

# Our Corporation

2024/25

## **Business Plan and Budget Savings Update**

Special meeting of the City Finance and Governance Committee  
28 May 2024

Acting Chief Operating Officer



## 2024/25 BP&amp;B Savings 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, LTFFP, 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	Plan and Budget	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)	✓
14 May	Council	Participate	Consultation	Special hearing for public consultation	✓
21 May	CFG	Note	Draft	Identified savings to meet targets for BP&B	✓
28 May	Special CFG	Endorse	Draft	Decision on savings targets	
11 June	Council	Receive	Draft	Receipt of submissions	
2 18 June / 25 June	CFG / Council	Adopt	Final	Final 2024/25 BP&B	

## 2024/25 BP&B Savings Update

# **Savings Identified to Date**

The 2024/25 Draft operating surplus of \$9.367m has been built based on the following:

- Vacancy Management savings of \$3.2m based on historical vacancies across the organisation
- Identified Savings and Opportunities of \$4.6m to fund new initiatives and strategies aligned to the Strategic Plan
- Savings target of \$3.2m to fund Upgrades to Buildings in the Park Lands and reduce the rate revenue increase from 6.9% to 5.9% comprising
  - \$1.765m from within draft budgets for grants, sponsorships and strategic partnerships and
  - \$1.394m in operational savings.

The following slides identify the savings and present 2 options based on “what we heard” in addition to the proposal presented to Committee on 21 May

## 2024/25 BP&amp;B Savings Update

**External Grant Funding**

- Savings identified from grants, sponsorships and strategic partnerships program budgets as identified in the CFG Committee on 21 May

Portfolio	Grant Program	Category	23/24 Budget	Draft 24/25 Budget	24/25 Pre-Committed*	New Allocation	Movement
AEDA	Strategic Partnerships	Grant Program	1,072	1,103	914	1,072	31
AEDA	Event and Festival Sponsorship	Grant Program	1,754	1,807	1,495	1,754	53
AEDA	Mainstreets Development Grants (Precinct groups)	Grant Program	179	184	-	-	184
AEDA	Commercial Events & Sponsorship Program (Strat project)	Strategic Project	600	500	-	-	500
AEDA	Business Growth - Business Support	Other	81	84	-	87	(3)
AEDA	AEDA Sponsorships (admin overhead)	Other	-	5	-	-	5
AEDA	NYE Events Incentives	One-off	100	-	-	-	-
City Services	Brownhill Keswick Creek	Strategic Partnership	140	162	162	162	-
City Shaping	Community Impact Grants	Grant Program	688	707	210	559	148
City Shaping	Arts & Cultural Grants - quick response	Grant Program	79	81	-	60	21
City Shaping	Arts & Cultural Grants	Grant Program	205	211	-	167	44
City Shaping	City Activation (Strat project)	Strategic Project	400	650	-	502	148
City Shaping	Economic Policy (data subscriptions)	Other	45	45	-	45	0
City Shaping	First Nations - Aboriginal protocol Grant	Grant Program	51	51	-	41	10
City Shaping	CCAIF - Carbon Neutral catalyst grants	Grant Program	56	26	-	-	26
City Shaping	Cultural Entrepreneurs Incubator Program	Grant Program	41	41	-	-	41
City Shaping	Arts & Culture - Cultural strategy partnerships	Strategic Partnership	174	174	-	-	174
City Shaping	CCAIF - Deliver the Sustainability Incentive Scheme	Incentive	205	211	-	167	44
City Shaping	Heritage Incentive Scheme	Incentive	1,162	1,200	-	944	256
City Shaping	Noise management Program Incentive Scheme	Incentive	23	23	-	30	(7)
City Shaping	City Wide Waste & Recycling	Strategic Project	200	-	-	0	-
City Shaping	Reconciliation Committee	Other	3	3	-	3	-
City Shaping	City of Adelaide Prize Sponsorships	Sponsorship	29	30	-	29	1
City Shaping	History Festival	Sponsorship	32	32	-	32	0
City Shaping	Social Planning Homelessness Adelaide Zero Project	Strategic Partnership	208	248	-	169	79
Corporate Services	Bienniel art prize	Other	15	20	-	15	5
Corporate Services	Adelaide Free Wifi	Strategic Project	98	-	-	-	-
OLM	International Relations (Sister Cities)	Sponsorship	5	5	-	-	5
<b>Total</b>			<b>7,645</b>	<b>7,603</b>	<b>2,781</b>	<b>5,838</b>	<b>1,765</b>

