Course \$0.535m, horticulture private works \$0.506m, bus shelter advertising \$0.409m, regulatory services \$0.393m (includes expiations, temporary parking controls, development/encroachment fees) and other smaller variances
 - Expenditure \$1.959m unfavourable to budget and includes the following key movements:
 - An increase to the provision for Works-In-Progress (WIP) Write-off provision of \$1.593m. The increase is in line with the overall increase in the WIP balance as at 30 June 2024, which has increased by \$32.350m (from \$43.815m in 2022/23 to \$76.164m in 2023/24) due to the status, timing of the completion and capitalisation of works.
 - An increase to the doubtful debt provision of \$0.882m, due to the recognition of permits and temporary parking controls issued and not yet paid \$0.529 million, Aquatic Centre \$0.062 million and other overdue balances.
 - An increase to depreciation expense of \$0.526m, including recognition of Library Books, and other plant & equipment asset depreciation, including UPark hardware replacement.
 - An increase to grants & contributions of \$0.459m largely due to the correct allocation of the nature of expenditure, as well as the re-timing of payments to event suppliers.
 - Within the expenditure variance above, employee costs for ongoing service delivery is \$0.866m favourable, offset by external temporary labour hire of (\$0.643m).
 - Favourable expenditure within computer software maintenance \$1.127m (due to payments scheduling), professional services \$0.666m, and waste services of \$0.471m has partially offset the unfavourable movements above.
- The preliminary year end Capital Expenditure as at 30 June 2024 is \$90.766m, \$8.790m favourable to the Q3 budget of \$99.556m. This is largely due to the timing of Central Market Arcade Redevelopment, Rymill Park Lake, and On-Street Parking Meter Replacement.
- Council had a net cash surplus of \$1.635m as at 30 June 2024, which is \$25.198m favourable to the Q3 budgeted borrowing forecast of \$23.593m. This results from a combination of increased revenue and reduced capital expenditure.

The preliminary results are estimates only at this stage. There are a number of items to be completed which may still impact the final number presented for the external audit.

Operating Position (Financial Performance)

\$000's	Actuals*	Q3 Budget	Variance
Rates Revenue	135,537	135,131	406
Fees and Charges	90,318	87,673	2,645
Grants, Subsidies and Contributions	8,638	8,875	(237)
Other Income	4,105	2,791	1,314
Total Revenue	238,598	234,470	4,128
Employee Costs	77,866	78,732	866
Materials, Contracts and Other Expenses	87,863	86,025	(1,838)
Sponsorships, Contributions and Donations	7,985	7,526	(459)
Depreciation, Amortisation and Impairment	55,008	54,482	(526)
Finance Costs	892	890	(2)
Total Expenses	229,614	227,655	(1,959)
Operating Surplus / (Deficit)	8,984	6,815	2,169

Capital Program

Capital Program	Actuals*	Q3 Budget	Variance
Major Projects	27,338	28,551	1,213
New and Upgrades Projects	9,343	16,852	7,509
Renewal / Replacement of Assets	54,085	54,153	68
Total Capital Expenditure	90,766	99,556	8,790

**The actuals presented are preliminary estimates only at this stage. There are a number of items to be completed which may still impact the final number presented for the external audit.*

Financial indicators

		Target	Adopted	Q1	Q2	Q3	Prelim [^]
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0.9%	0.9%	0.9%	2.9%	3.8%
Net Financial Liabilities	Financial liabilities as a percentage of operating income	Less than 80%	-1%	0.7%	7.6%	2.1%	N/A*
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	90%	97%	97%	97%	94%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	10%	13%	14%	8%	0%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	0.4%	0.6%	1.4%	2.5%	0.7%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.2	0.3	0.3	0.2	0.0
Cash Flow from Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	101%	99%	99%	102%	N/A*
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Within Prudential Limits	30.184m	40.553m	42.106m	23.593m	0.000m
			20%	27%	28%	16%	0%

[^] The Financial Indicators are preliminary based on estimated actual results. The Indicators will be updated to reflect the audited financial statements within the Annual Report.

* The Cash Flow from Operations Ratio will be updated when the audited Financial Statements are presented.

On track Within range

At risk May be within range but at risk of going outside of range

Off track Outside of range

Treasury Reporting

The tables below present the debt and cash investment information as required by Council's Treasury Policy.

Table 1 shows the borrowing facilities taken out by Council. Council had nil borrowings as at 30 June 2024:

Borrowings Facility *	Available	Interest Type	Interest Rate	Current Borrowings	Change since previous report \$'000s	Maturity Date
LGFA CAD 555	\$70m	Variable	5.60%	Nil	\$-m	15/06/2033

* Note CAD facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years..

Table 2 shows cash invested by Council. Council had \$1.635m in cash investments at 30 June 2024:

Cash & Cash Equivalents	Available	Interest Type	Interest Rate	Current Investments	Change since previous report \$'000s	Maturity Date
LGFA General	\$0.199m	Variable	4.55%	\$0.199m	(\$5.778m)	-
NAB	\$0.780m	Variable	4.35%	\$0.280m	(\$0.670m)	-
CBA	\$1.656m	Variable	4.35%	\$1.156m	\$0.279m	-
LGFA FT 62351	\$-m	Fixed	4.95%	\$-m	(\$5.000m)	28/06/2024
LGFA FT 62352	\$-m	Fixed	4.95%	\$-m	(\$7.671m)	28/06/2024

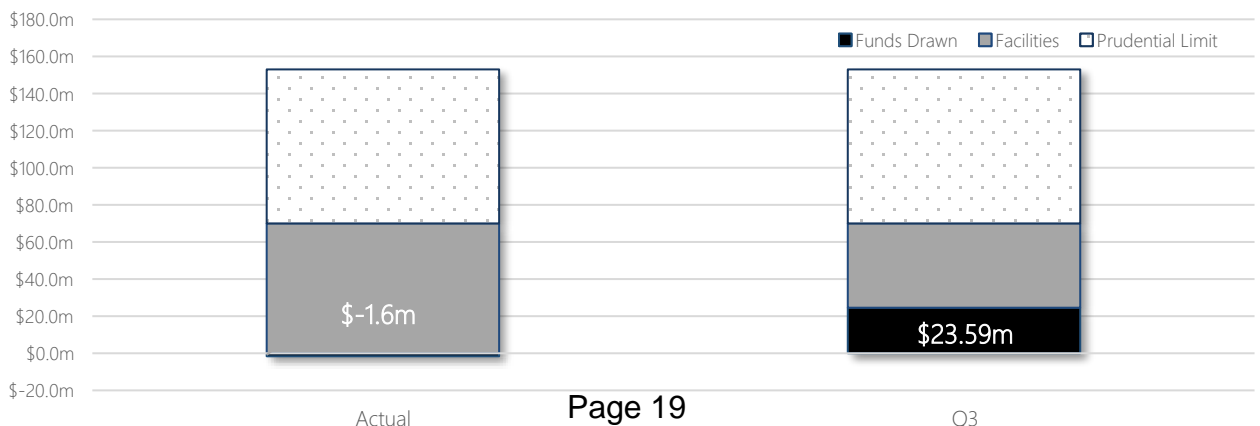
Total borrowings without the Future Fund offset (\$46.121m) would otherwise be \$44.486m

Table 3 provides the Prudential Limit Ratios as outlined in Council's Treasury Policy:

Prudential Limit Ratio **	Comments	Limits	March 2024 YTD Actual
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	0.7%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy)	Max 1.5 years	0 years
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 50%	0%

** Prudential borrowing limit as at 30 June 2024 is \$152.927 million (an increase from \$149 million as per adopted budget)

Borrowings: showing current facilities against our prudential limit and forecasted position



Capital Works update

Summary

- In Major projects, \$27.338m has been spent in 23/24 against a Q3 approved budget of \$28.551m (95.8%).
- In New/Upgrade projects \$9.343m has been spent in 23/24 against a Q3 approved budget of \$16.852m (55.4%).
- In Renewal projects, \$54.085m has been spent in 23/24 against a Q3 approved budget of \$54.153m (99.9%).

\$'000	actuals	budget	variance
Major Projects	\$27,338	\$28,551	\$1,213
New/Upgrade Projects	\$9,343	\$16,852	\$7,509
Asset Renewals	\$54,085	\$54,153	\$68
<i>Major Projects</i>	<i>\$5,529</i>	<i>\$6,282</i>	<i>\$753</i>
<i>New/Upgrade Projects</i>	<i>\$634</i>	<i>\$1,286</i>	<i>\$652</i>
<i>Corporate Overhead</i>	<i>\$5,550</i>	<i>\$5,500</i>	<i>(\$50)</i>
<i>Bridges</i>	<i>\$173</i>	<i>\$243</i>	<i>\$69</i>
<i>Buildings</i>	<i>\$10,476</i>	<i>\$9,568</i>	<i>(\$908)</i>
<i>ICT Renewals</i>	<i>\$1,896</i>	<i>\$2,090</i>	<i>\$193</i>
<i>Light'g & Electrical</i>	<i>\$1,978</i>	<i>\$1,587</i>	<i>(\$391)</i>
<i>Park Lands Assets</i>	<i>\$3,187</i>	<i>\$3,253</i>	<i>\$66</i>
<i>Plant and Fleet</i>	<i>\$3,785</i>	<i>\$3,501</i>	<i>(\$284)</i>
<i>Traffic Signal</i>	<i>\$2,021</i>	<i>\$1,719</i>	<i>(\$301)</i>
<i>Transport</i>	<i>\$13,366</i>	<i>\$14,044</i>	<i>\$678</i>
<i>Urban Elements</i>	<i>\$2,879</i>	<i>\$3,392</i>	<i>\$513</i>
<i>Water Infrastructure</i>	<i>\$2,610</i>	<i>\$1,689</i>	<i>(\$921)</i>
Total	\$90,766	\$99,556	\$8,790

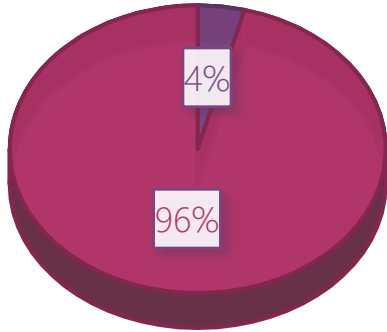
Note

- Transport is made up of Roads, Pathways and Kerb and Water Table
- Plant and Fleet includes Commercial Plan and Fleet
- Some projects have been broken down into sub-projects, so total appears different

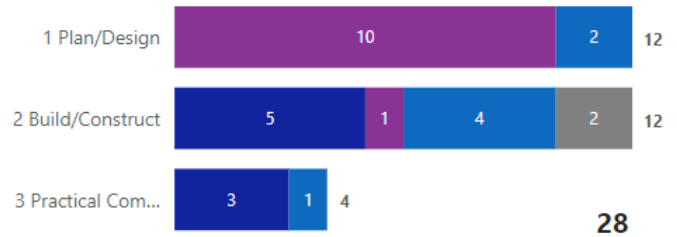
Major Projects

Major Projects are significant works of a capital nature that are over the prudential limit, multi-year, or have significant grant funding.

Approved Budget



■ Remaining Budget \$1.213m
■ Spent \$27.338m



Project Type ● Construct ● Design ● Design and Construct ● Other
some projects have been broken down into sub-projects, so total appears different

Planning updates:

The final quarter has seen further progress in the delivery of our major projects. Progress highlights include:

- Pitt Street project (final section of the Market to Riverbank program) and Rymill Park Lake upgrade project are progressing well with completion scheduled for Q1/25.
- Charles Street streetscape upgrade completed design and is currently out to tender for 24/25 construction.
- North-South Bikeway remaining sections have started construction with an estimated completion date of October 2024.

Budget updates:

Major projects have delivered actual spend of \$27.338m, a favourable variance of \$1.213m compared to the approved Q3 budget of \$28.551m.

Several projects require retiming to future years, resulting in a budget variance of \$1.087m comprising of:

- Hutt St Entry Statement \$0.625m
- M2R: Pitt Street project \$0.475m
- 218-232 Flinders St \$0.407m
- Main Street Revitalisation: Gouger St \$0.324m
- Rymill Lake Renewal \$0.303m
- North-South Bikeway \$0.250m
- Mary Lee Park (P27B) Sports building \$0.224m
- Hindley St Revitalisation \$0.180m
- Hutt St/South Tce Stormwater \$0.109m
- Melbourne St Improvements \$0.084m
- Central Market Arcade (\$1.854m) bring back
- Charles St upgrade (\$0.040m) bring back

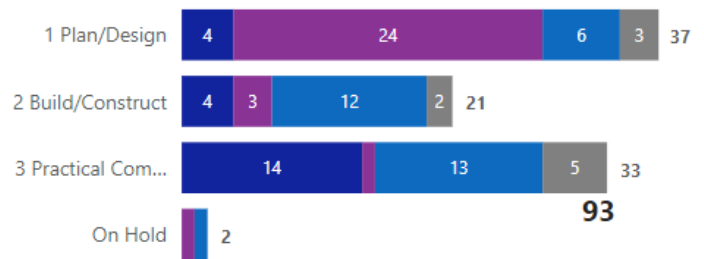
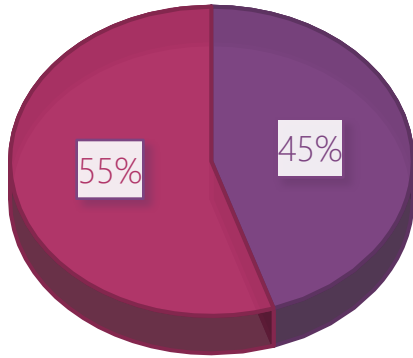
Grant interest of the quarter came to \$0.046m.

Savings of \$0.172m have been achieved.

New and Significant Upgrades

New and Significant Upgrade projects are works of a capital nature that are either introducing new assets or significantly upgrading existing assets, usually by extending the footprint of an asset or increasing the level of service the asset provides.

Approved Budget



Project Type ● Construct ● Design ● Design and Construct ● Other
some projects have been broken down into sub-projects, so total appears different

■ Remaining Budget \$7.509m ■ Spent \$9.343m

Planning updates:

The final quarter has seen progress in the delivery of our New and Upgrade program. Progress highlights are:

- 16 projects have reached practical completion this quarter, including 4 greening projects, Central Market security gate and Bio separator purchase, North Tce/Station Rd footpath upgrade and Pulteney/Angas St Traffic Signal upgrade.
- Several new projects have been created from available savings during the quarter, for example Motion sensors, Climate Micro sensors, new road greening designs and Hutt Rd/South Terrace Intersection Traffic signal upgrade.

Budget updates:

New and Upgrade projects have delivered actual spend of \$9.343m, a favourable variance of \$7.509m compared to the approved Q3 budget of \$16.852m.

Several projects require retiming to future years, resulting in a budget variance of \$6.644m comprising of:

- Integrated Climate Strategy \$4.000m
- Field St Upgrade \$0.573m
- Rymill Park Public Lighting upgrade \$0.357m
- Hutt Rd Park Lands Signalised crossing \$0.282m
- Christmas 2024 decorations \$0.188m
- Kingston Tce bus stop upgrade \$0.157m
- Hutt Rd/South Terrace Intersection Traffic signal upgrade \$0.150m
- Light Square Infrastructure upgrade \$0.142m
- Central Market Arcade Options \$0.126m
- 23 smaller projects \$0.669m

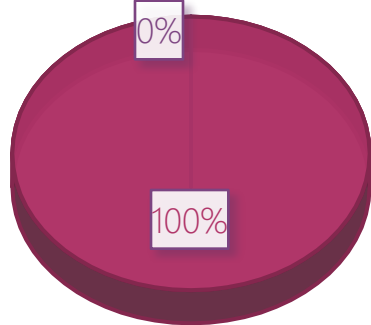
Savings of \$1.063m have been achieved.

1 new grant of \$0.198m was received and spent

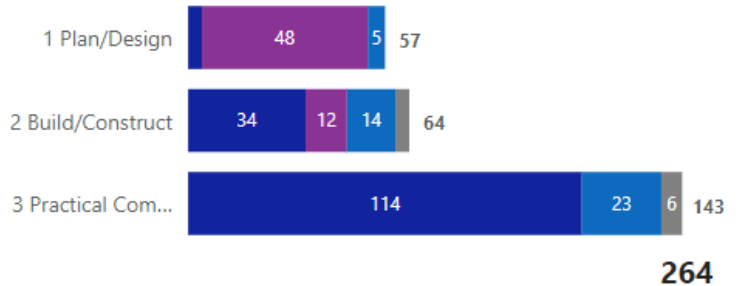
Renewals

Renewals are works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

Approved Budget



■ Remaining Budget \$0.068m
■ Spent \$54.085m



Project Type ● Construct ● Design ● Design and Construct ● Other
some projects have been broken down into sub-projects, so total appears different

Planning updates:

Renewal have achieved 99.6% of the Q3 approved budget.

