

# Our Corporation

2024/25

## **Business Plan and Budget Update Attachment A**

1. Journey to date
2. Principles, Assumptions, Rates and Fees and Charges
3. Operating and Capital Financial Summary
4. Next Steps

Audit and Risk Committee  
12 April 2024



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ADELAIDE

## 2024/25 BP&amp;B Update

**Journey to Date**

Date	Forum	Role	Theme	Topic	
5 December	CFG (Workshop)	Noting	Introduction	Introduction and foundation to building a BP&B (Roadmap)	✓
12 December	Special CEO Briefing	Noting	Rates	Rate Review Discussion	✓
6 February	Special CEO Briefing	Noting	Budget	What underpins the build of the 2024/25 BP&B (Parameters, Assumptions and Principles, including Fees and Charges)	✓
13 February	Special CEO Briefing	Noting	Plan and Budget	Financial Sustainability and Priorities – Strategic Plan, LTFF, AMPs (including presentation from Adam Wilson – CEO of ESCOSA)	✓
16 February	Audit and Risk Committee	Noting	Budget	What underpins the build of the 2024/25 BP&B (Parameters, Assumptions and Principles, including Fees and Charges)	✓
20 February	CFG (Workshop)	Discuss	Plan and Budget	Financial Levers	✓
7 March	Special CFG (Workshop)	Discuss	Plan and Budget	Operating Budget: Strategic Projects, Service Changes, Priorities and Budget Levers (including Fees and Charges)	✓
19 March	CFG (Workshop)	Discuss	Plan and Budget	Capital Budget: Capital Projects, Priorities and Budget Levers AEDA Budget, ACMA Budget	✓
9 April	Special CEO Briefing	Noting		Proposed capital and operating budgets to form basis of BP&B for public consultation	✓
9 April	Council	Endorse	Key Projects	Final list of Strategic and Capital projects	✓
12 April	Audit and Risk Committee	Noting	Draft	Draft 2024/25 BP&B - update	
16 April / 23 April	CFG / Council	Endorse	Draft	Draft 2024/25 BP&B for community consultation purposes	
26 April – 19 May	-	Participate	Consultation	Community Consultation (including presentation of Draft 2024/25 BP&B to Subsidiary boards)	
21 May	Council	Participate	Consultation	Special hearing for public consultation	
11 June	Council	Receive	Draft	Receipt of submissions	
18 June / 25 June	CFG / Council	Adopt	Final	Final 2024/25 BP&B	

## 2024/25 BP&B Update

# Journey to Date

- **5 December** – Introduction to the foundations of building a BP&B, and presented the roadmap through to the adoption of the 2024/25 BP&B.
- **12 December** – Rate review discussion which included consideration of the rating-related principles and assumptions, the current rating structure, consultation requirements for (major) change to basis of rating and the opportunities, and risks and considerations.
- **6 February** – Presentation of what underpins the build of the 2024/25 BP&B. This included informing the council of the LTFP principles adopted by Council, the assumptions for 24/25, the rating principles and assumptions – built into the LTFP, and revenue opportunities such as rating short stay accommodation, and fees and charges revenue increases.
- **6 February - 20 February** – Elected Member were provided an opportunity to submit ideas for consideration in the Business Plan, aligned to the newly adopted Strategic Plan 2024-28, for the 24-25 budget.
- **13 February** – Presentation from ESCOSA. After the presentation, the meeting concluded with a brief discussion about the financial sustainability within the context of the LTFP, Asset Management Plans, and the developing of annual priorities.
- **20 February** – The focus was to be Financial Levers, however given the 13 February was a summary at the end of the ESCOSA discussion this meeting included more discussion about financial sustainability within the context of the LTFP, Asset Management Plans, the developing of annual priorities, the process to build the Annual Budget and concluded with levers, level of influence and projections based on assumptions. Council Member's ideas were also listed for discussion.
- **7 March** – Strategic projects, service changes, priorities and budget levers (including Fees and Charges) were discussed.
- **19 March** – Capital projects, priorities and budget Levers were discussed. On this night AEDA and ACMA presented their draft budgets.
- **9 April** – The final list of strategic and capital project were presented to council.

