

Adoption of the 2024/25 Long Term Financial Plan

Strategic Alignment - Our Corporation

Public

**Tuesday, 22 October 2024
Council**

Program Contact:
Acting Manager Finance &
Procurement

Approving Officer:
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Chief Operating Officer

EXECUTIVE SUMMARY

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

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

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

Key outcomes include:

- An annual operating surplus position over the life of the plan
 - All Key Financial Indicators are within target ranges except for Cashflows from Operations between 2027/28 – 2030/31 due to an outlay on significant renewals
 - A gradual return of the Asset Renewal Funding Ratio (ARFR) over eight years to 100% from 2031/32 onwards (previously four years to 2027/28).
 - Introduction of an Asset Renewal Repair Fund (ARRF) to fund the annual increase of \$14.9 million associated with the recently adopted Asset Management Plans (AMPs).
 - AMPs are funded through operating revenue but in recognition of the need to balance the community's capacity to pay while ensuring community expectations are met, this LTFP assumes the use of short term borrowings to fund the ARRF.
 - Significant renewals are required in the mid-long term of the LTFP in accordance with the adopted AMPs. These assets by nature are intergenerational, and as such it is intended to fund them through external contributions, in addition to borrowings. As the external funding is not yet secured, there is a risk that Council will need to fund \$115 million for the entire renewal of the assets (\$42 million in excess of the current assumption).
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RECOMMENDATION

THAT COUNCIL

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

IMPLICATIONS AND FINANCIALS

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

DISCUSSION

Background

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

Statement of Comprehensive Income

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

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

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

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

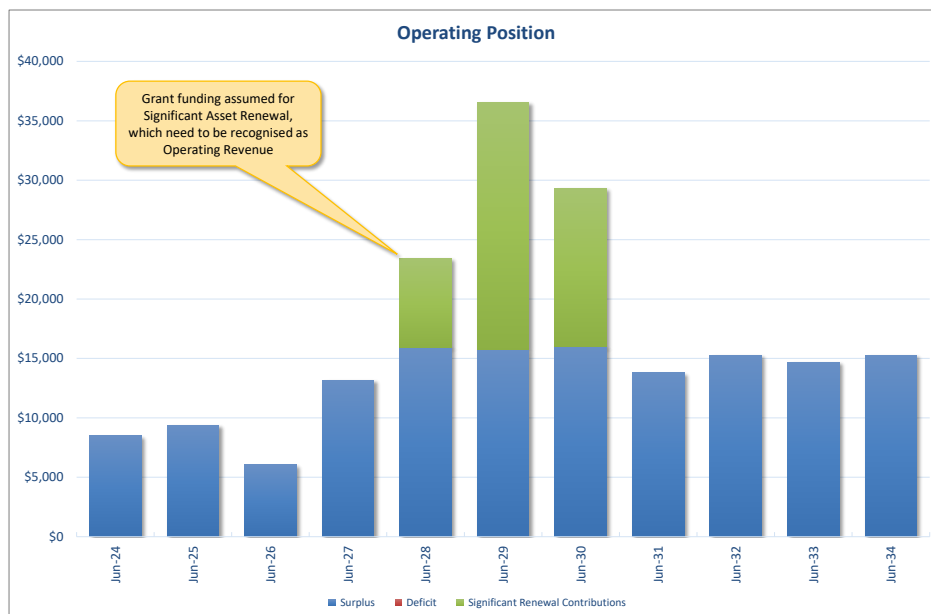


Chart 1: Operating Surplus

12. The underlying increases in rates and fee revenue are above the percentage increase in key operational costs, contributing to growth in surpluses in the short term.
13. The surpluses across the LTFP reflect a robust statement of financial sustainability derived from a positive underlying structural budget, which has been achieved through sound financial management and improved efficiency and performance in the provision of all services and asset management plans.

14. Two key operational impacts affect the operating position throughout the life of the LTFF, namely:
- 14.1. Returning revenue from the re-opening of the redeveloped Central Market Arcade in 2026/27
- 14.2. Grant funding assumed for Significant Asset Renewals, which needs to be recognised as Operating Revenue.

Statement of Financial Position

15. The Statement of Financial Position is shown in **Attachment B**.
16. Net Council assets are forecast to increase from \$1.846 billion at June 2025 to \$2.032 billion in June 2034.