Progress highlights are:

- 39 projects have achieved practical completion this quarter, including Bud Lighting renewal, Eagle Chambers IT room renewal, Minor Works Building lift renewal, various ICT renewal and various road and footpaths renewal projects.
- A number of projects are forecasting completion in the next quarter, including Hindley Street toilet renewal, Frome Rd renewals, BMS platform renewal, CCTV Renewals, Gawler UPark Facade treatment, Central Market roof renewal (design), Wellington Square footpath and lighting renewal, Playground renewals and Parking meter renewals.

Budget updates:

Renewal projects have delivered actual spend of \$54.085m, a favourable variance of \$0.068m compared to the approved Q3 budget of \$54.153m.

Portfolio updates

City Shaping

The City Shaping Portfolio leverages and celebrates our role as a Capital City Council and delivers the services that lead, shape and enable a creative, dynamic, resilient and diverse city both now and into the future.

Programs:

- City Culture
- Park Lands, Policy and Sustainability
- Regulatory Services

Key Focus areas:

- City activation, initiatives, grants and sponsorship
- Park Lands greening, management and improvements
- Develop the City Plan
- Partnerships that support creative and resilient communities
- Kaurua heritage and voice and cultural mapping of the Park Lands
- Heritage promotion and protection

City Services

The City Services Portfolio delivers essential local government services for our community, making it easier to conduct business in our city, and providing a safe and attractive urban environment.

Programs:

- City Operations
- Infrastructure
- Strategic Property and Commercial

Key Focus areas:

- Capital Works Program, including Major Projects, New and Significant Upgrades and renewals
- Main street revitalisation and improvements
- Maintenance of public realm and city presentation

Corporate Services

The Corporate Services Portfolio provides effective and efficient services and insights to strengthen and grow our organisational capability, and support a culture of accountability, transparency, and innovation.

Programs:

- Customer and Marketing
- Finance and Procurement
- Governance
- Information Management
- People
- Strategy, Insights and Performance
- *Adelaide Central Market Authority*
- *Adelaide Economic Development Agency*
- *Kadaltilla / Adelaide Park Lands Authority*

Key Focus areas:

- Strategic Management Framework and 2024-2028 Strategic Plan
- New and different ways to engage our community
- Adelaide free Wi-Fi expansion and improvements
- City of Adelaide Graduate Program

City Shaping

YTD Operating Position	(\$'000)		
	Actual	Budget	Variance
Income	27,993	27,424	569
Expenditure	(47,414)	(48,259)	845
Net Operating Surplus / (Deficit)	(19,421)	(20,835)	1,414

Operating Budget	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Office of the Director, City Shaping	-	-	-	(649)	(634)	(15)
City Culture	12,211	12,143	68	(27,504)	(27,938)	434
Park Lands, Policy and Sustainability	96	63	33	(7,126)	(7,490)	364
Regulatory Services	15,361	14,968	393	(9,795)	(9,811)	16
Strategic Projects	325	250	75	(2,340)	(2,386)	46
Total	27,993	27,424	569	(47,414)	(48,259)	845

City Shaping

Portfolio achievements from Quarter 4

- Council endorsed a range of policy, strategy and planning documents: Disability Access and Inclusion Plan 2024-2028, Integrated Climate Strategy 2030, Encroachment Policy, Electric Vehicle Charging Infrastructure Operating Guidelines, Kerbside Waste Management Services Operating Guidelines, Victoria Park / Pakapakapanthi (Park 16) Master Plan.
- Council endorsed the public consultation of City Plan, City of Adelaide By-Laws and Kadaltilla's review of the Adelaide Park Lands Management Strategy 2015-2025.
- City activations such as Meander Market on Melbourne Street, On the Cusp Cabaret, Jazz in the Square and Winter Weekends were supported.
- Kurna Voices, an interactive map exploring the Kurna People's sacred connections with the land we know as Adelaide, was launched during National Reconciliation Week in May 2024.
- History festival was held from 1-31 May 2024, with 34 events hosted by City of Adelaide.

City Shaping | Budget

City Culture

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Office of the A/D City Culture	-	-	-	(420)	(369)	(50)
Adelaide Town Hall	2,580	2,368	212	(2,869)	(2,605)	(264)
Aquatic Centre	6,766	6,993	(227)	(8,092)	(8,424)	332
City Experience	721	656	65	(4,140)	(4,116)	(24)
City Lifestyle	1,489	1,470	19	(4,691)	(4,791)	100
Creative City	121	130	(9)	(2,395)	(2,725)	329
Libraries	534	526	8	(4,897)	(4,908)	11
Total	12,211	12,143	68	(27,504)	(27,938)	434

Park Lands, Policy and Sustainability

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
A/D, Park Lands Planning & Policy	-	-	-	(442)	(351)	(91)
City Planning and Heritage	45	43	2	(1,058)	(1,157)	99
Low Carbon & Circular Economy	11	-	11	(1,723)	(1,849)	126
Park Lands, Policy & Sustainability	40	20	20	(3,903)	(4,133)	230
Kadaltilla / Park Lands Authority	-	-	-	-	-	-
Total	96	63	33	(7,126)	(7,490)	364

Regulatory Services

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
A/D, Regulatory Services	-	-	-	(894)	(836)	(58)
City Development	4,058	3,270	788	(3,177)	(2,637)	(540)
City Safety	423	442	(19)	(1,473)	(1,647)	174
On-Street Parking Compliance	10,880	11,256	(376)	(4,251)	(4,691)	440
Total	15,361	14,968	393	(9,795)	(9,811)	16

City Shaping | Strategic Projects

	Plan		Expenditure (\$'000)			
	delivered by		Actual	Budget	Variance	
City Culture						
Aquatic Centre Investigations	●●●		●●● (54)	(75)	21	🔒
City Activation	●●●	Jun-24	●●● (396)	(400)	4	🔒
Cultural Mapping of the Adelaide Park Lands	●●●	Jun-24	●●● (65)	(75)	10	🔒
Park 21 West - New Community Sports Building (Z0170)	●●●	Apr-24	●●● (30)	(32)	2	🔒
Park Lands, Policy and Sustainability						
Adaptive Re-use Housing Initiative	●●●	Dec-25	●●● (185)	(193)	8	🔒
City Wide Waste and Recycling	●●●		●●● (438)	(503)	65	🔒
Delivering the City Plan	●●●	Sep-24	●●● (502)	(475)	(27)	🔒
Delivering the Planning and Design Code Amendment Program 2023-2026 (Year 2 of 3)	●●●		●●● 0	0	0	🔄
Historic Area Statement - Code Amendment	●●●		●●● (38)	0	(38)	🔒
Local Heritage Assessments - 20th Century Buildings	●●●	Jun-24	●●● (64)	(70)	6	🔒
Master Plan of Light Square	●▲●	Jun-24	●▲● (92)	(90)	(2)	🔒
Park Lands Biodiversity Survey	●●●	Jun-24	●●● (150)	(150)	0	🔄
Park Lands Greening	●●●		●●● (17)	(15)	(2)	🔒
Social Planning Homelessness and Adelaide Zero Project Resourcing	●●●		●●● (208)	(208)	0	🔄
Regulatory Services						
On-Street Parking Compliance Technology & Customer Analytics Reform	●●●	Jun-24	●●● (101)	(100)	(1)	🔒
Total						
			(2340)	(2386)	46	🔒

* fully funded by State Government Grant

City Services

YTD Operating Position	(\$'000)		
	Actual	Budget	variance
Income	65,516	62,758	2,758
Expenditure	(126,093)	(124,544)	(1,549)
Net Operating Surplus / (Deficit)	(60,577)	(61,786)	1,209

Operating Budget	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Office of the Director, City Services	-	-	-	(699)	(677)	(22)
City Operations	4,364	3,250	1,114	(44,874)	(42,858)	(2,016)
Infrastructure	991	762	229	(43,906)	(43,839)	(67)
Strategic Property and Commercial	57,537	55,600	1,937	(31,495)	(31,663)	168
Strategic Projects	2,624	3,146	(522)	(5,119)	(5,507)	388
Total	65,516	62,758	2,758	(126,093)	(124,544)	(1,549)

City Services

Portfolio achievements from Quarter 4

- Council endorsed all six Asset Management Plans – Buildings, Transportation, Lighting & Electrical, Urban Elements, Stormwater and Park Lands & Open Space.
- Finalisation of the Community Land Management Plan (CLMP) for the Hilton Hotel Land, leading to a lease extension.
- Delivery of four public realm audits of key streets with Council Members in attendance.
- Off Street Parking (UPark) and North Adelaide Golf Course business operations continue to perform well with increased patronage and revenue.
- Extensive turf remediation within the Adelaide Park Lands following a busy event season.
- Work has started pruning the 25,000 roses located in the Adelaide Park Lands, Streets and Squares.
- Significant delivery within the Capital Renewal Program with 94% of the Asset Funding Sustainability Ratio achieved at the end of June.
- The first crane has been installed at the Market Square site with significant basement excavation and retention works undertaken. ICD has announced major tenants across hotel, childcare and office.
- Construction at 88 O'Connell is well progressed with the residential towers to top out at the start of 24/25. Over 70% of apartments have sold with major tenants, including Mercato, announced.

City Services | Budget

City Operations

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
A/D City Operations	30	6	24	(3,067)	(3,025)	(42)
Manager, City Maintenance	-	-	-	(392)	(384)	(8)
Manager, City Presentation	-	-	-	(190)	(199)	9
Cleansing	28	6	22	(7,347)	(7,019)	(328)
Facilities	6	-	6	(3,305)	(2,942)	(363)
Horticulture	3,468	2,818	650	(15,475)	(14,329)	(1,146)
Infrastructure Maintenance	238	100	138	(6,237)	(5,801)	(436)
Trades	531	292	239	(5,508)	(5,394)	(114)
Waste	61	28	33	(2,851)	(3,342)	491
Workshops	2	-	2	(502)	(423)	(79)
Total	4,364	3,250	1,114	(44,874)	(42,858)	(2,016)

Infrastructure

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
A/D Infrastructure	85	-	85	(1,009)	(639)	(370)
Infrastructure Planning and Delivery	906	762	144	(42,747)	(42,690)	(57)
Technical Services	-	-	-	(150)	(510)	360
Total	991	762	229	(43,906)	(43,839)	(67)

Strategic Property and Commercial

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
A/D Strategic Property & Commercial	-	-	-	(422)	(454)	32
Commercial	378	222	156	(626)	(768)	142
Parking	44,820	44,124	696	(14,235)	(13,936)	(299)
North Adelaide Golf Course	4,803	4,268	535	(4,942)	(4,460)	(482)
Strategic Property Development	584	584	-	(626)	(766)	140
Strategic Property Management	6,952	6,402	550	(10,644)	(11,279)	635
Total	57,537	55,600	1,937	(31,495)	(31,663)	168

City Services | Strategic Projects

	Plan		Expenditure (\$'000)				
	delivered by		Actual	Budget	Variance		
City Operations							
Private Laneways Fee-for-Service Trial	●●●	Jun-24	●●●	(28)	(50)	22	🔒
Infrastructure							
Adelaide Central Market - Telecommunication Infrastructure and Communication System - Part 1	●▲●	Jun-24	●▲●	(119)	(124)	5	🔒
Adelaide Park Lands Strategic Water Resources Study	●●●	Dec-24	●●●	0	0	0	🔄
Asset Condition Audit	●●●	Jun-24	●●●	(220)	(223)	3	🔒
City Speed Limit Review	●▲●	Aug-24	●▲●	(104)	(113)	9	🔒
Climate Change Risk Adaptation Actions Year 2	●●●		●●●	(123)	(120)	(3)	🔒
Conservation Management Plans for Heritage Assets	●●●	Jun-24	●●●	(131)	(170)	39	🔒
Frome Road Masterplan			On Hold	0	0	0	🔄
Lighting and Electrical Data Collection	●●●		●●●	(283)	(285)	2	🔒
Moonta Street Roof Installation Feasibility Study		Jun-24	On Hold	0	0	0	🔄
North Terrace West Masterplan			On Hold	0	0	0	🔄
Resilient Flood Planning	●▲●	May-25	●▲●	(2854)	(2955)	101	🔒
SA Power Networks (SAPN) Luminaire Upgrades	●●●	May-24	●●●	(14)	(15)	1	🔒
School Safety Review	●●●		●●●	(49)	(80)	31	🔒
Smart Lighting Platform Technical Specification			On Hold	0	0	0	🔄
Stormwater Network Cleaning	●▲●	Oct-24	●▲●	(858)	(927)	69	🔒
Transport Strategy	●▲●		●▲●	(63)	(139)	76	🔒
Underground of powerlines	●●●		●●●	(66)	(66)	0	🔄
Strategic Property and Commercial							
88 O'Connell Project Delivery	●●●		●●●	(32)	(30)	(2)	🔒
Central Market Arcade Redevelopment		Jan-26	Cancelled	0	0	0	🔄
Future Fund Governance Framework Establishment			Cancelled	0	0	0	🔄
North Adelaide Golf Course - Water Investigative Study	●●●	Aug-24	●●●	(27)	(61)	34	🔒
Strategic Property Action Plan Implementation	●●●		●●●	(148)	(150)	2	🔒
Total				(5119)	(5508)	389	🔒

Corporate Services

YTD Operating Position	(\$'000)		
	Actual	Budget	variance
Income	145,039	144,288	751
Expenditure	(53,268)	(51,914)	(1,354)
Net Operating Surplus / (Deficit)	91,771	92,374	(603)

Operating Budget	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Office of the Chief Operating Officer	-	-	-	(827)	(831)	4
Customer and Marketing	1	1	-	(6,249)	(6,450)	201
Finance and Procurement	115	104	11	(3,796)	(4,168)	372
Governance	41	40	1	(4,525)	(4,335)	(190)
Information Management	1404	1,430	(26)	(12,448)	(13,583)	1,135
People	170	82	88	(4,013)	(4,133)	120
Strategy, Insights & Performance	-	-	-	(1,228)	(1,508)	280
Corporate Activities *	132,601	132,062	539	(473)	3,730	(4,203)
Strategic Projects	400	400	-	(1,654)	(1,770)	116
Total	134,732	134,119	613	(35,213)	(33,048)	(2,165)

Subsidiaries

Adelaide Central Market Authority	5,476	5,422	54	(5,395)	(5,410)	15
Adelaide Economic Development Agency	4,587	4,494	93	(12,416)	(13,203)	787
Kadaltilla / Adelaide Park Lands Authority	244	253	(9)	(244)	(253)	9
Total Subsidiaries	10,307	10,169	138	(18,055)	(18,866)	811
Total Corporate Services (including Subsidiaries)	145,039	144,288	751	(53,268)	(51,914)	(1,354)

*Corporate Activities includes Rates Revenue, Corporate grants (e.g. Financial Assistance Grants), vacancy management target, and capital overhead.

Corporate Services

Portfolio achievements from Quarter 4

- The 2024/25 Business Plan and Budget was adopted by Council on 26 June 2024.
- Implementation of the new Community Engagement Platform, Our Adelaide, went live on 1 July 2024, replacing Your Say. Historical data from Your Say has been successfully transitioned into Our Adelaide.
- The CEO Selection Panel completed its recommendation process and recommended to Council its preferred candidate. Michael Sedgman was appointed as CEO in the first few weeks of July 2024.

Customer and Marketing

- The City of Adelaide brand architecture project was completed and approved by Executive on 20 May 2024.
- Initiation of partnership with Catherine House and the introduction of extended phone reception hours in the Customer Centre.

Finance and Procurement

- 25 active procurements progressed, valued at \$13.842m .
- Banking Transition Project completed.

Governance

- Supported 8 CEO Briefings, 20 Committee meetings (Audit and Risk, City Community Services and Culture, City Finance and Governance, City Planning, Development and Business Affairs, Infrastructure and Public Works, Reconciliation), 7 Council meetings, 4 Kadaltilla / Adelaide Park Lands Authority meetings and 10 panel (Council Assessment, CEO Selection, CEO Performance Review)

Information Management

- Practical completion of the City Safe CCTV camera replacement project.
- Significant progress on our new Workforce Management solution.