## 2024/25 BP&B Update

# **LTFP Principles and Assumptions (summary)**

- Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI)
- 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
- Capital renewal expenditure will be based on Asset Management Plans (IAMPs)
- Capital enhancements (new and upgrade) in line with Council Decision to fund Central Market Arcade Redevelopment, Mainstreets (\$15m per year) in addition to other items on the final list of New and Upgrade projects
- 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
- 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
- Borrowings will be used to fund new and upgrade projects (which include major projects) and not used to fund operations, expenses or renewal projects

## 2024/25 BP&B Update

# Financial Assumptions

- Inflation Forecasts (CPI) amended from Deloitte Access Economics to the South Australian Centre for Economic Studies (SACES)
- Revenue increases linked to CPI (Rates and Fees and Charges)
- Rates growth of 1% (from new properties)
- Interest Rates for new borrowings currently forecast at 5.6% based on the current LGFA rate
- Depreciation impacts from asset valuations performed in 2022/23 year, and 2024/25 Capital Program
- Incorporate cost pressures in Materials and Consumables (utilities etc) that have increased in 2023/24 at a greater percentage than budget assumptions
- Parking Fees and Charges increased above CPI reflecting current market conditions, plus increased market share, reflecting additional annual income derived from 2 additional carparks
- Removal of Aquatic Centre following negotiations with State Government
- Strategic Project allocation of \$5.671m within base budget

	LTFP	Previous (7 March)	Proposed
CPI	2.4% Deloitte Access Economics	2.8% Deloitte Access Economics	3.25% South Australian Centre for Economic Studies (SACES)
Interest Rates	4.5% Deloitte Access Economics	4.9% Deloitte Access Economics	5.6% Current Market Rates
Employee Costs	3.0% As per Employee Agreements	3.0% As per Employee Agreements	3.0% As per Employee Agreements

## 2024/25 BP&B Update

# Rates

### Short Stay Accommodation

- Legal advice identified four available options for addressing short-stay-accommodation:

Declaring a separate rate	Introduce a by-law requiring a permit from council to operate
Declaring a differential rate based on land use and locality	<b>Changing land use from residential to commercial-other, incurring higher RID</b>

- Data on short-stay properties and their availability can be sourced from third party organisations.
- Seeking legal clarification around the LG Act determination of predominant land use.
- Application of short-stay to non-co-inhabited properties only as co-inhabited properties are more complex.

### Minimum Rates

- Legal advice confirmed ability to introduce a minimum rate to low value properties.
- The structure of our rating assessments prevents the application of a minimum rate in a fair and equitable manner as some properties are rated individually and others are combined into a single assessment.
- This complexity requires further investigation and analysis and will need to be considered as a priority in the 2025/26 BP&B process.

## 2024/25 BP&amp;B Update

**Rates – Pension Rebate**

- Effective 1 July 2015, the State Government introduced a new 'Cost of Living Concession' replacing the concessions formerly available on Council rates and administered by Councils.
- The 'Cost of Living Concession' provides help to people on low or fixed incomes with their general living expenses - e.g. council rates, energy and medical bills.
- CoA continued to provide a Pensioner Rebate until June 2021, when Council voted to remove the rebate.
- 354 eligible concession holders were receiving the \$100 annual rebate totalling \$35,400 for the 2020/21 year.

**Future Pensioner Rebate Scheme**

- CoA does not hold or maintain pensioner or concession data
- Any new Pensioner rebate scheme would need to be on application only basis.
- Eligibility confirmed by holding appropriate government concession card.
- Bureau of Statistics - 1,174 recipients of the Aged Pension within the CoA area in 2023.
- 1,174 recipients = \$117,400 pa rebate
- Resource impacts for administering application process

**State Government Concessions 2023-24**

(Pensioner Card Holders)

Cost of Living

Homeowner-  
occupiers:  
\$243.90 paself-funded  
Retirees: \$122

Tenants: \$122

Energy

Up to \$263.15 pa

Energy Bill Relief

Up to \$500 pa

Small businesses -  
up to \$650 paEmergency  
Services LevyRemission up to  
\$46 pa

Water &amp; Sewer

Max for  
homeowner-  
occupier \$359.70Max for tenants  
\$359.70Max sewer rate  
remission \$134.10Medical Heat &  
Cooling

\$263.15 pa

\* List is for illustrative purposes only and is not an exhaustive list

## 2024/25 BP&B Update

# Fees and Charges

- The principles and assumptions of the LTFP states that Fees and Charges increase in line with forecast inflation (assumption) and that there is a consideration of new and different revenue streams and the approach to commercial businesses to reduce reliance on existing revenue sources (principle).
- Benchmarking has been undertaken with other Councils, both local and interstate, on Fees and Charges
- The following Fees and Charges were identified as opportunities for consideration as part of the 2024/25 BP&B:

Activity Category	Description	Proposed Additional Annual Revenue (\$'000)
E-Scooters (if continued)	Change fee model to potentially reduce e-Scooter clutter and increase revenue	80
City Works Daily Cap	Raise daily fee cap introduced in 2021	156
Food Inspections	Reinstate charging fees for first inspections	75
Local Nuisance Exemptions	Introduce new fee for exemption applications due to their complexity, resource impacts, and as a deterrent	8
City Works Minimum Fee	Introduce new fee to cover resource costs	3
Encroachment Fees	Increase to Application Fees	1