## 2024/25 BP&B Savings Update

# What we heard

- Desire to retain funding in areas supporting:
  - AEDA
  - Heritage (Incentive Scheme \$1.162m)
  - Homelessness (Adelaide Zero Project \$0.208m)and
  - Sustainability (Incentive Scheme \$0.205m)
- No CPI increase
- Retain partially or in full the proposed 2024/25 funding allocation for Commercial Events & Sponsorship Programs \$0.500m (AEDA)
- Honour existing multi-year funding agreements and pre-commitments
- Funding of the above to be reallocated from:
  - Arts & Cultural Grants
  - Community Impact Grants

## 2024/25 BP&B Savings Update

# Option 1

Option 1 Reallocates the \$1.765m savings identified within External Grant Funding through the following:

- Remove CPI escalation
- Honour existing multi-year funding agreements and pre-commitments
- Mainstreets Development Grants (Precinct Groups) funding removed, with funding subject to a future Council Decision
- Commercial Events & Sponsorships Program partially reinstated at \$0.425m
- Reinstatement of the following Programs to the 2023/24 funding levels:
  - Heritage Incentive Scheme \$1.162m
  - Sustainability Incentive Scheme \$0.205m
  - Adelaide Zero Project \$0.208m
- The balance of the above changes has reduced Community Impact grants to \$0.240m

## 2024/25 BP&amp;B Savings Update

**Option 1**

BOLD represents changes from the 21/5 proposal

Portfolio	Grant Program	Category	23/24 Budget	Draft 24/25 Budget	24/25 Pre-Committed*	New Allocation	Identified Savings
AEDA	Strategic Partnerships	Grant Program	1,072	1,103	914	931	172
AEDA	Event and Festival Sponsorship	Grant Program	1,754	1,807	1,495	1500	307
AEDA	Mainstreets Development Grants (Precinct groups)	Grant Program	179	184	-	-	184
AEDA	Commercial Events & Sponsorship Program (Strat Project)	Strategic Project	600	500	-	425	75
AEDA	Business Growth - Business Support	Other	81	84	-	81	3
AEDA	AEDA Sponsorships (admin overhead)	Other	-	5	-	-	5
AEDA	NYE Events Incentives	One-off	100	-	-	-	-
City Services	Brownhill Keswick Creek	Strategic Partnership	140	162	162	162	-
<b>City Shaping</b>	<b>Community Impact Grants</b>	<b>Grant Program</b>	<b>688</b>	<b>707</b>	<b>210</b>	<b>240</b>	<b>467</b>
City Shaping	Arts & Cultural Grants - quick response	Grant Program	79	81	-	60	21
City Shaping	Arts & Cultural Grants	Grant Program	205	211	-	167	44
City Shaping	City Activation (Strat project)	Strategic Project	400	650	-	502	148
City Shaping	Economic Policy (data subscriptions)	Other	45	45	-	45	-
City Shaping	First Nations - Aboriginal protocol Grant	Grant Program	51	51	-	41	10
City Shaping	CCAIF - Carbon Neutral catalyst grants	Grant Program	56	26	-	-	26
City Shaping	Cultural Entrepreneurs Incubator Program	Grant Program	41	41	-	-	41
City Shaping	Arts & Culture - Cultural strategy partnerships	Strategic Partnership	174	174	-	-	174
<b>City Shaping</b>	<b>CCAIF - Deliver the Sustainability Incentive Scheme</b>	<b>Incentive</b>	<b>205</b>	<b>211</b>	<b>-</b>	<b>205</b>	<b>6</b>
<b>City Shaping</b>	<b>Heritage Incentive Scheme</b>	<b>Incentive</b>	<b>1,162</b>	<b>1,200</b>	<b>-</b>	<b>1162</b>	<b>38</b>
City Shaping	Noise management Program Incentive Scheme	Incentive	23	23	-	30	(7)
City Shaping	City Wide Waste & Recycling	Strategic Project	200	-	-	-	-
City Shaping	Reconciliation Committee	Other	3	3	-	3	-
City Shaping	City of Adelaide Prize Sponsorships	Sponsorship	29	30	-	29	1
City Shaping	History Festival	Sponsorship	32	32	-	32	0
<b>City Shaping</b>	<b>Social Planning Homelessness Adelaide Zero Project</b>	<b>Strategic Partnership</b>	<b>208</b>	<b>248</b>	<b>-</b>	<b>208</b>	<b>40</b>
Corporate Services	Biennial art prize	Other	15	20	-	15	5
Corporate Services	Adelaide Free Wifi	Strategic Project	98	-	-	-	-
OLM	International Relations (Sister Cities)	Sponsorship	5	5	-	-	5
<b>Total</b>			<b>7,645</b>	<b>7,603</b>	<b>2,781</b>	<b>5,838</b>	<b>1,765</b>