People

- Preparation for the launch of the 2025 Graduate program.
- Transition to single payroll processing.

Strategy, Insights and Performance

- Active promotion of over 20 Community Engagements.
- Governed the successful delivery of the 2023/24 Capital and Strategic Project Program.

Corporate Services

Portfolio achievements from Quarter 4

Adelaide Central Market Authority

- The Adelaide Central Market 2024-2027 Sustainability Strategy was completed and approved by the ACMA Board in Quarter 4.
- Annual Community Engagement Plan approved.
- Shopify POS implemented.
- Development leasing campaign launched, including an EOI Platform and Marketing brochure.

Adelaide Economic Development Agency

- Through the Welcome to Adelaide program, AEDA welcomed eight new and expanding companies to the city. They will add approx. 757 employees to the city's workforce.
- In May delivered Urban Kitchen, through Tasting Australia, that activated Rundle Mall with over 35 demonstrations and masterclasses.
- Delivered the "See for Yourself" awareness campaign that generated nearly 10,000 leads for tourism businesses in the city.
- Supported four events with a combined investment of \$170,000 through the Event and Festival Sponsorship Program which collectively had an anticipated attendance of 140,000 with an estimated gross economic impact of \$14.5 million.

Kadaltilla / Adelaide Park Lands Authority

- Appointment of Kadaltilla / Adelaide Park Lands Authority Board Member with skills in indigenous culture or reconciliation.
- Draft Adelaide Park Lands Management Strategy (APLMS) – Towards 2036 approved by the Board, Council and the State Government for public consultation.

Corporate Services | Budget

Customer and Marketing

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Manager, Customer & Marketing	-	-	-	(213)	(204)	(9)
Customer Experience	1	1	-	(3,908)	(3,978)	70
Marketing & Communications	-	-	-	(2,128)	(2,267)	139
Total	1	1	-	(6,249)	(6,450)	201

Finance and Procurement

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Manager, Finance & Procurement	-	-	-	(221)	(241)	20
Financial Planning & Reporting	-	-	-	(1,485)	(1,779)	294
Procurement & Contract Management	-	-	-	(866)	(970)	104
Rates & Receivables	115	104	11	(1,224)	(1,178)	(46)
Total	115	104	11	(3,796)	(4,168)	372

Governance

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Manager, Governance & Risk	-	-	-	(214)	(207)	(7)
Corporate Governance	-	-	-	(2,184)	(2,109)	(75)
Council Governance	-	-	-	(1,082)	(1,044)	(38)
Legal Governance	41	40	1	(1,045)	(975)	(70)
Total	41	40	1	(4,525)	(4,335)	(190)

Corporate Services | Budget

Information Management

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Manager, Information Management	4	7	(3)	(1,687)	(1,377)	(310)
Project Delivery	1,400	1,400	-	(2,833)	(2,554)	(279)
Service Desk	-	-	-	(757)	(1,172)	415
Technology, Infrastructure & Platforms	-	23	(23)	(7,171)	(8,480)	1,309
Total	1,404	1,430	(26)	(12,448)	(13,583)	1,135

People

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Manager People	-	-	-	(448)	(445)	(3)
People Experience	88	-	88	(1,430)	(1,573)	143
People Safety and Wellbeing	-	-	-	(653)	(746)	93
People Services	82	82	-	(1,482)	(1,369)	(113)
Total	170	82	88	(4,013)	(4,133)	120

Strategy, Insights and Performance

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Manager, Strategy, Insights & Performance	-	-	-	(185)	(187)	2
Project Management Office	-	-	-	(38)	(155)	117
Strategy and Insights	-	-	-	(1,005)	(1,166)	161
Total	-	-	-	(1,228)	(1,508)	280

Corporate Services | Budget

Adelaide Central Market Authority

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
ACMA Operations	5,402	5,328	74	(5,198)	(5,174)	(24)
Online Market Platform	74	94	(20)	(197)	(236)	39
Total	5,476	5,422	54	(5,395)	(5,410)	15

Adelaide Economic Development Agency

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Manager Director AEDA	-	-	-	(619)	(748)	129
Business and Investment	67	50	17	(2,377)	(2,688)	311
Marketing	34	35	(1)	(1,787)	(1,882)	95
Rundle Mall Management	4,462	4,390	72	(4,464)	(4,608)	144
Visitor Economy	24	19	5	(3,169)	(3,277)	108
Total	4,587	4,494	93	(12,416)	(13,203)	787

Kadaltilla / Park Lands Authority

Operating Budget (excludes Strategic Projects)	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Kadaltilla / Adelaide Park Lands Authority	244	253	(9)	(244)	(253)	9

Corporate Services | Strategic Projects

	Plan		Expenditure (\$'000)				
	delivered by		Actual	Budget	Variance		
Finance and Procurement							
External Property Valuations		May-24		(240)	(240)	0	
Transactional Banking		Jun-24		(190)	(225)	35	
Information Management							
Archives Digitisation		Jun-24		(20)	(80)	60	
Cyber Security Enhancement		Jun-24		(45)	(60)	15	
Deliver next generation Adelaide Free Wi-Fi network as part of the Adelaide City Deal		Sep-23		(98)	(98)	0	
Strategy, Insights and Performance							
Grant Management Software to facilitate identification of funding opportunities		Jun-24		(8)	(12)	4	
Adelaide Economic Development Agency							
Destination Adelaide Promotion				(300)	(300)	0	
Promoting the City during Adelaide 500				(76)	(75)	(1)	
Strategic Events Fund		Jun-24		(600)	(600)	0	
Welcome Adelaide				(77)	(80)	3	
Total				(1654)	(1770)	116	

Regional Subsidiary and Offices

Further to these subsidiaries, the City of Adelaide is also a member of:

Brown Hill and Keswick Creek Stormwater Board

The Regional Subsidiary, known as the Brown Hill and Keswick Creeks Stormwater Board, was established in February 2018. The Board coordinates the delivery of the Brown Hill Keswick Creek Stormwater Project, which is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens. The Board is governed by a Charter prepared by these five constituent Councils and subsequently approved by the Minister for Local Government.

Reporting for this Board is done separately and is not embedded in the City of Adelaide quarterly reporting, however where available, the Board's own reports and plans will be provided as attachments as well as being available on the Board's website.

Office of the Chief Executive Officer (CEO)

Supports the CEO to lead a sustainable, successful organisation, to make well informed decisions to deliver on Council's priorities, and to foster productive partnerships both with industry, and local government and other government bodies through the delivery of effective intergovernmental relations.

Key Focus areas:

- Capital City oversight
- Communication and Public Relations
- Executive Support and Administration
- Grants and Advocacy
- Partnerships and Intergovernmental Relations

Office of the Lord Mayor

Supports the Lord Mayor and Council Members to foster productive relationships with peak bodies, other government bodies and the community, to deliver our strategic priorities, plan, and fulfill our Capital City leadership responsibilities.

Key Focus areas:

- Civic Protocols and Events
- Communication and Public Relations
- Lord Mayor and Council Administration
- Partnerships and Intergovernmental Relations

Office of the CEO and Office of the Lord Mayor

YTD Operating Position	(\$'000)		
	Actual	Budget	variance
Income	50	-	50
Expenditure	(2,839)	(2,938)	99
Net Operating Surplus / (Deficit)	(2,789)	(2,938)	149

Operating Budget	Income (\$'000)			Expenditure (\$'000)		
	Actual	Budget	Variance	Actual	Budget	Variance
Office of the CEO	50	-	50	(1,410)	(1,401)	(9)
Civic Events, Partnerships, & Other Events	-	-	-	(359)	(415)	56
Councillor Support	-	-	-	-	-	-
Lord Mayor's Office Administration	-	-	-	(1,070)	(1,122)	52
Strategic Projects	-	-	-	-	-	-
Total	50	-	50	(2,839)	(2,938)	99

Portfolio achievements from Quarter 4

- After a thorough recruitment process our new CEO, Michael Sedgman, was appointed.
- The Lord Mayor hosted two Roundtables, Hindley Street Property Owners on 24 April 2024 and, in conjunction with AEDA, representatives of the Night Time Entertainment Economy on 8 May 2024.
- Quarterly Citizenship Ceremony was held on 17 May 2024.
- A total of twelve Civic events were delivered during the quarter.

Glossary

Budget:

Financial Indicators: Measures used to assess Council's financial performance, to guide decision making on major projects, and ensure its continued financial sustainability.

Reallocation: Reallocation of funds from one source to another.

Reclassification: A change of a project categorisation to reflect the scope, size or funding source of a projects (e.g. Renewal to Major Project).

Retimed: Deliberate change of timing of a project into a future year based on an agreed decision.

Subsidiaries: Established by Council under Section 42 of the *Local Government Act 1999 (SA)* that operate under independent boards or organisations that City of Adelaide either operates or supports.

Capital Works:

Major project:

Significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.

New and upgrade:

Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.

Renewal:

Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

Project Management Phases:

Commit/Concept: A project plan is being finalised with scope, and greater understanding of budget timing and stakeholder management.

Design: Projects for which only the design phase will be undertaken in the current year, with construction occurring in another financial year.

Design / Detail Planning: The planning and design phase of a project, which includes activities such as project planning and technical design.

Build/Construct (also Deliver): The build and construction phase of a project, which includes activities such as tendering, and construction/creating an asset.

Practical Completion: The practical completion phase of a project, where works are completed to a point where an area/asset is open and created in our asset system. Depreciation commences at this point.

On Hold: Project status indicating a decision of Executive or Council is required and cannot proceed until a decision is reached.

Types of projects:

Capital project: A long term project to establish, develop, improve or renew a capital asset.

Strategic project: Delivers the Strategic Plan and are generally 'once off' that have been prioritised to be delivered in a specific timeframe. Strategic Project budgets are operational in nature (not capital) and are aligned to a relevant service.

Appendix: Risk and opportunities

Summary of key risks and opportunities being managed:

- City Services has advised that tree inspections continue and will focus on high risks areas such as playspaces, paths and events and sporting spaces and that the outcomes of the Public Realm Audits will assist in progressing key public realms works and defining Service Standards.
- ACMA has identified that high inflation and cost of living pressures are impacting food retailing as well as cafes, restaurants and takeaway food services in Australia. Visitation has been plateauing at the Adelaide Central Market since September 2023.
- AEDA has identified that continued macroeconomic trends such as rising interest rates and cost of living pressures create a subsequent impact on potential spend in city businesses.
- No significant risks were identified from Corporate Services, Office of the CEO and LM, and Kadaltilla / Adelaide Park Lands Authority.
- Given the recent adoption of revised Asset Management Plans (AMPs) for some asset classes and the requirement for additional funding, primarily through operating revenue, the current assumption of CPI increases generates insufficient operating revenue to fund the AMPs. The LTFP model assumes where there is a shortfall in funding from operating revenue, borrowings will be used to meet funding shortfalls.

Opportunities

- City of Adelaide is participating in the State Government's Para-Planner Cadet Program, assisting to combat the skills shortage across the industry.
- Council endorsed the Draft Economic Development Strategy for public consultation this quarter, presenting an opportunity to provide clear guidance to businesses in the City for Economic Growth and to AEDA in development of the AEDA Strategic Plan.
- The draft Workforce Strategy and Workforce Planning framework was developed, which will provide an opportunity for integrated People systems and efficiencies in workforce planning.
- Administration continues to review Grant Management and seek partnership opportunities to co-fund Council led projects.

Appendix: Detailed Capital Works

Major Projects

Title	Plan		2023/24 Budget (\$'000)			
	delivered by		actual	budget	variance	
Initiate / Commit / Concept						
Experience Adelaide Visitor Centre			0	0	0	↻
Gouger Street Revitalisation (Concept Design)	Jan-27		176	500	324	⏸
Park 27B Hellas Sports club building and lighting upgrade (grant)			622	815	193	⏸
Design / Detailed Planning						
Carriageway Park / Tuthangga (Park 17) Improvements (Detailed Design)			44	45	1	⏸
Flinders Street Improvements (Detailed Design)*			4	3	0	↻
Hindley Street Revitalisation (Detailed Design)*	Mar-27		600	780	180	⏸
Hutt Street and South Terrace Stormwater Improvements (Detailed Design)*	Feb-25		15	36	21	⏸
Hutt Street Entry Statement (Construction)	Sep-24		1,587	2,212	625	⏸
Jeffcott Street Pavement Rehabilitation and Catchment 13 Stormwater Improvements (Concept Design)*			4	4	0	↻
Victoria Park / Pakapakanthi (Park 16) Master Plan implementation			25	50	25	⏸
Wakefield Street Improvements (Detailed Design)*	Feb-26		1	1	0	↻
Deliver						
218-232 Flinders Street	Dec-24		8,297	8,700	403	⏸
Central Market Arcade Redevelopment	Feb-26		8,076	6,222	(1854)	⏸
Charles Street Streetscape Upgrade Major Project*	Apr-25		419	375	(44)	⏸
City of Adelaide Bikeways (North-South) Major Project	Oct-24		1,088	1,338	250	⏸
City Safe CCTV Network Upgrade*	Jun-24		2,787	3,113	326	⏸
Market to Riverbank Laneways Upgrade	Jun-24		1,620	2,114	494	⏸
Melbourne Street Improvements (Construction)	Apr-25		148	232	84	⏸
Rymill Park /Murlawirrapurka (Park 14) Lake Upgrade (Construction)*	Nov-24		4,453	5,185	732	⏸
Completed						
Moonta Street	Aug-23			0	0	↻
Paxton's Walk Revitalisation	May-23			0	0	↻
Cancelled						
Sturt Street (West) Greening				0	0	↻

New and Significant Upgrades

Title	Plan		2023/24 Budget (\$'000)				
	delivered by		actual	budget	variance		
Initiate / Commit / Concept							
Adelaide Central Market -Dry Storage	●●●		●●●	9	50	41	🕒
City Activation (Festoon Lighting)	●▲●	Feb-25	●●●	56	105	49	🕒
Glen Osmond Road & Hutt Road Intersection Upgrade (Concept Design) *	●●●		●●●	27	27	0	🕒
Gunson Street Improvements (Detailed Design)*	●●●		●●●	58	56	(2)	🕒
Hindmarsh Square - Minor Flood Lighting Augmentation	●●●		●●●	2	8	6	🕒
Hutt Rd and South Tce Intersection Traffic Signal Upgrade	●●●		●●●				🕒
Illuminate Adelaide Public Artwork	●●●	Jun-24	●●●		0	0	🕒
Implementation of Resource Recovery (Organics, Recycling, Waste) Strategy & Action Plan 2020-2028	●●●		●●●	103	150	47	🕒
Integrated Climate Strategy – City Public Realm Greening Program	●●●		●●●		4,000	4,000	🕒
James Place Upgrade*	●●●	Feb-25	●●●	50	38	(12)	🕒
Main Street Revitalisation - Melbourne Street including public artwork (24/25 Project Planning) Major Project	●●●	Jun-26	●●●		50	50	🕒
O'Connell Street Revitalisation (Detailed Design)	●●●		●●●	26	50	24	🕒
Public Art	●●●		●●●	69	135	66	🕒
Royal Avenue Improvements (Detailed Design)*	●●●		●●●	45	50	6	🕒
Rundle Mall Sound System	●●●	Dec-24	●●●	49	256	207	🕒
Southwest Community Centre	●●●	Jun-24	●●●		0	0	🕒
Town Clerks Walk and Red Gum Park / Karrawirra (Park 12) Improvements (Detailed Design)*	●●●		●●●	9	7	(2)	🕒
Whitmore Square Stage 2 Masterplan Implementation Upgrades (Concept Design)*	●●●		●●●	24	24	0	🕒
Design / Detailed Planning							
Adelaide Central Market Authority (ACMA) - New Parents Room	●●●		●●●	10	10	0	🕒
Adelaide Town Hall - David Spence Room and Prince Alfred Room - TV and False Wall*	●●●	Sep-24	●●●	18	102	84	🕒
Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall and Footpath Upgrade (Construction)*	●●●	Jun-24	●●●	11	11	0	🕒
Botanic Catchment Water Course Rehabilitation (Detailed Design)*	●●●		●●●	169	195	26	🕒
City Dirt Master Plan Implementation (24/25 Detailed Design and Construction) *	●●●		●▲●	3	10	7	🕒
Kingston Terrace Bus Stop Upgrades (Construction)	●●●	Jan-25	●●●	12	169	157	🕒
Kingston Terrace Streetscape and Stormwater Improvements (Detailed Design)*	●●●		●●●	13	24	11	🕒
New Access Ramps for Accessible Car Parks (Construction)	●●●		●●●		28	28	🕒
Place of Courage / Spirit of Woman (Park 27)	●●●	Jun-25	●●●	5	5	0	🕒
Stephens Street and Sanders Place Improvements (Detailed Design)	●▲●		●●●	1	1	0	🕒
Vincent Street and Vincent Place Improvements (Concept & Detailed Design)*	●▲●		●●●	127	112	(15)	🕒
Ward Street Improvements (Concept Design)*	●●●		●●●	58	58	0	🕒
West Pallant Project Steet Lighting Design*	●●●		●●●	11	35	24	🕒