## 2024/25 BP&amp;B Update

# Operating Financial Summary

	Operating Position \$'000s	Position presented on 7 March	Changes	Proposed Draft Position	Rates Equivalent Revenue Increase
1	Current Base Operating Position	2,242	732	2,974	3.25%
	Additional Strategic Projects	(1,523)	301	(1,222)	
	Service Changes as a Result of new Strategies	(821)	-	(821)	
	Ongoing Service Changes	(2,861)	130	(2,731)	
2	Total Adjustments for Consideration	(5,205)	431	(4,774)	3.41%
3	Identified Savings / Opportunities	4,557	1	4,558	(3.26%)
4	Revised Operating Position	1,594	1,164	2,758	3.40%
5	Proposed Position to Fund Renewals	7,525		7,340	
6	Asset Renewal Repair Fund	(5,931)		(4,582)	3.28%
	Total Excluding Growth				6.68%

## Key Financial Principles:

- 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
- Consider new and different revenue streams and the approach to commercial businesses to reduce reliance on existing revenue sources
- Borrowings will be used to fund new and upgrade projects (which include major projects) and not used to fund operations, expenses or renewal projects

- Position presented on 7 March incorporates Q2 adjustments, and adopted LTFP assumptions (CPI of 3.25% applied)
- The following slides contain the adjustments for consideration. Funding these equates to a 3.41% increase to Rates Revenue.
- Administration has identified Savings and Opportunities for consideration. These equate to a 3.26% reduction to Rates Revenue.
- The Revised Operating Position has taken into consideration 1 - 3 above.
- Proposed Operating Position to Fund Renewals is sufficient to meet a 100% Cash Flow from Operations Ratio.
- Asset Renewal Repair Fund required above the revised Operating Position equates to an additional 3.28% increase to Rates Revenue .

## 2024/25 BP&amp;B Update

**Capital Financial Summary**

	\$'000s	2024-25 Base Position Presented 19 March	Changes	Proposed Draft Position
	Capital Expenditure			
1	Capital Expenditure on Renewal & Replacement of Existing Assets	(56,207)	185	(56,022)
2	Capital Expenditure on New and Upgraded Assets	(55,913)	(512)	(56,425)
	<b>Total Capital Expenditure</b>	<b>(112,120)</b>	<b>(327)</b>	<b>(112,447)</b>
3	Amounts received specifically for New and Upgraded Assets	7,436	2,140	9,576
	<b>Net Capital Expenditure</b>	<b>(104,684)</b>	<b>1,813</b>	<b>(102,871)</b>

**Key Financial Principles:**

- 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
- Capital renewal expenditure will be based on Asset Management Plans (AMPs)
- Borrowings will be used to fund new and upgrade projects (which include major projects) and not used to fund operations, expenses or renewal projects

- Capital Expenditure on Renewal and Replacement of Existing Assets is based on Asset Management Plans, representing a **92.5% Asset Renewal Funding Ratio**
- Capital Expenditure on New and Upgraded Assets
- Confirmed external grant funding attributed to New and Upgraded Assets

## 2024/25 BP&amp;B Update

**Key Financial Indicators**

		Target	Proposed Position	CPI Increase only
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	3.1%	1.2%
Net Financial Liabilities	Financial liabilities as a percentage of operating income	Less than 80%	26%	29%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	92.5%	92.5%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	22%	24%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	1.9%	2.1%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.5	0.5
Cash Flow from Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	102%	99%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Within Prudential Limits	\$70.283m	\$74.865m
			45%	47%

## 2024/25 BP&amp;B Update

**Next Steps**

The 2024/25 BP&B timeline seek to manage the process in an efficient and transparent manner.

Date	Topic
16 Apr - CFG 23 Apr – Council	Report – Draft 2024/25 BP&B for community consultation purposes
26 Apr – 19 May	Community Consultation (including presentation of Draft 2024/25 BP&B to Subsidiary boards)
21 May – Special Council	Report – Special hearing for public consultation
11 Jun – Council	Report – Receipt of submissions
18 Jun – CFG 25 Jun – Council	Report – Final 2024/25 BP&B

## 2024/25 BP&B Update

# Appendices

- Strategic Projects Proposed for the Draft 24/25 BP&B
- Service Changes Proposed for the Draft 24/25 BP&B
- Savings / Opportunities Proposed for the Draft 24/25 BP&B
- Capital – Renewal Proposed for the Draft 24/25 BP&B
- Capital – New and Upgrade Proposed for the Draft 24/25 BP&B
- Capital – New and Upgrade Q3 Retimed Projects Proposed for the Draft 24/25 BP&B
- External Grant and Sponsorship Programs
- LTFP Principles adopted by Council
- Financial Assumptions Underpinning the 2024/25 Budget and LTFP
- Detailed Operating and Capital Financial Summary