## 2024/25 BP&B Savings Update

# Option 2

Option 2 reduces the impact on External Grant Funding and reallocates a larger portion of the savings target to discretionary elements of Operating Budgets through the following:

- Remove CPI escalation
- Honour existing multi-year funding agreements
- Mainstreets Development Grants (Precinct Groups) funding partially re-instated, with ongoing funding subject to a future Council Decision
- Commercial Events & Sponsorships Program reinstated to \$0.500m
- Reinstatement of the following Programs to the 2023/24 funding levels:
  - Heritage Incentive Scheme \$1.162m
  - Sustainability Incentive Scheme \$0.205m
  - Adelaide Zero Project \$0.208m
- The balance of the above changes has reduced Community Impact grants to \$0.240m
- Overall savings within External Grant Programs decreases from \$1.765m to \$1.552m. A further \$0.213m has been identified within operating budgets.



## 2024/25 BP&amp;B Savings Update

**Option 2**

BOLD represents changes from the 21/5 proposal

- Reallocate a larger portion of the savings target to discretionary elements of Operating budgets

Portfolio	Grant Program	Category	23/24 Budget	Draft 24/25 Budget	24/25 Pre-Committed*	New Allocation	Identified Savings
AEDA	Strategic Partnerships	Grant Program	1,072	1,103	914	934	169
AEDA	Event and Festival Sponsorship	Grant Program	1,754	1,807	1,495	1550	257
AEDA	Mainstreets Development Grants (Precinct groups)	Grant Program	179	184	-	85	99
AEDA	Commercial Events & Sponsorship Program (Strat Project)	Strategic Project	600	500	-	500	-
AEDA	Business Growth - Business Support	Other	81	84	-	81	3
AEDA	AEDA Sponsorships (admin overhead)	Other	-	5	-	-	5
AEDA	NYE Events Incentives	One-off	100	-	-	-	-
City Services	Brownhill Keswick Creek	Strategic Partnership	140	162	162	162	-
<b>City Shaping</b>	<b>Community Impact Grants</b>	<b>Grant Program</b>	<b>688</b>	<b>707</b>	<b>210</b>	<b>240</b>	<b>467</b>
City Shaping	Arts & Cultural Grants - quick response	Grant Program	79	81	-	60	21
City Shaping	Arts & Cultural Grants	Grant Program	205	211	-	167	44
City Shaping	City Activation (Strat project)	Strategic Project	400	650	-	502	148
City Shaping	Economic Policy (data subscriptions)	Other	45	45	-	45	-
City Shaping	First Nations - Aboriginal protocol Grant	Grant Program	51	51	-	41	10
City Shaping	CCAIF - Carbon Neutral catalyst grants	Grant Program	56	26	-	-	26
City Shaping	Cultural Entrepreneurs Incubator Program	Grant Program	41	41	-	-	41
City Shaping	Arts & Culture - Cultural strategy partnerships	Strategic Partnership	174	174	-	-	174
<b>City Shaping</b>	<b>CCAIF - Deliver the Sustainability Incentive Scheme</b>	<b>Incentive</b>	<b>205</b>	<b>211</b>	<b>-</b>	<b>205</b>	<b>6</b>