* The budget for these projects includes renewal funding

**budget to be considered as part of 2024/25 BP&B

New and Significant Upgrades

Title	Plan		2023/24 Budget (\$'000)				
	delivered by		actual	budget	variance		
Deliver							
Central Market Arcade Redevelopment	●●●	Feb-26	●●●	356	480	124	👎
Christmas 2024 - KWS Light poles	●●●		●●●	5	140	135	👎
Climate Change Action Initiative Fund (CCAIF)*	●●●		●●●	340	332	(8)	👎
Field Street Improvements (Construction)*	●●●	Jul-24	●●●	1,031	2,203	1,172	👎
Frome Street Footpath Upgrades (In conjunction with N-S Bikeway Project)	●▲●	Oct-24	●●●		0	0	👎
Greener City Streets Program	●▲●	Jun-24	●●●	647	874	228	👎
Hutt Road / Park Lands Trail Signalised Crossing (Construction)	●●●	Sep-24	●●●	335	718	382	👎
Hutt Road Earthen Levee Embankment	●●●	Jun-24	●●●	385	480	95	👎
Light Square Electrical Infrastructure Upgrade	●●●	Aug-24	●●●	258	400	142	👎
Minor Traffic Signal Safety Upgrades - 3G Hardware Replacement	●●●	Jul-24	●●●	11	18	7	👎
Mistletoe Park / Tainmuntilla (Park 11) Public Lighting Upgrade (Construction)*	●▲●	Apr-25	●▲●	23	123	99	👎
Public Art 21-22	●●●	Jun-24	●●●		28	28	👎
Public Lighting Alterations - 176 Mackinnon Parade, North Adelaide	●●●	Aug-24	●●●	3	40	37	👎
Replacement of UPark Car Park Management System (CPMS)	●●●	Dec-24	●●●	10	10	0	👎
Rymill Park / Murlawirrapurka (Park 14) Public Lighting Upgrade (Construction)	●●●	May-25	●●●	141	300	159	👎
Rymill Park /Murlawirrapurka (Park 14) Sustainable Water Supply (Construction)	●●●	Oct-24	●●●	614	1,000	386	👎
Stafford Street Public Lighting Upgrade (Construction)*	●●●		●●●	24	28	4	👎
Torrens Retaining Structure (Construction)	●●●	Jul-25	●●●	78	103	25	👎
Complete							
Adelaide Free Wi-Fi Electrical Works	●●●	Oct-23	●●●	8	8	0	👎
23/24 Traffic Signal Cables and Conduits Replacement - Pulteney Street/Angas Street (TS3024)*	●●●	Apr-24	●●●	403	318	(86)	👎
24/25 -North Adeladie Golf Course - Driving Range Ball Cleaner/Dispenser*	●●●	Jun-24	●●●	27	18	(9)	👎
Adelaide Central Market Authority (ACMA) - New Security Gates	●●●	May-24	●●●	43	75	32	👎
Brougham Place Footpath Improvements & Greening	●●●	Feb-24	●●●	158	159	1	👎
Brown Hill Keswick Creek - Stormwater Project (Financial Contribution)	●●●	Feb-24	●●●	320	320	0	👎
Christmas Festival Capital Budget	●●●	Dec-23	●●●	207	207	0	👎
City Operations Android Tablet Procurement*	●●●	Jun-24	●●●	38	132	94	👎
Currie Street and Morphett Street Intersection Traffic Signal Safety Upgrade (Construction)*	●●●	Feb-24	●●●	60	60	0	👎
Dogs On Leash Signage	●●●	Aug-23	●●●	17	17	0	👎
Francis Street Public Art	●●●	Aug-24	●●●		28	28	👎

New and Significant Upgrades

Title	Plan		2023/24 Budget (\$'000)				
	delivered by		actual	budget	variance		
Complete							
Installation of compliant handrailing to Weir 3 Footbridge*		Dec-23		0	0	0	
Laptops for Additional Resources		Nov-23		169	169	0	
Morphett Street and South Intersection Traffic Signal Safety Upgrade (Construction)*		Feb-24		151	151	0	
New Street and Park Lands Furniture (Construction)*		Jun-24		48	50	2	
New Street and Parklands Bicycle Racks (Construction)*		Jun-24		24	25	1	
North Terrace / Station Road Footpath Improvements (Construction)*		Jun-24		403	441	38	
On-Street Parking Compliance Resourcing		Aug-23		119	119	0	
Place of Reflection		Jun-23		4	4	0	
Public Art Action Plan - Capital Projects		Jun-24		8	12	4	
Reignite Adelaide - East End Festival and Event Place Retractable Bollards		Oct-23			0	0	
Skate Park CCTV and Greening		Apr-24		38	37	(1)	
Tavistock Lane Festoon Lighting Upgrade (Detailed Design)		Jun-24		34		(34)	
Torrens Lake Earth Retaining Structure adjacent University Footbridge*		Dec-23		268	268	0	
Upark Equipment Test Bed Network Switch		Apr-24		28	28	0	
Cancelled							
ACMA -2112 - Cool room					0	0	
Adelaide Central Market Authority (ACMA) - New Trolley Bays and Trolleys				25	130	105	
Christmas 2024*		Oct-24		0	53	53	
Electric Vehicle Charging Infrastructure in UParks		Jun-24			0	0	
Flinders Street Pedestrian Crossing Improvements (Adjacent Pilgrim Lane)					10	10	
Kerbing - Hutt St/South Tce Stormwater		Jun-24		2	2	0	
Town Hall Complex Improvements					0	0	
West Pallant Street Improvements (PLEC)*				0		0	
On Hold							
Blackspot program - South Terrace and Pulteney Street Intersection Traffic Signal Safety Upgrade (Construction)					10	10	
Mini Golf in North Adelaide Golf Course Development (Future Fund)				5	11	6	
Strangways Terrace Golf Course Carpark and Access Improvements (Detailed Design)				20	33	14	

*The budget for these projects includes renewal funding **Budget to be considered as part of 2024/25 BP&B

+Only projects that were completed or cancelled this quarter are shown

Renewals

Category	Total	Design only	Plan / Design	Build / Construct	On Hold	Complete
Bridges	4	2		1		1
Buildings	38	3	3	11		21
ICT Renewals	7		1	2		4
Lighting & Electrical	18	2		8		8
Park Lands Assets	15	2	1	2		10
Plant and Fleet	6			2		4
Traffic Signal	9		1			8
Transport	113	31	2	19		61
Urban Elements	47	5	1	18		23
Water Infrastructure	7	3		1		3
Renewal Total	264	48	9	64	-	143

Note

- *Transport is made up of Roads, Pathways and Kerb and Water Table*
- *Plant and Fleet includes Commercial Plan and Fleet*
- *Total Project count: mixed-funded projects are only counted once in the total project count*

Renewals

Renewal Projects COMPLETED this quarter

	Category
London Road Depot - Height Safety Improvements	Buildings
Adelaide Central Market - Market Floor Tenant Stall Renewal	Buildings
North Adelaide Golf Links - Kitchen Window Renewal including Asbestos Removal	Buildings
North Adelaide Golf Links - Renewal of Bin Storage Areas	Buildings
LRD workshop security door replacement	Buildings
Eagle Chambers - IT Server Room A/C renewal	Buildings
Adelaide Pavilion - Air Conditioning Rectification works	Buildings
Minor Works Building Lift Upgrade	Buildings
Historic and civic archive management	ICT Renewals
ICT Renewals - Network & Security	ICT Renewals
ICT Renewals - Server & Cloud Infrastructure	ICT Renewals
ICT Renewals - PC & Laptop Replacement	ICT Renewals
Lighting Renewal - Bud lighting Removals and Reinstatements Works	Lighting & Electrical
23/24 Lighting Renewal - Bud Lighting Removals and Reinstatements	Lighting & Electrical
Decorative Lighting East End Renewals	Lighting & Electrical
Morphett St (NT/Hindley) street light renewals	Lighting & Electrical
23/24 Electrical Switchboards Above Ground - Renewal Program	Lighting & Electrical
Irrigation Renewal - Victoria Square South / Tarntanyangga	Park Lands Assets
Water Feature renewal - Pinky Flat Park 26	Park Lands Assets
Golf Course Links - Southern Green Renewal"	Park Lands Assets
Commercial Plant & Fleet Replacement Program	Plant and Fleet
UPark Occupancy Signs Refurbishment	Plant and Fleet
23/24 Traffic Signal Cables and Conduits Replacement - West Terrace/Gouger Street (TS3104)	Traffic Signal
23/24 Traffic Signal Cables and Conduits Replacement - King William Street/South Terrace (TS3011)	Traffic Signal
23/24 Traffic Signal Cables and Conduits Replacement - East Terrace School Crossing near Wakefield Street (SC3210)	Traffic Signal
23/24 - Traffic Signal Cables and Conduits Replacement - Pulteney Street/Gilles Street (TS3027)	Traffic Signal
23/24 - Traffic Signal Cables and Conduits Replacement - Pulteney Street/Carrington Street (TS3025)	Traffic Signal
23/24 Traffic Signal Controller Renewal Program	Traffic Signal
Heavy Patching - North Terrace - King William Street to Stephens Place	Transport
23/24 Road Heavy Patching - Road Network	Transport
Road Resurfacing and Kerb Renewal - Cardiff Street - Childers Street to Dead End	Transport
King William Street - North Terrace to Victoria Square - Footpath Rehabilitation	Transport
Heavy Patching - North Terrace - West Terrace to King William Street	Transport
Footpath Renewal - Bentham St & Waymouth St Intersection	Transport
Public Art - Reedman Fountain - Pennington Gardens - Park 26	Urban Elements
Public Art - Mosaic Butterfly Sculpture - Park 21	Urban Elements
Urban Elements - Fence & Gate Renewal Program	Urban Elements
Urban Elements - BBQ Renewal Program	Urban Elements
Public Art - King George V - Stage 2 Treatment - Park 12	Urban Elements
Public Art Lighting - Start of Survey For The Siting of Adelaide Memorial - Park 27	Urban Elements
Talking Our Way Home - Park 26	Urban Elements
Sudholz Place Stormwater Renewal (linked to 211 Pirie St Development)	Water Infrastructure
Park 16 - Channel Rehabilitation and Erosion Protection	Water Infrastructure

Appendix: Financial statements

Uniform Presentation of Finances \$'000s	2023/24 Adopted Budget	2023/24 Q1	2023/24 Q2	2023/24 Q3	2023/24 Q4
<u>Income</u>					
Rates Revenues	135,395	135,281	135,131	135,131	135,537
Statutory Charges	14,683	14,683	14,613	15,107	16,220
User Charges	70,002	69,915	70,365	72,565	74,098
Grants, Subsidies and Contributions	4,449	8,562	8,891	1,723	8,638
Investment Income	150	150	734	944	1,449
Reimbursements	338	338	338	703	1,727
Other Income	465	465	465	1,143	929
Total Income	225,481	229,394	230,537	234,470	238,598
<u>Expenses</u>					
Employee Costs	81,586	82,435	82,443	78,732	77,866
Materials, Contracts and Other Expenses	85,100	88,130	88,730	93,551	95,848
Depreciation, Amortisation and Impairment	56,040	56,040	56,473	54,482	55,008
Finance Costs	835	835	887	890	892
Total Expenses	223,561	227,442	228,534	227,655	229,614
Operating Surplus / (Deficit) before Capital Amounts	1,920	1,952	2,003	6,815	8,984
<u>Net Outlays on Existing Assets</u>					
Capital Expenditure on Renewal and Replacement of Existing Assets	(50,416)	(54,153)	(54,153)	(54,153)	(52,667)
add back Depreciation, Amortisation and Impairment	56,040	56,040	56,473	54,482	55,008
add back Proceeds from Sale of Replaced Assets	630	630	630	630	495
Net Outlays on Existing Assets	5,624	1,887	2,320	959	2,836
<u>Net Outlays on New and Upgraded Assets</u>					
Capital Expenditure on New and Upgraded Assets	(50,318)	(56,127)	(56,183)	(45,403)	(36,681)
add back Amounts received specifically for New and Upgraded Assets	5,295	2,171	1,170	1,455	5,524
add back Proceeds from Sale of Surplus Assets	27,100	27,100	27,100	27,100	27,100
Net Outlays on New and Upgraded Assets	(17,923)	(26,856)	(27,913)	(16,848)	(4,057)
Net Lending / (Borrowing) for Financial Year	(16,379)	(23,016)	(23,590)	(9,074)	7,763

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Adelaide Central Market

Quarter 4 Report, 1 April 2024 – 30 June 2024



Executive Summary

The Adelaide Central Market Authority has reached EOFY with 100% of actions and measures set out in the 2023/24 business plan either completed, ongoing or on track. Highlights for Q4 include events and activations such as Winter Weekends and two successful 'popup' offers, as well as the endorsement by the ACMA Board of the inaugural Sustainability Plan 24/27 and the annual Community Engagement Plan. All contribute to attracting visitors, supporting local economy and strengthening community and cultural ties to the City. After months of research and Board discussions, the Leasing Strategy and campaign plan were also completed, a significant milestone and achievement within ACMA's existing internal resources.

ACMA's Financial performance was strong: the preliminary end of year result is a surplus of \$84K vs \$395K deficit in the original budget. The operating position is \$73K favourable to the reforecast budget (pending audit), and \$468K favourable to original budget. This was driven by additional leasing income, retaining 100% rental occupancy, and achieving minimal debt.

The Market visitation in Q4 continued to be steady but below 2023 amid ongoing cost-of-living pressures, muted retail results Australia wide and impact of local development works. It will be unlikely to see any visitation growth in FY24/25.

Financial Report

Preliminary results Operating budget, Q4 2023/24 are provided in the table below

\$000's	Actual*	Q3 Budget	Variance
Income	5,476	5,422	54
Expenditure	5,395	5,410	15
Net Operating Surplus/(Deficit)	81	12	69

* The 2023/24 results are preliminary and subject to the finalisation through Financial Statement preparation and external audit. The final audited position will be presented to Audit and Risk Committee in September 2024.

Debtors Summary

Financial Year	Total Arrears	Current	%	30 Days	%	60 Days	%	90+ Days	%
2023/24	\$ 47,206	\$ 41,533	88%	\$ 6,456	14%	\$ -	0%	-\$ 782	-2%

Debt remains minimal and contained within 30 days.

Risks and Opportunities

- 28% of leases will expire in FY24/25 leading an increased risk in vacancies.
- The construction of Market Square, the decreased capacity in the Central Market car park, as well as economic conditions and cost of living pressures may impact on potential spend in Market.
- Access to the Market may be affected further by compounding pressures in the precinct, depending on timing: future renovations of Market Plaza entrances, Gouger St rejuvenation, road closures for major events, etc.

Business Plan & Budget 2023/24 and Strategic Plan Measures

The 2023/24 ACMA Business Plan and Budget includes 44 priority actions across the five strategic pillars of the ACMA Strategic Plan 2023/28: Our Customers, Our Traders, Our Business, Our Community and Our Market.

Summary Strategic actions	Delivered/ongoing	On Track	Off track
OUR CUSTOMERS	10	0	0
OUR TRADERS	4	0	0
OUR BUSINESS	17	0	0
OUR COMMUNITY	5	0	0
OUR MARKET	7	1	0
TOTAL	43	1	0

The 'One Market' Retail and Fit Out Guidelines was procured in Q3 and will be delivered by the end of Q1 FY24/25, but this will not cause any delay to the start of lease negotiations.

Q4 Highlights

OUR CUSTOMERS

We will keep customer experiences at the heart of all decisions, every day.