## 2024/25 BP&amp;B Update

**Strategic Projects Proposed for the Draft 24/25 BP&B**

Strategic Project	Program	Expenditure (\$'000)	Grants Confirmed (\$'000)
Integrated Climate Strategy - Resilient Flood Planning (FTE: 1.0 / L8 - 2 year)	City Services - Infrastructure	1,723	-
City Activation (includes Australia Day \$184K)	City Shaping - City Culture	650	-
Asset Condition Audit and Revaluation	City Services – Infrastructure	595	-
Commercial Events Funding Program	Corporate Services – AEDA	500	-
Contact Centre Software Replacement	Corporate Services - Information Management	450	-
24/25 Bridge Maintenance Program	City Services – Infrastructure	400	-
Re-Adaptive Housing (FTE: 1.0 / L7 - 2 year)	City Shaping - Park Lands, Policy and Sustainability	290	290
Homelessness Strategy - Maintain Existing and Establish New Strategic Partnerships for Homelessness	City Shaping - Park Lands, Policy and Sustainability	248	-
Delivering the Planning and Design Code Amendment Program 2023-2026 (Year 2 of 3)	City Shaping - Park Lands, Policy and Sustainability	240	-
Adelaide Central Market Expansion Operational Preparedness	Corporate Services – ACMA	220	-
Disability Access and Inclusion Plan 2024-2028 Implementation (FTE: 1.0 / L5)	City Shaping - Park Lands, Policy and Sustainability	215 *^	-
Integrated Transport Strategy	City Services – Infrastructure	200	-
Reconciliation Action Plan 2024-2027 Implementation (FTE: 1.0 / L4)	City Shaping - Park Lands, Policy and Sustainability	150*	-
218 - 232 Flinders Street Masterplan Investigations	City Services - Strategic Property and Commercial	150	-
On-Street Parking Compliance Analytics Reform - year 2	City Shaping - Regulatory Services	148	-
Tourism and Business attraction to address product gaps Adelaide's tourism experience (FTE: 0.5 / L6)	Corporate Services – AEDA	133	-
Economic Development Strategy Implementation (FTE: 1.0 / L6)	City Shaping - Park Lands, Policy and Sustainability	106	-
Feasibility Studies - Waste and Recycling Collection	City Services - City Operations	100	-
National Heritage Management Plan Implementation	City Shaping - Park Lands, Policy and Sustainability	100	-
Rundle Mall Live Music Program	Corporate Services – AEDA	100	-
DHS Community Neighbourhood Development Funding - Minor Works Building Community Centre (FTE: 0.8 / L4)	City Shaping - City Culture	99	99
Cyber Security	Corporate Services - Information Management	85	-
88 O'Connell	City Services - Strategic Property and Commercial	80	-
Conservation Management Plans – Bridges	City Services – Infrastructure	60	-
Homelessness Strategy - Year 1 of 4 Year Homelessness Strategy Implementation (FTE 6.8 / L2-6)	City Shaping - Park Lands, Policy and Sustainability	50*	-
Adelaide Park Lands Strategic Water Resources Study	City Services – Infrastructure	50#	-
SA Power Networks LED Luminaire Upgrades	City Services – Infrastructure	50	-
20th Century Heritage Investigation (Stage 2 of 2) for Heritage Code Amendment Program 2023-2026	City Shaping - Park Lands, Policy and Sustainability	50	-
ESCOSA Review	Corporate Services – Governance	40	-
	<b>Total Strategic Projects</b>	<b>7,282</b>	<b>389</b>
	<b>Net Increase</b>		<b>6,893</b>