<b>City Shaping</b>	<b>Heritage Incentive Scheme</b>	<b>Incentive</b>	<b>1,162</b>	<b>1,200</b>	<b>-</b>	<b>1162</b>	<b>38</b>
City Shaping	Noise management Program Incentive Scheme	Incentive	23	23	-	30	(7)
City Shaping	City Wide Waste & Recycling	Strategic Project	200	-	-	-	-
City Shaping	Reconciliation Committee	Other	3	3	-	3	-
City Shaping	City of Adelaide Prize Sponsorships	Sponsorship	29	30	-	29	1
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<b>Corporate Services</b>	<b>Social Planning Homelessness Adelaide Zero Project</b>	<b>Strategic Partnership</b>	<b>208</b>	<b>248</b>	<b>-</b>	<b>208</b>	<b>40</b>
Corporate Services	Biennial art prize	Other	15	20	-	15	5
Corporate Services	Adelaide Free Wifi	Strategic Project	98	-	-	-	-
OLM	International Relations (Sister Cities)	Sponsorship	5	5	-	-	5
<b>Total</b>			<b>7,645</b>	<b>7,603</b>	<b>2,781</b>	<b>6,051</b>	<b>1,552</b>

## 2024/25 BP&B Savings Update

# Comparison

Comparison	Assumptions		
	21 May Option	Option 1	Option 2
Retain Heritage Incentive Scheme (at 2023/24 levels) *	x	✓	✓
Retain Sustainability Incentive Scheme (at 2023/24 levels) *	x	✓	✓
Retain Social Planning Homelessness Adelaide Zero Project (at 2023/24 levels) *	x	✓	✓
Precinct Group Funding removed/reduced subject to Future Council Decision	✓	✓	✓
No CPI Increases	✓	✓	✓
Retain Commercial Events & Sponsorship Program in full (at 2024/25 levels) **	x	x	✓
Retain Commercial Events & Sponsorship Program partially	x	✓	x
Honour existing multi-year agreements	✓	✓	✓
Balance savings reallocation within Community Impact Grants	x	✓	✓

Comparison	Draft 2024/25 Budget	Savings		
		21 May Option	Option 1	Option 2
AEDA Strategic Partnerships	1,103	31	172	169
AEDA Event and Festival Sponsorship	1,807	53	307	257
Mainstreets Development Grants (Precinct Groups)	184	184	184	99
Commercial Events & Sponsorship Program	500	500	75	-
Business Growth - Business Support	81	84	3	3
Community Impact Grants	707	148	467	467
Sustainability Incentive Scheme	211	44	6	6
Heritage Incentive Scheme	1,200	256	38	38
Social Planning Homelessness Adelaide Zero Project	248	79	40	40
Other Grant Programs	1,562	386	473	473
<b>Total External Grant Savings</b>		<b>1765</b>	<b>1765</b>	<b>1552</b>
Operational Savings		1394	1394	1607
<b>Total Savings</b>		<b>3159</b>	<b>3159</b>	<b>3159</b>

\* Retain funding in line with 2023/24 budget

\*\* Retain funding in line with proposed 2024/25 budget allocation

## 2024/25 BP&B Savings Update

# Next Steps

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

Date	Topic
28 May - Special CFG / Council	Report – Decision on savings targets
11 Jun – Council	Report – Receipt of submissions
18 Jun – CFG 25 Jun – Council	Report – Final 2024/25 BP&B