- Community Consultation for Market Carts, resulting in an advertising campaign to increase awareness of existing Carts for hire and sale.
- Winter Weekends in June
- Nearly 10,000 face to face enquiries managed by Customer Service Desk

OUR TRADERS

We will work with our traders to support them in the delivery of an exceptional shopping experience.

- Security gates enabling traders' events outside of core trading hours
- Supported inaugural Adelaide Wine Festival on Sunday 23/06 (over 1K attendance)
- History Festival
- Successful pop-ups with traditional style Dutch winter offering in central aisle, and SACWA scone stand.

OUR BUSINESS

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

- New property management software procured
- POS hardware implemented (customer service desk)

OUR COMMUNITY

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

- ACMA first Sustainability Strategy 2024/27 completed
- Community Engagement Plan 2024/25 completed with focus on district collaboration
- National Reconciliation week celebrations in Market

OUR MARKET

We will deliver infrastructure and programs that address the current and emerging needs for our customers and traders.

- Transition to NBN completed
- Southeastern entry refurbished
- Market Expansion:
 - Leasing Strategy and Leasing Campaign strategy completed.
 - Fit Out guidelines procured to Wood Bagots
 - Marketing/leasing collateral (Leasing brochure, EOI platform, animation etc.) finalised ready for EOI launch in July 2024
 - Exclusive access to EOI for existing traders

Upcoming quarter ACMA: 1 July 2024 – 30 September 2024

- Marketing and events delivery:
 - Bastille Day
 - School Holidays program
 - Sustainable September
- Trading Hours review: trader consultation
- Single Use plastics ban transition by 01 September 2024
- Market Expansion:
 - Leasing campaign launch + EOI in progress
 - Shortlisting from September
 - Operational Preparedness project starts
 - Fit Out guidelines to be completed
 - Leasing and project advisory services procurement
 - Recruitment Leasing Manager

Adelaide Economic Development Agency

Quarter 4 Report

1 April 2024 – 30 June 2024

Executive Summary

Between 1 April 2024 and 30 June 2024, AEDA:

- Delivered a marketing campaign generating nearly 10,000 leads for city tourism businesses. The 'See for Yourself' awareness campaign was launched in June and highlights experiences, nightlife, events and festivals, food and drink and retail offerings in the city
- Through the Welcome to Adelaide program, supported eight new and expanding companies to the city that are set to add 757 employees to the city's workforce between April and June 2024
- Delivered Urban Kitchen that activated Rundle Mall with over 35 demonstrations and masterclasses
- Supported four events with a combined investment of \$170,000 through the Event and Festival Sponsorship Program which were delivered in the quarter and collectively had anticipated attendance of 140,000 and an estimate gross economic impact of \$14.5 million

Financial Report

Operating Position			
\$000s	2023/24 Actuals*	2023/24 Q3 Budget	Variance
Income			
Rundle Mall Levy	3,918	3,890	28
Rundle Mall User charges	544	500	44
CoA Contribution	8,880	9,546	(666)
Other Income	125	104	21
Total Income	13,467	14,040	(573)
Expenses			
Employee Costs	3,793	4,577	784
Materials, Contracts and Other Expenses	5,086	5,538	452
Sponsorship, Contributions and Donations	4,532	4,082	-450
Depreciation, Amortisation and Impairment	58	62	4
Total Expenses	13,469	14,258	789
Operating Surplus / Deficit	(2)	(218)	216

* 2023/24 results are preliminary and subject to the finalisation through Financial Statement preparation and external audit. The final audited position will be presented to Audit and Risk Committee in September 2024.

Income

Income variances reported are a result of:

- Favourable Rundle Mall Levy income due to allowance of \$30k for objections and only \$2k being realised
- Rundle Mall user charges exceeded the budget by \$32k with an additional \$12k in sundry sales
- Other income favourable variances include AEDA Summit income of \$17k (this income offset in expenses)

Expenditure

- Employee costs \$784k favourable for AEDA noting Rundle Mall component \$215k, this has resulted in a reduction of the CoA contribution at year end.
- Any favourable Rundle Mall expense budget will be retained and added to Rundle Mall 2024/25 expense budget at the first available quarterly forecast. Currently this surplus is estimated at \$216k.

Risks and Opportunities

- Cost of living pressures impacting on discretionary spend for visitors to the city
- Economic projections suggest a flattening of economic growth and job formation over the coming year
- In response to an identified risk, SAPOL patrols and private security contractor presence has been increased in Rundle Mall to address recent community and trader concerns

Grant Funding Approved

2024/25 Events and Festivals Sponsorship Program

Funding was approved by the AEDA Board at a special meeting on 14 June 2024 to support the below events as part of 2024/25 Events and Festivals Sponsorship Program. Based on the information provided in funding applications, these events are expected to collectively bring 49,000 attendees to the city and generate over \$8.8 million in economic impact.

Event	Date(s)	Funding
Adelaide Guitar Festival	12 - 29 Sept 2024	\$40,000
Carols by Candlelight	14 December 2024	\$75,000
Viking Fest (name TBC)	6 - 29 June 2025	\$50,000

In addition to the above, the Board also approved the following allocations:

- \$65,000 - Additional funding to the South Australian Tourism Commission to support 2025 Santos Tour Down under 25th Anniversary Race
- \$50,000 - For partnership between Adelaide Botanic Gardens and AEDA to leverage the 2024/25 Chihuly Exhibition

2024 Commercial Events and Festivals Sponsorship Program

Funding was approved by the Acting General Manager, AEDA on 10 April 2024 to support the below events in the small-medium funding category. Based on the information provided in funding applications, these events are expected to collectively bring 25,000 attendees to the city and deliver over \$10 million in expenditure.

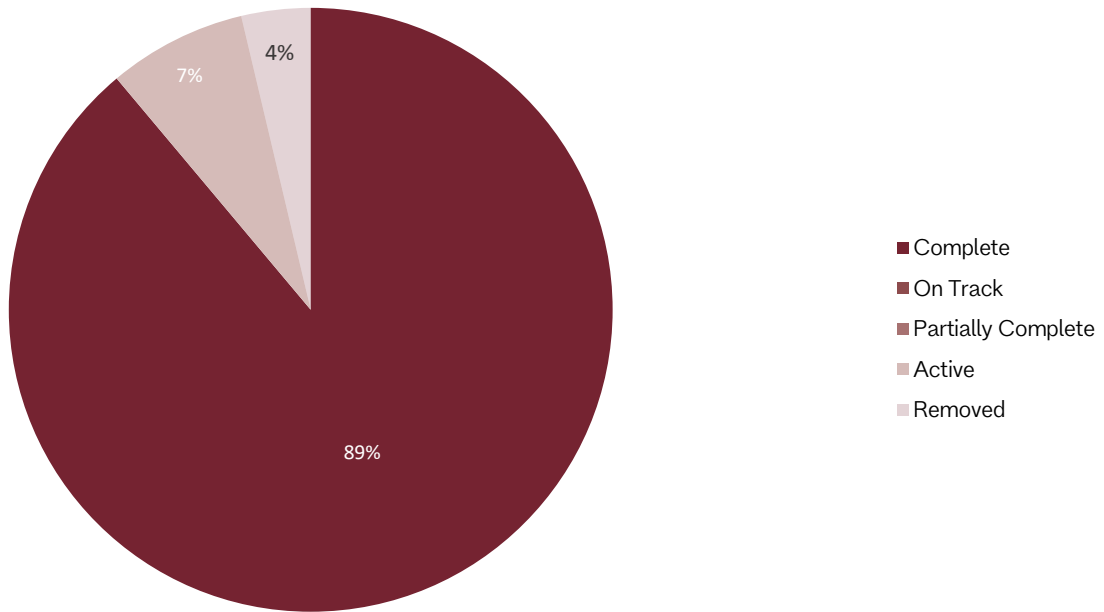
Event	Date(s)	Funding
Bastille Festival	14 July 2024	\$15,000
Rundle Restaurant	6 - 9 September 2024	\$16,000
Cranker Jamboree	7 September 2024	\$12,000
Hongdae in Adelaide	7 September	\$17,500
Future Sounds Festival	19 October 2024	\$15,000
CheeseFest – Cheese, Food & Wine	19 - 20 October 2024	\$20,000
Poppin' Out	2 November 2024	\$14,000
Adelaide Polo Classic	13 - 14 December 2024	\$14,000

Business Plan & Budget Measures

The 2023/24 AEDA Business Plan and Budget includes 27 measures across the four key areas, Business, Investment & Residential Growth; Visitor Economy; Rundle Mall and Brand and Marketing.

As at the end of the quarter four period the current progress against the measures are as follows:

- 24 measures have been marked 'Complete' because they have been finalised or the annual target met;
- 2 measures are 'Active' which means work is being done towards the target but no numerical figure towards the target has been recorded and;
- 1 target has been removed from tracking



Business, Investment and Residential Growth

Key Performance Indicator	Status	Measure	Actual	Difference
50 inward investment proposals/local expansions supported, with at least 10,000sqm of office space committed to	Complete	50	78	+28
1,000 Welcome to Adelaide employee introduction packs distributed	Complete	1,000	1,057	+57
30+ vacant shopfronts/premises activated	Complete	30	30	-
Deliver AEDA Business Summit	Complete	1	1	-
Deliver 3 industry briefing events	Complete	3	3	-
Enrolled international student numbers 5+% above 2019 levels (44,318 students across all segments).	Complete	44,318	54,726	+6,408
2+% increase in the number of city workers above 2020/21 levels (148,369)	Complete	151,336	169,940	+18,604
2+% increase in the number of city businesses above 2020/21 levels (12,018)	Complete	12,518	12,558	+40
2 campaigns/projects/market interventions to support emerging industries in the city	Complete	2	5	+3

Visitor Economy

Key Performance Indicator	Status	Measure	Actual	Difference
Delivery of the new Experience Adelaide Visitor Centre	Active	1	-	-
Maintain accreditation of the Visitor Information Centre	Complete	1	1	-
8 training sessions with VIC volunteers and staff	Complete	8	9	+1
2 destination marketing campaigns or initiatives with the state government to increase the number of people visiting the city	Complete	2	3	+1
20 new bookable city tourism products/experiences	Complete	20	20	-
City hotel occupancy above 70%	Complete	70%	72%	+2%

Rundle Mall

Key Performance Indicator	Status	Measure	Actual	Difference
3 recommendations from Rundle Mall place vision workshop implemented	Complete	3	3	-
5 major brands committed to Rundle Mall	Complete	5	5	-
Stakeholders agree that the volume and quality of communication and data/insights to stakeholders has improved over the previous 12 months	Active	1	-	
Rundle Mall average strip vacancy rates below 8%	Complete	8%	5%	-3%
Average vacancy rates below 20% for arcades, centres and laneways in the Rundle Mall precinct	Complete	20%	18.8%	1.2%
3 significant campaigns that are aligned with exclusive city events and festivals	Complete	3	4	1
Uplift in foot traffic across 3 major events/festivals	Complete	3	3	-
Uplift in market share across 3 major events/festivals	Complete	3	3	
MAT market share remains above 5%	Complete	5%	5.5%	+0.5%

Brand & Marketing

Key Performance Indicator	Status	Measure	Actual	Difference
Generate \$2 million in advertising space rate with reference to City of Adelaide/AEDA	Complete	\$2m	\$2.223m	+\$223k
Support 200 city businesses to establish or extend their e-commerce capability on byADL.com.au	Removed	200	N/A	-
Total city expenditure above \$4.45b	Complete	\$4.450b	\$4.650b	+\$200m

Key Achievements



Strategic Partnership Program

MTPConnect's Global Navigator Program has assigned mentors to participating companies and begun workshops to help define market entry strategies for the companies.

ThincLab's ThincSeed program's first cohort have undertaken nine workshops ranging from product development to people and organisation management.

Through the Mastermind program_SouthStart have delivered the first of the four strategic sessions.

Renew Adelaide activated a further 9 vacant shopfront/premises in the city including Vice Jewellery on Pirie St and Unica & Co an Italian ceramic and homeware boutique in Adelaide Arcade.

StudyAdelaide hosted delegates from international school SACE Board's to showcase Adelaide's unique study qualities and education opportunities and undertook a Northeast Asia roadshow conducting agent workshops and student events to further highlight Adelaide as a study destination.

As part of their Festival HQ industry program, designed to strengthen capacity of the SA festival industry, Festivals Adelaide launched their crew and supplier directory, an opt-in directory that connects sole traders and businesses wanting to work with events and festivals.

In the quarter, Business Events Adelaide visited China to secure corporate incentive travel groups for Adelaide, and attended events aimed at boosting Adelaide's global appeal for business events in London, Frankfurt and Singapore.



Destination Adelaide

As part of the Destination Adelaide Strategic Project, AEDA ran a digital marketing campaign through Meta to promote product page views and generate leads for City Tourism Operators.

The campaign ran for four months from March to June 2024. 171 tourism products across accommodation, food and drink and attractions were promoted through 38 Meta ads. The ads generated 5.9 million impressions and resulted in 86,435 clicks through to the business product pages on ExperienceAdelaide.com.au and 9,207 ATDW leads (clicks through to the business websites).

Also developed and delivered through the Destination Adelaide project was the 'See for Yourself' campaign targeted at 22-49 year olds across Adelaide that challenges perceptions that the city is 'bland, boring and sleepy', particularly in winter.

The campaign is in market from June to July to coincide with traditionally quieter period for city visitation and targets an audience that research shows has the desire and disposable income to enable them to experience the city. It focusses on sectors currently experiencing trading pressures such as those operating in the nighttime economy, hospitality and retail.



Rundle Mall Activations



Urban Kitchen

Over 90 activations took place on Rundle Mall in the quarter. Key activations included:

- During AFL Gather Round, the Mall was host to the live site which hosted player appearances, a 9.5 metre inflatable Sherrin football, a pop-up AFL Store, a footy quiz, reaction test and personalised football card attractions, live streaming of Games and a Footy Bar over the April Gather Round weekend.
- Gather Markets that took place on three Sundays over the quarter, activating the Mall on at a typically quieter trade period with markets showcasing the best of SA designers and produce.
- The Tillie's Bar and Live Site, leveraged off the sold out game of the Matilda's vs China at Adelaide Oval which streamed the game and featured a pop up bar and live DJs prior to kick off.
- Mix 102.3's Our Boy Sammy in Blue activation supported the radio station hosts to make a 8 year old boy with an inoperable brain tumour dream come true, working as a police officer and finding 'criminals' Reilly O'Brien, Alex Carey and Guy Sebastian.

The Mall was also the location for the VAILO Adelaide 500 2024 media call and the National Pharmacies Christmas Pageant Media call this quarter.

Urban Kitchen returned to Rundle Mall for its fourth iteration from Friday 3 May to Sunday 12 May.

The expanded program this year, included masterclasses from RIEDEL, Koko Black, Red Hen Spirits and Malissa Fedele (MasterChef contestant), alongside the Sprout chefs who prepared dishes daily across the 10-day program.

Precinct businesses also took part in the activation such as the Myer Store and Centre that expanded the activations by delivering additional instore cooking demonstrations and David Jones that held the RIEDEL masterclass.

1,103 tickets were sold across the 10-day program with 62% of attendees reporting they went shopping in the Mall after attending Urban Kitchen.

The Sunday Mail featured the activation on the 21 April edition, promoting ticket sales and the expanded program. Urban Kitchen ads for ticket sales saw a total reach of 5.1M and impressions of 7.8M, making it the Mall's highest ever performing owned paid ads.



Gather Round

AEDA worked collaboratively with multiple CoA teams and ACMA as well as external stakeholders including the AFL and the South Australian Tourism Commission and other city stakeholders holding events or activations, to deliver a range of initiatives that leveraged off Gather Round. Initiatives included:

- Distribution of Gather Round 'Trader Packs' to dress the city, provided to more than 100 city businesses, precincts, city libraries and community centres, primary schools, Adelaide Aquatic Centre, Adelaide Central Market and the Adelaide Visitor Information Centre.
- The Rundle Mall Live Site and activations as reported under Rundle Mall activations
- Dedicated landing page on the Experience Adelaide website promoting all the city based events, activations, offers and places to visit before, after and during the games
- Development and distribution of 7500 printed booklets distributed to hotel rooms in key city hotels via an insert in SA Style Magazine, promoting what's on in the city during the weekend
- Pillar and wayfinding signage in the city promoting key precincts and what's on and providing directions
- Paid digital media and bus stop advertising screens directing people to the landing page for more information; and
- Content creation to highlight interstate visitors' experiences in the city during Gather Round via social media.