## 2024/25 BP&amp;B Update

**Service Changes Proposed for the Draft 24/25 BP&B**

Service Change	Program	Expenditure (\$'000)	Revenue (\$'000)
<b>Service Changes to Deliver Strategies</b>			
Homelessness Strategy - Year 1 of 4 Year Homelessness Strategy Implementation (FTE 6.8 / L2-6)	City Shaping - Park Lands, Policy and Sustainability	328*	-
Internal Audit 2024/2025	Corporate Services – Governance	177	-
Disability Access and Inclusion Plan 2024-2028 Implementation (FTE: 1.0 / L5)	City Shaping - Park Lands, Policy and Sustainability	125*^	-
Reconciliation Action Plan 2024-2027 Implementation (FTE: 1.0 / L4)	City Shaping - Park Lands, Policy and Sustainability	118*	-
Kadaltilla / Adelaide Park Lands Authority Operating Budget Increase (FTE: 0.25 / L4)	Corporate Services – Governance	73	-
<b>Total Service Changes to Deliver Strategies</b>		<b>821</b>	<b>-</b>
<b>Ongoing Service Changes</b>			
Adelaide Central Market Expansion Resourcing (4.0 FTE )	Corporate Services – ACMA	600	-
CoA Graduate Program	Corporate Services – People	496	-
CoA Graduate Program (FTE: 0.6 / L6 - 1 year (+) FTE 5.0 / L3 - 6 months)	Corporate Services – People	387	-
Software Licences	Corporate Services - Information Management	244	-
Data & Insights Funding – Service Change (FTE: 1.0 / L6)	Corporate Services – AEDA	203	-
Stormwater Maintenance Budget	City Services - City Operations	200	-
Proactive Maintenance Programme (Lighting and Electrical) OPEX	City Services - City Operations	150	-
Karna Rangers (FTE 1.5 / L4)	City Shaping - Park Lands, Policy and Sustainability	147	-
Redeploy Aquatic Centre Staff	City Shaping - City Culture	142	-
Ongoing maintenance budget for Karrawira Parri/River Torrens	City Services - City Operations	100	-
Strategic Property Investigations and Implementation	City Services - Strategic Property and Commercial	100	-
GIS business Analyst and City Plan (FTE: 0.4 / L6)	City Services – Infrastructure	73	-
Vehicle search fees within the Customer Centre	Corporate Services - Customer & Marketing	40	181
Feminine Hygiene Products in Community Facilities	City Services - City Operations	30	-
	<b>Total Ongoing Service Changes</b>	<b>2,912</b>	<b>181</b>
	<b>TOTAL SERVICE CHANGES</b>	<b>3,733</b>	<b>181</b>
	<b>Net Increase</b>		<b>3,552</b>

## 2024/25 BP&amp;B Update

**Savings / Opportunities Proposed for the Draft 24/25 BP&B**

Savings / Opportunity	Program	Expenditure (\$'000)	Revenue (\$'000)
<b>Savings Identified</b>			
Ceased Service - Business Activation & Support	Corporate Services - AEDA	105	-
Ceased Service - Fashion Industry Support	Corporate Services – AEDA	36	-
Ceased Service - NYE Events Incentive	Corporate Services – AEDA	100	-
Ceased Service – Wellfest	Corporate Services – AEDA	400	-
Reduced service – Climate Change Action Initiative Fund	City Shaping - Park Lands, Policy and Sustainability	330	-
Reduction in Utilities	Organisation	845	-
Reduction in Parts & Consumables	Organisation	225	-
Reduction in External Contractors & Consultancy	Organisation	722	-
Other Individually minor savings including Advertising, Vacancy management target	Organisation	112	-
<b>Total Savings Identified</b>		<b>2,875</b>	<b>-</b>
<b>Opportunities</b>			
Additional Commercial Revenue	City Services - Strategic Property and Commercial	-	912
Aquatic Centre lease/licence/permit	City Shaping - City Culture	-	129
E-Scooters Change in Fee Schedule	City Shaping - Regulatory Services	-	80
City Works Daily Cap Increase	City Shaping - Regulatory Services	-	156
Food Inspections	City Shaping - Regulatory Services	-	75
Local Nuisance Fee (NEW FEE)	City Shaping - Regulatory Services	-	8
City Works Minimum Fee (NEW FEE)	City Shaping - Regulatory Services	-	3
Additional Expiation revenue through on-street parking compliance analytics reform strategic project	City Shaping - Regulatory Services	-	148
Short Stay Accommodation Rates Increase	Corporate Services – Finance and Procurement	(80)	252
<b>Total Opportunities</b>		<b>(80)</b>	<b>1,763</b>
<b>TOTAL SAVINGS AND OPPORTUNITIES</b>		<b>2,795</b>	<b>1,763</b>
<b>Net Decrease</b>		<b>4,558</b>	



## 2024/25 BP&amp;B Update

**Capital – Renewal Proposed for the Draft 24/25 BP&B**

Renewal Program (\$'000)	24/25 Draft (92.5% ARFR)
Bridges	694
Buildings	11,205
Pathways	7,863
Kerb and Water Table	1,711
Lighting & Electrical	2,233
Park Lands & Open Space	1,938
Roads	8,325
Water Infrastructure	5,735
Traffic Signal	3,931
Urban Elements	3,441
<b>Total Infrastructure</b>	<b>47,076</b>
Plant, Fleet & Equipment Replacement	1,492
Commercial Plant, Fleet & Equipment	198
IT Renewals	1,591
Delivery Resources	5,665
<b>Total Renewal Program</b>	<b>56,022</b>