Statement of Cash Flows

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

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

Table 2: Statement of Cashflows for the next 4 years

18. Of note are the Proceeds from Sale of Surplus Assets, allocated to the Future Fund, offsetting the need to draw the full debt required to fund new and upgraded projects.
 - 18.1. Note however that when funds from the Future Fund are required to invest in future projects, borrowing levels will then reflect the level of debt that would have been carried by Council had it not been offset by the Future Fund.
19. The cash flow from operations is positive over the life of the LTFP, indicating that Council operations will generate enough cashflow to cover ongoing expenses and support the funding of asset replacement over time, noting however that borrowings may be required to fund significant renewal projects in the Torrens Weir, Adelaide Bridge and Rundle UPark.
20. Given the investment preferences of the Council and the commitment to Mainstreet Upgrades over the next four years (new and upgraded projects), it is appropriate to focus on the balance of borrowings rather than the cash balance.
21. The net funding position at the end of 2024/25 is forecast to require borrowings of \$53.677 million.
22. This steadily increases in subsequent years principally due to utilising borrowings to fund the new and upgraded capital program (noting that Council uses operating revenue to fund the renewal capital program).
23. Also note the increase in borrowings in years 3 to 6 where it has been assumed that Council will fund the net renewal costs associated with the Adelaide Bridge, Torrens Weir and Rundle UPark. Given the size of these significant renewals, the LTFP proposes funding them using borrowings to avoid large rate or other revenue increases to fund the works.
24. The LTFP also assumes transitioning from a 92.5% Asset Renewal Funding Ratio (ARFR) to 100% over eight years. This results in less operating revenue being available to offset debt payments, contributing to an overall increase in the net funding position.
25. The net funding position showing gross debt, future fund and net debt (“offset balance”) is shown in Chart 2 below.

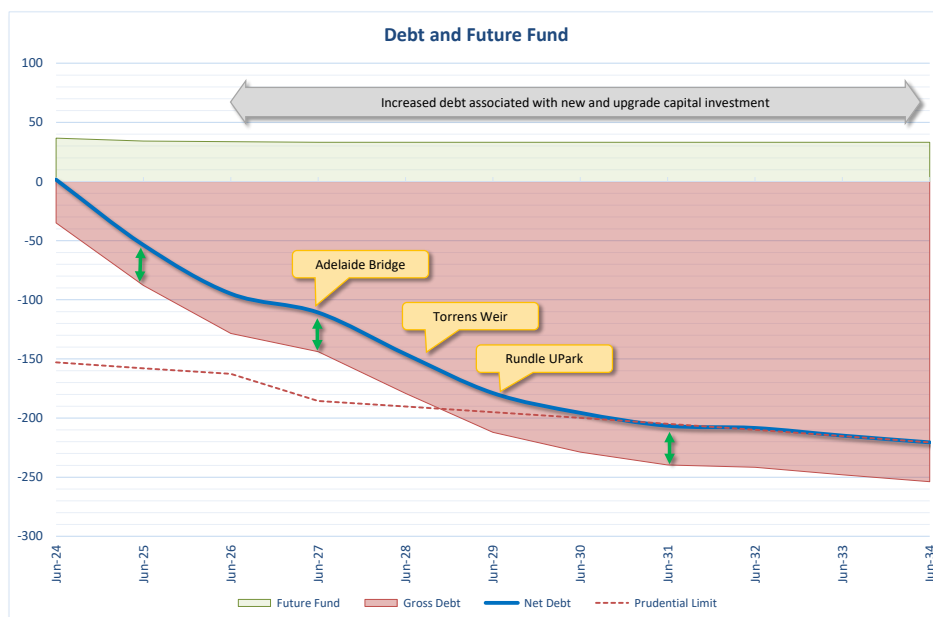


Chart 2: Projected Debt and the Future Fund

Capital Investment

26. The Asset Renewal Funding Ratio projected over the life of the LTFP is in **Attachment B**. An ARFR of 100% is forecast to be achieved from 2031/32 onwards, ensuring that assets are being replaced at the same rate as they are wearing out, supporting Council’s long term financial sustainability.
27. The previously adopted 2023/24 – 2032/33 LTFP assumed an ongoing commitment of \$15 million per annum for new and upgrades, continuing the same investment impetus which delivered Mainstreet Upgrades. However, in recognising the funding requirements identified in the recently adopted Asset Management Plans, the assumed forward commitment on new and upgraded assets has been reduced to balance the delivery of infrastructure within prudential borrowing limits.