Foot-traffic figures indicate citywide visitation numbers were 20% higher this year when compared to the AFL Gather Round 2023 period.

The West and East End were the key beneficiaries, with the highest changes on last year and the 12-month average. Night-time activity was also higher than last year.



Events and Festival Sponsorship Programs

The Adelaide Equestrian Festival, Tasting Australia, Cabaret Fringe Festival and Adelaide Cabaret Festival, supported through the Events and Festivals Sponsorship Program, took place in quarter four.

A total of \$170,000 was invested to support these 4 events generating an estimated* \$14.5 million gross economic impact and bringing over 140,000 attendees to the city. *estimate figures are derived from 2023 acquittal reports. 2024 reports are not yet due.

The Commercial Events and Festivals Sponsorship Program provided \$20,000 funding to support Home Base: Footy Place in quarter four which coincided with Gather Round. As this is a new event there is no historical data on estimated attendance and economic impact and the acquittal report is pending.



Welcome to Adelaide

Over its life time the Welcome to Adelaide program has supported hundreds of new jobs into the City. In the past quarter the program has supported eight new and expanding companies to add 757 employees to the city's workforce.

Firms supported by the program this quarter include Pernod Richard Winemakers, Marriott Hotel, Rising Sun Pictures, Amplar Health, Zoho Australia, Lutheran Homes, Defence Housing Australia and URPS.



AEDA Business Summit

More than 350 people attended the third AEDA Business Summit held on 22 May 2024 at the Adelaide Oval. The Summit brought together the business community to share topical information and insights that impact the city's economy. Fourteen speakers discussed a diverse range of topics from the state of the economy to luxury retail and artificial intelligence to property development. The Summit sought and secured a major sponsor for the first time, the University of Adelaide which included integration of a panel comprising of university speakers.

The overwhelming majority of delegates continue to be satisfied with the AEDA Business Summit with the majority satisfied or extremely satisfied with the overall event, quality of speakers, the panel discussions and networking opportunities.

Up Next

Coming up from 1 July 2024 – 30 September 2024

- Data4Lunch – 21 August
- See for Yourself Campaign
- Phase 1 of the Tourism Investment Attraction Project
- Chihuly City Trail
- AEDA Strategic Plan
- Rundle Mall Friday Night Winter Activations



Gaming and VFX Support

The Gaming Plus Support Program in its second year aims to enhance diversity and inclusivity in the gaming industry and reduce barriers in the industry to drive the growth of the sector.

Key highlights of the program from the quarter include sponsorship of the Women in Creative Technologies rebranding launch which brought together over 100 women from creative technology industries, the VFX Adelaide event that brought 70 VFX students and staff together to fosters collaboration in the community that consists of global studio firms with staff that typically work from home and the Market Access Program which is a collaborative effort between DTI and SA Film Corporation which provides sponsorships to trade conferences to facilitate pitches to commercial investors and distributors as well as development of commercial opportunities.

Kadaltilla

Adelaide Park Lands Authority

Quarterly Update
April to June 2024

Kadaltilla
Adelaide Park Lands Authority



Key Highlights April to June 2024

- Endorsement of the [Kadaltilla Annual Business Plan and Budget 2024/2025](#)
- The [draft “Adelaide Park Lands Management Strategy – Towards 2036”](#) was released for public consultation from 17 June – 9 August 2024.
- Appointment of Kadaltilla / Adelaide Park Lands Authority Board Member with skills in indigenous culture or reconciliation
- Delivered a Park Lands Site Tour with Board Members
- Convened a Special Board Meeting to discuss Park Lands water opportunities with Green Adelaide
- Completed an intensive integrated marketing and communications strategy



DRAFT

Adelaide Park Lands Management Strategy Towards 2036

Core Responsibilities

PURPOSE FOR WHICH THE AUTHORITY IS ESTABLISHED

The Council and the State Government of South Australia are committed to protecting and enhancing the Adelaide Park Lands for the benefit of all South Australians.

The Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) is the principal advisor to both the Council and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

The Council, on behalf of the communities of the City of Adelaide and the State, is committed to ensuring that Kadaltilla delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.

In this context, Kadaltilla is established by Statute to undertake in accordance with the powers conferred by the APLA Charter, the Functions of Kadaltilla as set out in section 9 of the *Adelaide Park Lands Act 2005*.



Strategic Pillars



PURPOSE

- To be the trusted voice on the Adelaide Park Lands which actively conserves, promotes, and enhances the environmental, economic, cultural, recreational, and social importance value of the Adelaide Park Lands

Strategic Plan 2023-2028

Key Actions April to June 2024

Cultural Value

1.1 Seek Kaurna cultural authority in everything we do

- ✓ Amended Kadaltilla membership as per KYAC's request
- ✓ Noted the draft Stretch Reconciliation Action Plan 2024-2027

1.4 Champion the development of World Heritage listing nomination

- ✓ Reviewed World Heritage listing submission progress

Environmental Performance

2.2 Promote ecologically sustainable initiatives and monitor tree canopy cover, biodiversity, and environmental sustainability and design quality

- ✓ Received the Adelaide Park Lands Biodiversity Survey Report

2.5 Increase the accessibility of evidence-based information

- ✓ Delivered the draft APLMS to key stakeholders and the public
- ✓ Created a dedicated APLMS consultation engagement webpage
- ✓ Held a public pop-up session in Rundle Mall

Management and Protection

3.1 Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy

- ✓ Draft APLMS endorsed for public consultation



Strategic Plan 2023-2028

Key Actions April to June 2024

Expert Advice

4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands

- ✓ Advice of Kadaltilla is endorsed and adopted

4.2 Engage with City of Adelaide and State Government including input into State Government initiatives

- ✓ Received a State Government presentation

4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies

- ✓ Reviewed the draft Park Lands and Open Space Asset Management Plan
- ✓ Reviewed two lease licensing agreements

4.4 Strengthen Kadaltilla's engagement with City of Adelaide, State Government, and adjoining Councils

- ✓ The City of Adelaide, State Government, and adjoining Councils actively engaged with Kadaltilla

4.5 Increase the profile of the Kadaltilla Board

- ✓ Pop-up APLMS session with Kadaltilla Board Members held in Rundle Mall on 26 June 2024



Kadaltilla Advice to Council April to June 2024

- Provided feedback and advice on the 2024 VAILO Adelaide 500 event consultation to Council and the State Government
- Endorsed the draft *Adelaide Park Lands Management Strategy – Towards 2036* for the purposes of community consultation
- Supported granting of an exemption to the Adelaide Park Lands Leasing and Licensing Policy to enter into licence negotiations with BBQ Buoys for a new five-year Park Lands Commercial Licence Agreement in Tarntanya Wama (Park 26) and the River Torrens / Karrawirra Pari
- Received the draft Park Lands and Open Space Asset Management Plan
- Noted that Asset Management Plans have been prepared for five other asset categories, which include Transport, Urban Elements, Buildings, Water Infrastructure and Public Lighting and Electrical Infrastructure
- Endorsed the location for the new toilets within Carriageway Park / Tuthangga (Park 17)



Kadaltilla Advice to Council

April to June 2024

- Endorsed the Victoria Park / Pakapakanthi (Park 16) Master Plan
- Endorsed the draft Light Square/Wauwi Master Plan for community consultation
- Received the progress update on the development of the City of Adelaide's draft Stretch Reconciliation Action Plan 2024-2027
- Noted the update on the World Heritage Listing for the Adelaide Park Lands and its Rural Settlement Landscapes
- Endorsed Council to enter into lease negotiations with Prince Alfred College (PAC) for a five-year Park Lands Community Lease Agreement for a sports building and playing field in King Rodney Park / Ityamai-itpina (Park 15)
- Supported multi-year Major Event Licences with 24 applicants
- Noted the Adelaide Park Lands Biodiversity Survey Report



2023-2024 Business Plan & Budget

April to June 2024

Performance Measures Addressed:

- ✓ Support for the development of a World Heritage listing nomination
- ✓ Kaurna culture is made intrinsic to everything we do
- ✓ A review of the Adelaide Park Lands Management Strategy is conducted which will include prioritisation of projects
- ✓ Workshop held to review River Torrens water opportunities
- ✓ Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme
- ✓ Provided advice on plans, projects and policies for the Adelaide Park Lands
- ✓ A high level of knowledge and understanding of the Park Lands is developed amongst Members through regular site visits and briefings
- ✓ Utilisation of skills is maximised through effective meetings that foster dialogue and the development of shared thinking
- ✓ Annual Business Plan and Budget is in place for Kadaltilla



2023-2024 Business Plan & Budget

April to June 2024

Performance Measures Addressed:

- ✓ The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter
- ✓ Advice of Kadaltilla is endorsed and adopted
- ✓ Kadaltilla makes appropriate use of available finances provided by Council
- ✓ Provide advice in relation to tree canopy cover, biodiversity and environmental sustainability and improvements
- ✓ Review leasing and licensing and event management policies together with other relevant Park Lands use policies
- ✓ Increase the accessibility of information
- ✓ Seek early input into issues relating to the Park Lands to ensure Kadaltilla advice is timely and relevant
- ✓ Monitor developments subsequent to Kadaltilla's advice



Budget Position

Preliminary Results for 2024

\$	Actual	Q3 Budget	Variance
Income	244,393	253,360	(8,968)
Expenditure	244,393	253,360	8,968
Net Operating Surplus / (Deficit)	-	-	-

- For 2023/2024, Kadaltilla's budget of \$253,360 included:
 - Sitting Fees and Salary (Kadaltilla Advisor) of \$199,880
 - Operations (e.g. Marketing; community forum) of \$31,878
 - Insurance, Audit and Legal of \$21,602
- Variance to budget is a result of salary savings. Kadaltilla is a wholly owned subsidiary of the City of Adelaide, and funding is provided to match expenditure.



Upcoming Quarter

Key Actions:

- Preparation of Kadaltilla's draft 2023/2024 Annual Report
- Preparation of Kadaltilla's draft 2023/2024 Strategic Plan Annual Review of Progress
- Concluding the public consultation on the draft *Adelaide Park Lands Management Strategy – Towards 2036*
- Finalise the draft *Adelaide Park Lands Management Strategy – Towards 2036* for Kadaltilla, Council and State Government approval
- Development of a Kadaltilla social media profile
- Park Lands Site Tour with Board Members
- Holding the annual Community Forum



Upcoming Quarter

Forward Report Schedule:

- REPORT - Glen Osmond Road, Hutt Road and Park 17 Improvements
- REPORT - Draft Adelaide Park Lands Management Strategy (APLMS)
- REPORT - Park Lands Leasing – Expression of Interest
- REPORT - Kadaltilla Park Lands Art Sponsorship
- REPORT - Mock Roadway Lease in Bonython Park / Tulya Wardli (Park 27) with SAPOL
- REPORT - North Adelaide Railway Station
- REPORT - Kadaltilla 2024 Community Forum
- REPORT - Park Lands Community Buildings Policy
- REPORT - Park Lands Community Buildings Investment Plan
- REPORT - Update on the World Heritage Listing for the Adelaide Park Lands and Rural Settlement Landscapes



Thank You.



2024/25 Long Term Financial Plan Update

9 August 2024

Audit and Risk Committee

Strategic Alignment - Our Corporation

Presenter: Anthony Spartalis

Acting Chief Executive Officer

Public

PURPOSE OF WORKSHOP

The workshop outlines the roadmap for updating the 2024/25 Long Term Financial Plan (LTFP), as presented to the 23 July 2024 meeting of the City Finance and Governance Committee, and capital implications discussed with the same Committee at its meeting of 6 August 2024.

The LTFP is one of the City of Adelaide's key strategic management plans, and is required to be updated annually. This workshop outlines its underpinning parameters, assumptions and the levers available to influence financial outcomes. The presentation includes core content for discussion in the workshop in addition to pre-reading towards the end of the presentation.

Audit and Risk Committee feedback is sought on the roadmap outlined, the underpinning LTFP assumptions, and the capital implications presented to date, and to note the intention to consult ARC again on the public consultation draft LTFP at its 27 September 2024 meeting.

KEY QUESTIONS

What observations does the Audit and Risk Committee have regarding:

- prudential borrowing limits
- preferred application of funding levers in the LTFP
- assumptions about significant renewals
- levels of new and upgrade investment.

- END OF REPORT -

Our Corporation

2024/25 Long Term
Financial Plan (LTFP)

Roadmap including
Key Assumptions, Parameters,
Levers and Capital discussion

9 August 2024
Acting Chief Operating Officer

Operating Budget 2024/25 LTFP Roadmap



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Date	Forum	Role	Topic	
23 July (Special)	CFG (Workshop)	Discuss	Introduction and foundation to building a LTFP (Roadmap) What underpins the build of the proposed 2024/25 LTFP (Parameters, Assumptions and Levers)	<input checked="" type="checkbox"/>
6 August (Special)	CFG (Workshop)	Discuss	Capital - AMP impacts; Rundle UPark; Adelaide Bridge / Weir; New and upgrade	<input checked="" type="checkbox"/>
9 August (Special)	ARC (Workshop)	Discuss	Introduction and foundation to building a LTFP (Roadmap) What underpins the build of the proposed 2024/25 LTFP (Parameters, Assumptions and Levers) Capital - AMP impacts; Rundle UPark; Adelaide Bridge / Weir; New and upgrade	
20 August	CFG (Workshop)	Discuss	Lever settings - Revenue Assumptions, Service Delivery, Borrowings Market Expansion Assumptions (Operating Impacts)	
17 September	CFG	Endorse	Finalise and endorse consultation draft	
24 September	Council	Approve	Approve consultation draft	
25 September	Begin public consultation	Consultation	21 days public consultation (Strategic Management document)	
27 September	ARC	Consultation	Feedback on consultation draft 2024/25 LTFP	
15 October	CFG	Endorse	Seek Committee feedback on draft 24/25 LTFP	
16 October	End public consultation	Consultation	21 days public consultation (Strategic Management document)	
22 October	Council	Approve	Adopt 24/25 LTFP Including consultation feedback	

Key Discussion Points

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What are ARC Members' views...

on the current prudential borrowing limits?

What are ARC Members' views...

on preferred application of funding levers in the LTFP?

What are ARC Members' views...

on the assumptions in relation to Significant Renewals?

What are ARC Members' views...

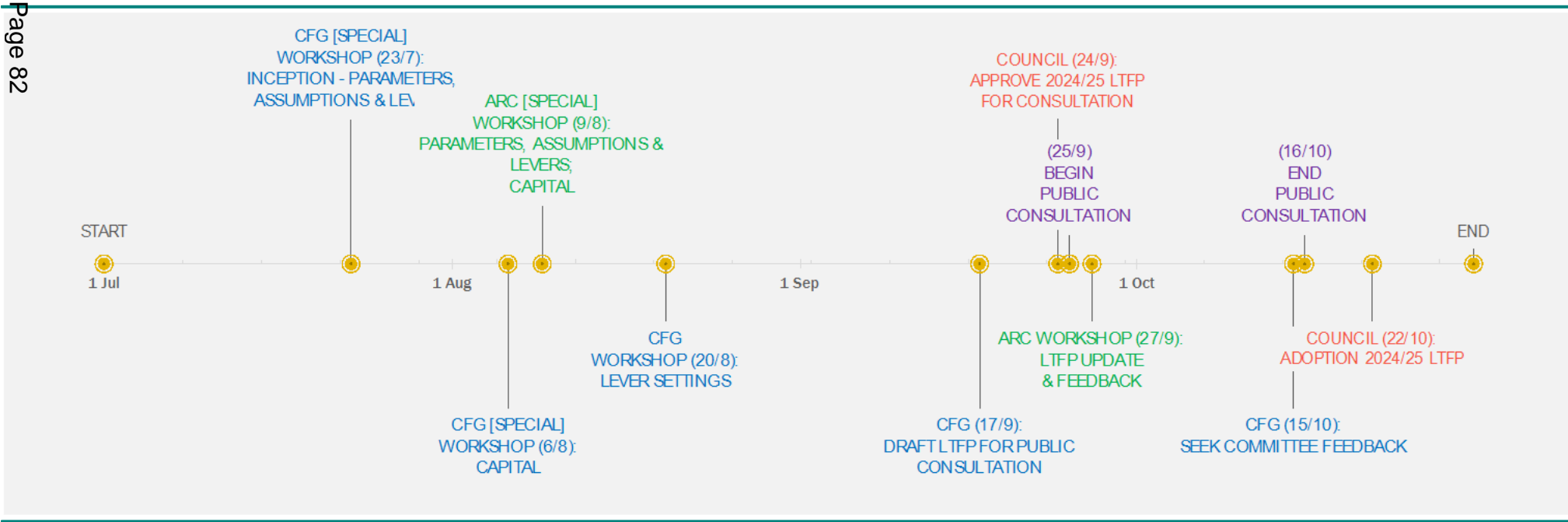
on the level of investment in New and Upgraded Assets?