## 2024/25 BP&amp;B Update

**Capital – New and Upgrade Proposed for the Draft 24/25 BP&B**

New and Upgrade Project	Program	New and Upgrade (\$'000)	Grant Revenue (\$'000)	Renewal Component <sup>^</sup> (\$'000)
Central Market Arcade Redevelopment (Future Fund) Major Project	City Services - Strategic Property and Commercial	15,918	-	-
Charles Street Streetscape Upgrade Major Project	City Services - Infrastructure	5,500	Seeking funding	-
Main Street Revitalisation - Hindley Street Major Project	City Services - Infrastructure	4,080	Seeking funding	3,855
Experience Adelaide Centre Major Project	Corporate Services - AEDA	3,340	3,340 <b>(confirmed)</b>	-
Integrated Climate Strategy – City Public Realm Greening Program	City Shaping - Park Lands, Policy and Sustainability	1,700	Seeking funding	-
Torrens Retaining Structure Adjacent Red Ochre	City Services - Infrastructure	1,470	Seeking funding	-
Park 27B Community Sports Building Redevelopment (Design Phase)	City Services - Infrastructure	1,293	1,200 <b>(confirmed)</b>	-
Main Street Revitalisation - Gouger Street (24/25 Detailed Design) Major Project	City Services - Infrastructure	1,250	-	-
Main Street Revitalisation - Hutt Street (24/25 Detailed Design) Major Project	City Services - Infrastructure	1,250	-	-
Vincent Street and Vincent Place Improvements (24/25 Construction)	City Services - Infrastructure	1,203	-	789
City of Adelaide Bikeways (North-South) Major Project	City Services - Infrastructure	1,185	606 <b>(confirmed)</b>	-
Main Street Revitalisation - O'Connell Street (24/25 Detailed Design) Major Project	City Services - Infrastructure	1,000	-	-
Rymill Park Masterplan Safety & Accessibility Works (24/25 Construction) Major Project	City Services - Infrastructure	822	338 <b>(confirmed)</b>	992
Frome Street Footpath Upgrades (In conjunction with N-S Bikeway Project) Major Project	City Services - Infrastructure	550	Seeking funding	-
Park 21 West - New Community Sports Building (Z0170)	City Shaping - City Culture	550	1,550 <b>(confirmed)</b>	-
Adelaide Central Market - New Parents Room W/ Store room	Corporate Services - ACMA	55	-	-

## 2024/25 BP&amp;B Update

**Capital – New and Upgrade Proposed for the Draft 24/25 BP&B**

New and Upgrade Project	Program	New and Upgrade (\$'000)	Grant Revenue (\$'000)	Renewal Component^ (\$'000)
Botanic Catchment Water Course Rehabilitation	City Services - Infrastructure	340	170 (confirmed)	320
Brown Hill Keswick Creek (Financial Contribution)	City Services - Infrastructure	320	-	-
Adelaide Central Markets - Communication Server Relocation and Associated Services	City Services - Infrastructure	300	-	-
Central Market Arcade Options CMAR 4402	City Services - Strategic Property and Commercial	285	-	-
School Safety Implementation Project	City Services - Infrastructure	250	-	-
Master Plan of Light Square - Detailed Design	City Shaping - Park Lands, Policy and Sustainability	250	-	-
Public Art Action Plan Deliverables	City Shaping - City Culture	250	-	-
Victoria Park / Pakapakapanthi (Park 16) Master Plan implementation - Detailed Design	City Shaping - Park Lands, Policy and Sustainability	250	-	-
Main Street Revitalisation - Melbourne Street Improvements (Construction) Major Project	City Services - Infrastructure	150	150 (confirmed)	-
Greener City Streets Program	City Services - Infrastructure	122	82 (confirmed)	-
Hutt Street & South Terrace Stormwater Improvements (24/25 Construction)	City Services - Infrastructure	115	-	2,050
Integrated Climate Strategy - Plant and Fleet Replacement program - New and Upgrade	City Services - City Operations	108	-	-
Disability Access and Inclusion Plan 2024-2028 Implementation	City Shaping - Park Lands, Policy and Sustainability	100*	-	-
James Place Upgrade (24/25 Construction)	City Services - Infrastructure	100	Seeking funding	290