Consultations to date:

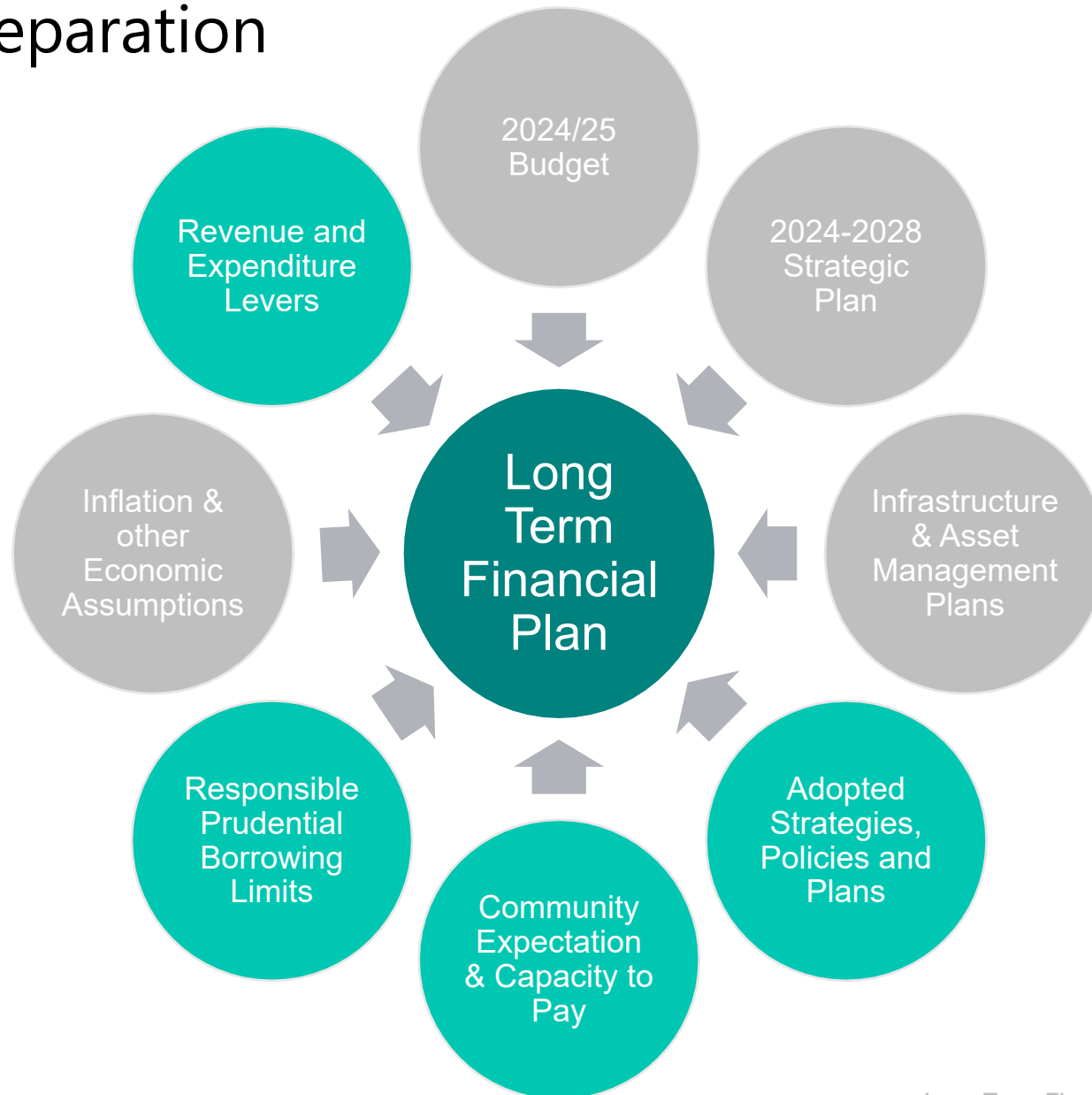
- 2024/28 Strategic Plan
- Asset Management Plans
- 2024/25 Business Plan & Budget
- Various other strategies and plans

LTFP ROADMAP

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Basis of Preparation



Challenges for long term financial planning

- Continue to deliver to community expectations and the process of budget repair
- Increased cost to maintain existing assets (as per adopted AMPs)
- Cost to renew significant assets
- Existing commitments for New & Upgrade projects
- Allowance for New & Upgrade projects into the future
- Constraints within existing Prudential Borrowing Limits
- Balancing long term financial sustainability with sustainable rate increases

Infrastructure Asset Management Plans (IAMP)

- The table provides a 10-year average forecast expenditure based on revised AMPs prepared in 2024, compared to the previous AMPs, both of which are in current day dollars (that is, no inflation has been applied)
- The average annual increase is \$14.9m (or 23%)

The AMPs are funded through operating revenue. The levers available to fund the increase in renewals are:

- **Rate revenue**
- **Fees and Charges**
- **Service level settings**
- **ARFR targets**

10-Year Average \$000's	Revised IAMPs ^	Previous IAMPs ^	Movement	%
Transportation *	27,621	19,284	8,337	43%
Buildings *	11,051	10,409	641	6%
Water Infrastructure *	8,597	5,540	3,057	55%
Urban Elements	4,882	4,020	862	21%
Lighting & Electrical	4,876	1,826	3,050	167%
Park Lands & Open Space	2,848	4,351	(1,503)	(35%)
Total Infrastructure & Asset Management Plans	59,875	45,431	14,444	32%
Delivery Resources	6,124	5,665	459	8%
Plant, Fleet & Equipment Replacement	3,469	3,460	8	0%
Total	69,467	54,556	14,911	23%

^ 100% Asset Renewal Funding Ratio (ARFR)

* Excludes Significant Renewals

Asset Renewal Funding

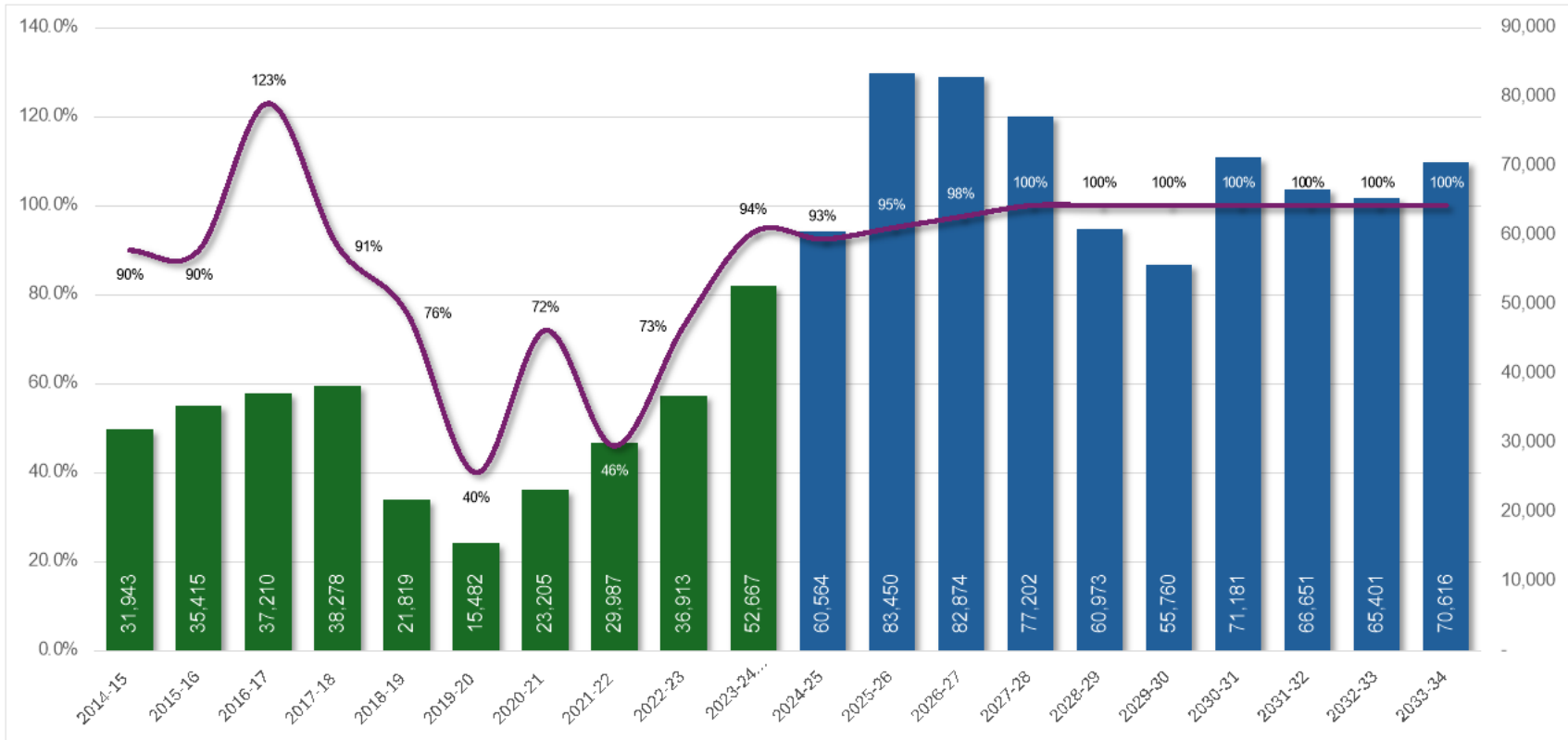
- The **unindexed** 10-year forecast expenditure based on revised AMPs at 100% ARFR is \$69.5m
- Current assumption sees a transition of the Asset Renewal Funding Ratio (ARFR) to 100% over a 4-year period
- Commitment to upgrade Mainstreets requires associated renewals to be brought forward

2024 AMP Forecasts (\$'000s)	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	10 Year average
Transportation	21,577	25,475	24,239	26,322	29,978	29,748	32,948	29,298	28,298	28,323	27,621
Buildings	12,114	15,200	16,585	12,200	12,160	8,050	8,050	9,050	9,050	8,050	11,051
Water Infrastructure	4,800	5,584	5,261	9,494	3,472	3,472	13,472	13,472	13,472	13,472	8,597
Urban Elements	3,270	5,300	2,470	3,550	4,443	4,893	6,688	5,393	5,393	7,420	4,882
Lighting & Electrical	1,914	4,150	3,100	4,900	5,783	5,783	5,783	5,783	5,783	5,783	4,876
Park Lands & Open Space	2,095	3,599	4,335	4,793	2,710	1,507	1,787	1,330	1,078	5,241	2,848
Total Infrastructure Renewals	45,770	59,308	55,990	61,259	58,546	53,453	68,728	64,326	63,074	68,289	59,874
Delivery Resources	6,124	6,124	6,124	6,124	6,124	6,124	6,124	6,124	6,124	6,124	6,124
Plant, Fleet & Equipment Replacement	3,547	3,546	3,415	3,400	3,529	3,409	3,555	3,427	3,429	3,429	3,469
Total Renewal of Assets (exc Mainstreets)	55,441	68,978	65,529	70,783	68,199	62,986	78,407	73,877	72,627	77,842	69,467
Mainstreet Impact	5,123	14,472	17,345	6,419	(7,226)	(7,226)	(7,226)	(7,226)	(7,226)	(7,226)	0
Total Renewal & Replacement of Assets	60,564	83,450	82,874	77,202	60,973	55,760	71,181	66,651	65,401	70,616	69,467

* Excludes Significant Renewals

Asset Renewal Funding

- The chart provides the **Asset Renewal Funding Ratio** over a 20-year period, illustrating:
 - Historical 10-year actuals
 - 10-year forecast expenditure based on revised AMPs



Asset Renewals & ARFR

FEEDBACK

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Current State of Play	<ul style="list-style-type: none"> • AMPs recently adopted • Requires significant funding to reach 100% ARFR • Likely focus of ESCOSA review
Options	<ol style="list-style-type: none"> 1. Maintain current position to reach 100% ARFR over 4 years 2. Transition to 100% over a longer period (eg 8 years) 3. Target a lower ARFR, say 92.5%, over the life of the LTFP (subject to monitoring condition of assets) 4. Normalise impact of Mainstreet Renewals
Preferred Assumption for LTFP	<ol style="list-style-type: none"> 1. Maintain current position - transition to 100% over 4 years 2. Adjust program to fund \$69m per annum average
Why	<ul style="list-style-type: none"> • Meets ESCOSA expectations • Delivers on the AMPs with appropriate level of funding
Implications	<ul style="list-style-type: none"> • Without larger increase in rates, debt will need to be utilised to fund the AMP with Mainstreets

	2025-26		2026-27		2027-28		Total Increase	
\$000's	\$	%	\$	%	\$	%	\$	%
Asset Renewal Repair Fund (exc ARFR Increase)	9,938	7.2%	-	0.0%	-	0.0%	9,938	7.2%
Asset Renewal Funding Ratio Increase	1,514	1.1%	1,776	1.2%	1,776	1.1%	5,065	3.4%
Total Rates Impact	11,452	8.3%	1,776	1.2%	1,776	1.1%	15,003	10.5%

Significant Asset Renewals

- There are significant renewals identified within the life of the current AMPs

Significant Renewals	Financial Year	\$'000s
Adelaide Bridge	2027/28 - 2028/29	60,000
Torrens Weir Structure	2028/29 – 2029/30	40,000
Rundle UPark	2030/31 – 2031/32	60,000

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- Rundle UPark, in line with its most recent useful life assessment (June 2030) is assumed to cease operations in 2029/30 - a like-for-like Renewal, incorporated within the AMP, is expected to cost \$60m from 2030/31
- These renewals are effectively “once in a generation” projects, and funding levers beyond operating revenue alone should be considered:

- **Advocacy and external grant funding**
- **Asset ownership**
- **Borrowings (fixed principal and interest structure)**

Significant Asset Renewals

- There are 3 significant assets reaching their theoretical end of useful lives:
 - **Adelaide Bridge**
 - **Torrens Weir**
 - **Rundle UPark**
- Given the quantum of funds anticipated, it is recommended to remove these from the usual day-to-day renewal program, and develop a specific assumption for each asset within the LTFP
- Various approaches for each asset are discussed on the following slides

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Significant Renewals (un-indexed)	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total 10 years
Adelaide Bridge				30,000	30,000						60,000
Torren's Weir					20,000	20,000					40,000
Rundle Upark								30,000	30,000		60,000
Total Significant Renewals	-	-	-	30,000	50,000	20,000	-	30,000	30,000	-	160,000

FEEDBACK

Adelaide Bridge

Current State of Play	<ul style="list-style-type: none"> • Council adoption of 2020/21 LTFP assumed like for like replacement • Adopted Transportation AMP assumes full replacement on a like for like basis • Options analysis being undertaken (complete Dec 2024) • Useful life to 2027/28
Options	<ol style="list-style-type: none"> 1. Extend current useful life 2. Renew to support current load bearing 3. Upgrade to increase load bearing
Preferred Assumption for LTFP	<ol style="list-style-type: none"> 1. Renew with existing load bearing 2. CoA funds 50% (net \$30m) over 2 years 3. Advocate for financial assistance for 50% funding contribution
Why	<ul style="list-style-type: none"> • Provides a definitive funding position for inclusion in LTFP • Options analysis will provide more detailed approaches & costs • Provides advocacy time to secure a clear funding assistance outcome • Upgrade meets Council’s preferred option as part of transport strategy
Implications	<ul style="list-style-type: none"> • Reliant on 50% contribution, yet to be secured

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FEEDBACK

Torrens Weir

Current State of Play	<ul style="list-style-type: none"> • Council adoption of 2020/21 LTFP assumed like for like replacement • Adopted Water Infrastructure AMP assumes full replacement on a like for like basis • Options analysis being undertaken (complete Dec 2024) • Useful life to 2028/29
Options	<ol style="list-style-type: none"> 1. Extend current useful life 2. Renew like for like 3. Alternative solution (eg retain for heritage with a new functional weir behind it)
Preferred Assumption for LTFP	<ol style="list-style-type: none"> 1. Renew like for like 2. Assume 100% funding by CoA, over 2 years 3. Advocate for financial assistance
Why	<ul style="list-style-type: none"> • Provides a definitive funding position for inclusion in LTFP • Options analysis will provide more detailed approaches & costs • Provides advocacy time to secure a clear funding assistance outcome
Implications	<ul style="list-style-type: none"> • \$40m requirement from 2028/29 to 2029/30 • Alternative solution would be considered new and upgrade and increase debt

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Rundle UPark

FEEDBACK

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<p>Current State of Play</p>	<ul style="list-style-type: none"> • Council resolved not to undertake like-for-like replacement <u>and</u> remove from LTFP and conduct EOI process in future for redevelopment (13 April 2021) • Adopted Buildings AMP assumes full replacement like for like • Removed from LTFP (costs & revenues) • Useful life to 2030/31 • Further Council discussions to identify asset priorities and recommendations, through a CoA Strategic Property workshop (29 August 2024)
<p>Options</p>	<ol style="list-style-type: none"> 1. Extend current useful life 2. Replace the asset like for like 3. Redevelop the site and / or sell the asset
<p>Preferred Assumption for LTFP</p>	<ol style="list-style-type: none"> 1. Reinstate in LTFP 2. Extend useful life (assume \$15m over 2 years) 3. Reinstate associated revenue whilst considering 4. Redevelopment opportunities
<p>Why</p>	<ul style="list-style-type: none"> • Accounts for asset in LTFP & provides a definitive funding position • Recognises the net revenue generated by the asset • Provides time to develop options to redevelop
<p>Implications</p>	<ul style="list-style-type: none"> • Need for shorter term leases upon renewal

Significant Asset Renewals funding assumptions

- The following table provides the cash flow of the preferred assumptions in the LTFP (unindexed dollars).
- Rundle UPark renewals are planned to be brought forward to ensure its structural integrity. The timing of this will be subject to Council decision on the future use of the site, as well as ongoing structural reviews.

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Significant Renewals (un-indexed)	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total 10 years
Adelaide Bridge				30,000	30,000						60,000
Torren's Weir					20,000	20,000					40,000
Rundle UPark						7,500	7,500	-	-		15,000
Total Expenditure on Significant Renewals	-	-	-	30,000	50,000	27,500	7,500	-	-	-	115,000
Assumed External Grant Funding				(15,000)	(15,000)						(30,000)
Net Expenditure on Significant Renewals	-	-	-	15,000	35,000	27,500	7,500	-	-	-	85,000

New and Upgraded Assets

A **New Asset** is additional to Council's previous asset complement. An **Upgraded Asset** replaces a previously existing asset with enhanced capability or functionality.

- Council has committed funding to Mainstreet Revitalisation Upgrades and CMAR
- Capital and operational expenditure, and income is incorporated into the LTFP
- Current LTFP assumes forward commitment of \$15m per year, beyond 2027/28
- Adoption of the 2024-2028 Strategic Plan, and the Integrated Climate Strategy, may require additional funding for New and Upgraded Assets
- 1.5% Rates revenue to upgrade buildings in the Park Lands

The levers available to Council to deliver New and Upgraded Assets are:

- **Surplus cash from operating and renewal activities**
- **External grant funding**
- **Borrowings**
- **Prioritise commitment**

New and Upgraded Assets

Capital Expenditure: New and Upgraded Assets	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
Central Market Arcade Redevelopment	15,918	8,778	-	-	-	-	-	-	-	-	24,696
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
Down Hill Keswick Creek	320	320	320	320	320	320	320	320	320	320	3,200
Aquatic Centre Community Playing Field		6,157	-	-	-	-	-	-	-	-	6,157
218-232 Flinders Street		500	500	-	-	-	-	-	-	-	1,000
Public Realm Greening Program	1,700	-	-	-	-	-	-	-	-	-	1,700
Charles Street	5,925	-	-	-	-	-	-	-	-	-	5,925
Upgrade to Park Lands Buildings (1.5% Rates Revenue)	1,763	2,161	2,257	2,337	2,418	2,498	2,580	2,668	2,763	2,860	24,305
Other ^	22,604	-	-	-	-	-	-	-	-	-	22,604
Assumed forward Commitment		-	-	-	15,000	15,000	15,000	15,000	15,000	15,000	90,000
Total Capital Expenditure: New and Upgraded Assets	56,809	39,055	20,527	18,107	17,738	17,818	17,900	17,988	18,083	18,180	242,206
Confirmed External Funding	6,026	-	-	-	-	-	-	-	-	-	6,026
Net Capital Contribution	50,783	39,055	20,527	18,107	17,738	17,818	17,900	17,988	18,083	18,180	236,180

^ one-off funding for New and Upgraded Assets in 2024/25

New & Upgraded Asset assumptions

FEEDBACK

Current State of Play	<ul style="list-style-type: none"> • \$67.4m for existing commitments • \$62.62m committed investment for Mainstreets, for next 4 years • Assumes \$24.3m for upgrades to Park Lands buildings (1.5% rates) • Assumes \$90m (\$15m pa) investment for balance of LTFP
Options	<ol style="list-style-type: none"> 1. Maintain current approach 2. Prioritise current commitments 3. Adjust program in outer years to manage level of borrowings 4. Increase operating revenue to offset need for borrowings 5. Revise Prudential Borrowing Limits
Preferred Assumption for LTFP	<ol style="list-style-type: none"> 1. Maintain current commitments (including Mainstreets & Park Lands buildings) 2. Adjust program in outer years to fit within current Prudential Borrowings Limits (after considering all other LTFP components) 3. Assumed allowance subject to Business Cases
Why	<ul style="list-style-type: none"> • Delivers on Council’s commitments to community • Park Lands buildings are funded from Rates & do not impact borrowings • Outer years program has no formal commitments in place & can be adjusted
Implications	<ul style="list-style-type: none"> • Unfunded requirements from adopted strategies

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Prudential Limits

The maximum level of debt is prescribed by way of **prudential limits**. The upper limit is determined through financial indicators. When borrowing, Council will consider the following financial indicators:

Indicator	Asset Test Ratio	Interest Expense Ratio	Leverage Test Ratio
Calculation	Borrowings as a percentage of total saleable property assets	Interest expense as a percentage of General Rates Revenue (less Landscape Levy)	Total borrowings relative to General Rates Revenue (Less Landscape Levy)
Target	Maximum 50%	Maximum 10%	Maximum 1.5 years
Explanation	<p>Similar to the Debt to Value Ratio (LVR) in that it compares the amount of borrowings against the value of assets, which are often used as security for loans.</p> <p>As many of council’s assets are not able to be sold, the calculation only includes the market value of building assets which can be sold</p>	<p>This ratio measures the affordability of Council’s debt.</p> <p>The ratio indicates the percentage of rates revenue attributed to servicing the debt on an annual basis.</p>	<p>Similar to a debt-to-income ratio (DTI), it compares the amount of debt to overall income.</p> <p>The Ratio indicates the time it would take to repay borrowings through council’s controllable revenue source, general rates revenue.</p>

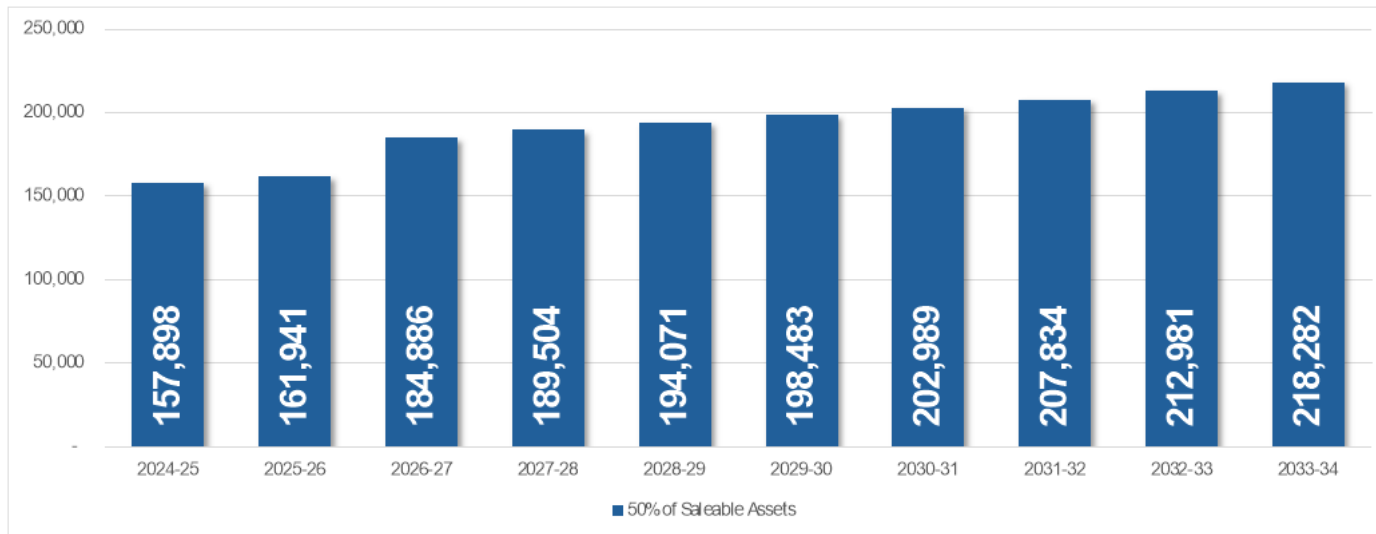
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Council is conservative in setting the prudential limit. The appetite of the chamber for debt will be explored through the development of the LTFP and prudential limit settings.

Prudential Borrowing Limits

- The Prudential Borrowing Limit adjusts on an annual basis through the calculation of 3 indicators as per the current Treasury Policy:
 - Asset Test Ratio
 - Interest Expense Ratio
 - Leverage Test Ratio
- The limit is set based on the lowest figure derived from the above calculations
- Currently, the Asset Test Ratio is the calculation setting the upper limit

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Next Steps

- Further workshop on lever settings and revenue assumptions
- Develop LTFP based on feedback from Council Members
- Present preliminary LTFP to CFG (17 September 2024)
- Seek ARC feedback during the consultation period

Operating Budget 2024/25 LTFP Roadmap



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22 October	Council	Approve	Adopt 24/25 LTFP Including consultation feedback	

Key Discussion Points

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What are ARC Members' views...

on the current prudential borrowing limits?

What are ARC Members' views...

on preferred application of funding levers in the LTFP?

What are ARC Members' views...

on the assumptions in relation to Significant Renewals?

What are ARC Members' views...

on the level of investment in New and Upgraded Assets?

What is the LTFP?

- The Long Term Financial Plan (LTFP) 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 confirm Council's financial capacity to deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner.
- The LTFP is a projected report based on information known at the time. As such the review process of the LTFP is iterative and will change as new or updated information is presented.
- Legislatively, Council must adopt a LTFP within the first two years of being appointed. CoA's approach is to develop and adopt the LTFP in consultation with Council each year, and review it quarterly to reflect the latest available information.
- Key outputs include a comprehensive set of financial indicators and forecast financial statements in accordance with legislative requirements.

Financial Sustainability

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

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

It is based on the premise that:

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

Basis of Preparation

Projecting forward, the LTFP considers:

- The 2024/25 budget, which forms the 'base' year, with assumptions applied to subsequent years, adjusted for known structural changes
- Council's 2024-2028 Strategic Plan, Infrastructure and Asset Management Plans, and adopted Strategies, including planned investment in new projects and infrastructure
- The social, economic and political environment, including indicators such as population growth, inflation and interest rates
- Anticipated changes in future service levels that reflect the needs and expectations of the community
- 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

Financial Principles

In order to guide financial strategy and future decision making to ensure long term financial sustainability can be achieved, Council endorsed the following Financial Principles:

- Transparency in decision making
- 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 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
- 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

Financial Principles cont...

- Capital renewal expenditure will be based on asset management plans
- New or enhanced services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/or through savings
- 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 capital projects and not used to fund operations, expenses or capital renewal projects

Proposed additional Principle

- **Generate cash flow from operations ratio above 100% in order to repay the principal and interest associated with borrowings.**

Key Assumptions

Underpinning this LTFP

PRE- READING

The current adopted LTFP incorporates the following assumptions and parameters:

- Rates Revenue increases in line with forecast inflation (excluding growth from new developments)
- Fees and charges increased in line with forecast inflation
- Salaries and wages forecasts based on enterprise agreements; once expired, forecast inflation applied
- Other revenue and expenditure growth, in general, in line with forecast inflation
- Interest rates relative to market expectations
- Capital renewal expenditure in line with Infrastructure and Asset Management Plans (IAMPs), returning to 100% Asset Renewal Funding Ratio (ARFR) by 2027-28
- Capital enhancements (new and upgrade) in line with Council Decision to fund \$15m over current term of council and assumed continuation.

Asset Renewal & Asset Management Plans

PRE- READING

- Infrastructure and Asset Management Plans (IAMPs), part of Council's suite of Strategic Management Plans, are reviewed in detail every four years to identify asset condition and consumption to assist in resource and maintenance planning
- A desktop update is completed on an annual basis between the four-year cycle to ensure price escalation and asset condition is kept up-to-date
- Detailed modelling enables Council to optimise maintenance and renewal expenditure to ensure asset sustainability.

Asset Renewal Funding Ratio

- The Asset Renewal Funding Ratio (ARFR) represents expenditure on asset renewals as a percentage of forecast expenditure required as per the asset management plans.
- 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.
- The revised AMPs determine the renewal requirement based on condition of the asset as well as the service levels approved by Council.
- The Local Government Act 1999 (SA) recommends a target ratio between 90% and 110%. That is, council needs to renew between 90-110% of what is required within the AMPs for that given year
- The current adopted LTFP assumes a gradual ARFR increase from 92.5% in 2024/25 to 100% by 2027/28 - this results in an Asset Renewal Repair Fund requirement of \$13.225m over the next three years

Levers and Level of Influence

- Full discretion on all levers in the long term
- Renewal program based on evidence – difficult to change in short term but can change service levels in longer term
- Asset upgrades can be deferred (subject to need)
- Borrowings result from decisions relating to new capital spend

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	Lever
Short Term	<ul style="list-style-type: none"> • Asset Renewal Funding Ratio • Different ARFRs by Asset Class • Alter rate revenue • Borrowing settings
Medium Term	<ul style="list-style-type: none"> • Renewal service level settings • Review asset upgrades • Borrowing settings
Long Term	<ul style="list-style-type: none"> • Review new assets investment • Review major projects • Borrowing settings

Borrowings

- Council must maintain and upgrade existing infrastructure, and provide new infrastructure to meet changing community needs
- To deliver these important projects and infrastructure, council utilises money from Local Government Financing Authority (a State-backed entity), which creates a debt, or money owed, to be repaid over a period of time (similar in concept to a housing loan)
- If council were to fund infrastructure via rates only, rates would be higher than they are now and have been in the past - the current community would foot the bill for this infrastructure, which has a significant lifespan and will be utilised and benefited by not only the current community that paid for it, but by future communities that have not contributed to it
- Debt assists with funding new infrastructure and upgrades to existing infrastructure without severely increasing rates to do so - this is what is known as intergenerational equity, where everyone contributes equitably over time to the infrastructure they utilise

Treasury Policy

Council's Treasury Policy sets out the level of overall borrowing that Council can sustain, and considers the following:

- Strategic planning for the future, covering short, medium and long-term spending and investment requirements
- Current and estimated future revenues and the ability to increase the revenue stream through rates growth, user charges, additional grant funds or commercial activities
- That borrowings can be a critical component of the funding mix to enable Council to respond to immediate, unforeseen pressures, and to leverage future opportunities, including matching external grant funding for revenue generating assets, strategic infrastructure works, and non-revenue generating projects
- That the use of borrowings to fund capital expenditure can be effective in linking the payment for an asset to the successive ratepayer base who will benefit over the life of that asset - this user pays matching concept is known as intergenerational equity
- Current and future funding needs for both operating and capital expenditures

Treasury Policy cont...

- The 'risk appetite' of Council, as defined by Council's prudential limits
- That the achievement of a low level of debt or even debt free status should not be primary goals in and of themselves, rather that long-term financial strategies should aim for a financial structure where annual operational expenditure and asset renewals are met from annual funding sources such as rates, fees and charges or operating grants