## 2024/25 BP&amp;B Update

**Capital – New and Upgrade Proposed for the Draft 24/25 BP&B**

New and Upgrade Project	Program	New and Upgrade (\$'000)	Grant Revenue (\$'000)	Renewal Component^ (\$'000)
Main Street Revitalisation - Melbourne Street including public artwork (24/25 Project Planning) Major Project	City Services - Infrastructure	100	-	-
Royal Avenue Improvements (24/25 Construction)	City Services - Infrastructure	100	-	652
North Adelaide Golf Links - Building Compliance Upgrades and Commercial Offering	City Services - Infrastructure	80	-	120
Glen Osmond Road, Hutt Road and Park 17 Improvements (24/25 Detailed Design)	City Services - Infrastructure	20	-	80
Jeffcott Street Pavement Rehabilitation and Catchment 13 Stormwater Upgrades (Concept Design)	City Services - Infrastructure	10	-	90
Project Delivery Management Costs (Overheads)	Corporate Services - Finance and Procurement	6,500	-	-
<b>TOTAL NEW AND UPGRADE</b>		<b>50,916</b>	<b>7,436*</b>	<b>9,238</b>

## 2024/25 BP&amp;B Update

**Capital – New and Upgrade Q3 Retimed Projects Proposed for the Draft 24/25 BP&B**

Proposed projects to have budget retimed from 2023/24 to 2024/25 in Q3	New and Upgrade (\$'000)	Grant Revenue (\$'000)	Renewal Component (\$'000)
Central Market Arcade Redevelopment (Future Fund) Major Project	0**	-	-
North-South Bikeway	65	32	-
Hutt Street Entry Statement Project	730	730	-
Main Streets Revitalisation - Hindley Street	900	-	-
Experience Adelaide Visitor Centre	614	614	-
Melbourne Street Improvement	462	462	-
Charles Street Streetscape	425	212	-
Torrens Retaining Structure Adjacent Red Ochre	130	-	-
Glen Osmond Road & Hutt Road Intersection Upgrade	22	-	-
Park 11 Shared Use Path Renewal & Public Lighting Upgrade	149	-	-
Place of Courage	90	90	-
Melbourne Street Public Art	200	-	-
Ruby Hunter & Archie Roach Laneway Artwork	25	-	-
Ippariyti Commission for Whitmore Square	140	-	-
Honouring Women in the Chamber - Portrait Commissions	12	-	-
City of Music Laneways - The Angels Artwork	45	-	-
South West Community Centre	1,500	-	-
<b>PROPOSED RETIMED TOTAL BUDGET</b>	<b>5,509</b>	<b>2,140</b>	<b>-</b>

## 2024/25 BP&amp;B Update

**External Grant and Sponsorship Programs**

Grant Program (\$'000s)	Program	23/24 Budget	24/25 Budget (draft)	Movement	24/25 Pre-Committed*
Strategic Partnerships	Corporate Services – AEDA	1072	1103	31	914
Event and Festival Sponsorship	Corporate Services – AEDA	1754	1807	53	1495
Business Growth - Business Support	Corporate Services – AEDA	81	84	3	0
Mainstreets Development Grants (Precinct groups)	Corporate Services – AEDA	179	184	5	0
NYE Events Incentives	Corporate Services – AEDA	100	0	(100)	0
AEDA Sponsorships	Corporate Services – AEDA	0	5	5	0
Commercial Events & Sponsorship Program	Corporate Services – AEDA	600	500	(100)	0
Adelaide Free Wifi	Corporate Services – Information Management	98	0	(98)	0
Biennial art prize	Corporate Services – Kadaltilla	15	20	5	0
Brownhill Keswick Creek	City Services – Infrastructure	140	162	22	0
Community Impact Grants - Quick Response, Community Impact and Infrastructure	City Shaping – City Culture	688	707	19	210
Cultural Entrepreneurs Incubator Program	City Shaping – City Culture	41	41	0	0
Arts & Cultural Grants - quick response	City Shaping – City Culture	79	81	2	0
Arts & Cultural Grants	City Shaping – City Culture	205	211	6	0
Arts & Culture - Cultural strategy partnerships	City Shaping – City Culture	174	174	0	0
First Nations - Aboriginal protocol Grant	City Shaping – City Culture	51	51	0	0
City Activation (includes Australia Day in the City Sponsorship in 24/25)	City Shaping – City Culture	400	650	250	0
CCAIF - Carbon Neutral catalyst grants	City Shaping – Park Lands, Policy & Sustainability	56	26	(30)	0
CCAIF - Deliver the Sustainability Incentive Scheme	City Shaping – Park Lands, Policy & Sustainability	205	211	6	0
Heritage Incentive Scheme	City Shaping – Park Lands, Policy & Sustainability	1162	1200	38	0
Noise management Program Incentive Scheme	City Shaping – Park Lands, Policy & Sustainability	23	23	0	0
Economic Policy Sponsorships	City Shaping – Park Lands, Policy & Sustainability	45	45	0	0
City of Adelaide Prize Sponsorships	City Shaping – Park Lands, Policy & Sustainability	29	30	1	0
History Festival	City Shaping – Park Lands, Policy & Sustainability	32	32	0	0
Reconciliation Committee - sponsorship	City Shaping – Park Lands, Policy & Sustainability	3	3	0	0
Social Planning Homelessness Adelaide Zero Project	City Shaping – Park Lands, Policy & Sustainability	208	248	40	0
City Wide Waste & Recycling	City Shaping – Park Lands, Policy & Sustainability	200	0	(200)	0
International Relations (Sister Cities)	Office of the Lord Mayor	5	5	0	0
	<b>Total</b>	<b>7,645</b>	<b>7,603</b>	<b>(42)</b>	<b>2,619</b>

## 2024/25 BP&B Update

# **LTFP Principles adopted by Council**

As part of the adopted Long Term Financial Plan, Council adopted the following principles:

- Our approach to rates, fees and charges is fair and equitable
- 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 current rating system
- Maintain an operating surplus
- Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities
- 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
- 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

These Principles have been used to guide the development of the 2024/25  
Business Plan and Budget

## 2024/25 BP&B Update

# **Financial Assumptions**

Underpinning the 2024/25 Budget and LTFP:

- Continue Budget Repair
- Rates Revenue in line with forecast inflation (excludes growth from new developments)
- Fees and charges in line with forecast inflation
- Salaries and wages forecasts based on enterprise agreements; once expired, Wage Price Index (WPI) for SA 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)
- Capital enhancements (new and upgrade) in line with Council Decision to fund Central Market Arcade Redevelopment, Mainstreets (\$15m per year) and then \$15m over assumed continuation.



## 2024/25 BP&B Update

# Financial Summary

\$'000s	2024-25 Base	Strategic Projects	Strategy	Service Changes	Identified Savings / opportunities	Revised Draft	Proposed Position	Variance to Draft
<b>Income</b>								
Rates Revenues	141,205				252	141,457	141,457	0
Asset Renewal Repair Fund							4,582	(4,582)
Fees and Charges	82,599	0		181	1,511	84,291	84,291	0
Grants, Subsidies and Contributions	4,453	389			0	4,842	4,842	0
Other Income	1,183				0	1,183	1,183	0
<b>Total Income</b>	<b>229,440</b>	<b>389</b>	<b>0</b>	<b>181</b>	<b>1,763</b>	<b>231,773</b>	<b>236,355</b>	<b>(4,582)</b>
<b>Expenses</b>								
Employee Costs	83,545	655	598	1,742	(48)	86,492	86,492	0
Materials, Contracts & Other Expenses	78,959	18	218	1,170	(2,646)	77,719	77,719	0
Sponsorships, Contributions and Donations	6,297	938	5		(100)	7,140	7,140	0
Depreciation, Amortisation & Impairment	56,857				0	56,857	56,857	0
Finance Costs	808				0	808	808	0
<b>Total Expenses</b>	<b>226,466</b>	<b>1,611</b>	<b>821</b>	<b>2,912</b>	<b>(2,794)</b>	<b>229,016</b>	<b>229,016</b>	<b>0</b>
<b>Operating Surplus / (Deficit)</b>	<b>2,974</b>	<b>(1,222)</b>	<b>(821)</b>	<b>(2,731)</b>	<b>4,558</b>	<b>2,758</b>	<b>7,340</b>	<b>(4,582)</b>
<b>Net Outlays on Existing Assets</b>								
Capital Expenditure on Renewal & Replacement of Existing Assets	(56,207)					(56,022)	(56,022)	0
<i>add back</i> Depreciation, Amortisation and Impairment	56,857					56,857	56,857	0
<i>add back</i> Proceeds from Sale of Replaced Assets	500					500	500	0
<b>Net Outlays on Existing Assets</b>	<b>1,150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,335</b>	<b>1,335</b>	<b>0</b>
<b>Net Outlays on New and Upgraded Assets</b>								
Capital Expenditure on New and Upgraded Assets	(55,913)					(56,425)	(56,425)	0
<i>add back</i> Amounts received specifically for New and Upgraded Assets	7,436					9,576	9,576	0
<i>add back</i> Proceeds from Sale of Surplus Assets	18,500					18,500	18,500	0
<b>Net Outlays on New and Upgraded Assets</b>	<b>(29,977)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(28,349)</b>	<b>(28,349)</b>	<b>0</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(25,853)</b>	<b>(1,222)</b>	<b>(821)</b>	<b>(2,731)</b>	<b>4,558</b>	<b>(24,257)</b>	<b>(19,675)</b>	<b>(4,582)</b>
<b>Borrowings</b>	<b>79,726</b>					<b>74,865</b>	<b>70,283</b>	<b>(4,582)</b>