Sensitivity Analysis

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

29. Asset Renewal Funding Ratio

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

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

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

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

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

30. Asset Renewal Repair Fund (ARRF)

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

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

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

31. Significant Renewals

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

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

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

32. Mainstreet Upgrades

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

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

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

Table 6: Impact of Spreading the Mainstreets Upgrades

Financial Indicators

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

- 33.1. Operating Surplus Ratio
- 33.2. Net Financial Liabilities Ratio
- 33.3. Asset Renewal Funding Ratio

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

- 34.1. Asset Test Ratio
- 34.2. Interest Expense Ratio
- 34.3. Leverage Test Ratio
- 34.4. Cashflow from Operations Ratio

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

- 35.1. The Operating Surplus Ratio decreases from 2031/32 onwards due to increased depreciation and interest expenses from higher levels of assets and borrowings associated with continued investment in new and upgraded projects for the City.
- 35.2. Increased borrowings from continued investment in the City reaches maximum targets for the Net Financial Liabilities and Asset Test Ratio indicators from 2030/31, and reaches the Prudential Borrowing Limit in the same year. This suggests that the investment in new and upgraded capital cannot be sustained without changes in other parts of the LTFP (for example, additional external assistance to fund the significant renewal projects).
- 35.3. Cash Flow from Operations are negatively impacted by the funding of significant renewal projects – the Adelaide Bridge, Torrens Weir and Rundle UPark.
- 35.4. The ARFR is transitioning to 100% over eight years, achieving 100% from 2031/32 onwards.

36. The next four years are summarised below:

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

Table 7: Key Financial Indicators

Policy Review

37. There has been no significant change to any policy that particularly impacts Council's financial sustainability.
38. However, through the 2023/24 financial year, Council endorsed a number of new strategies and plans which have not been costed. As such, they are assumed to only be funded within the LTFP through a re-prioritisation of existing services, and any funding in excess of 1% obtained through additional rates growth.

Consultation feedback

39. Public consultation on the draft 2024/25 LTFP ran from 30 September 2024 to 20 October 2024.
40. Consultation focused on our proposed priorities and projects including:
- 40.1. The rate of return to 100% ARFR (over four or eight years)
 - 40.2. Funding options for significant upgrade projects (the Adelaide Bridge, Torrens Weir and Rundle UPark)
 - 40.3. Use of short term debt to smooth an impending renewals expenditure spike necessitated by the AMPs
 - 40.4. Confirm community preferences around Mainstreets and Park Lands buildings investments.
41. As at 20 October there has been:
- 41.1. 957 views, 654 visits, and 524 visitors
 - 41.2. 154 downloads of the Draft LTFP document; 137 downloads of the Draft LTFP Summary (in English); 25 downloads of the Draft LTFP Summary (in Mandarin)
 - 41.3. 73 consultation contributions through the Our Adelaide platform, and 1 submission.

42. Submissions were received from the following organisations:
 - 42.1. Property Council (SA)
 43. 73% of all respondents were City of Adelaide ratepayers; 18% of all respondents own a business, and 48% reside in the city.
 44. The number of consultation responses are insufficient to make statistical inferences with a high degree of confidence, however the results are indicative and summarised below.
 45. In broad terms 67% were in agreement or neutral to the overall financial approach proposed in the LTFP, and 33% disagreed.
 46. Propositions in the LTFP which drew strong agreement (numerically) include:
 - 46.1. The current condition of our assets are good to excellent (80% agreed, 20% disagreed)
 - 46.2. Share debt cost between current and future ratepayers (59%) rather than expect future generations to fund costs (14%), or current ratepayers (7%)
 - 46.3. Spreading increased renewal investment (ARFR) over eight rather than four years (62% agreed, 23% disagreed). 15% indicated Other but no clear alternatives were provided.
 47. Propositions in the LTFP which elicited moderate agreement (numerically) include:
 - 47.1. Funding the Asset Renewal Repair Fund from debt or combined rates/debt – to fund in one year from rates only (27%), debt only (11%), or both rates increase and debt over three years (45%).
 - 47.2. Investments in significant upgrades to be funded through debt not rates (49% agreed, 13% disagreed, and 38% combination of debt and rates)
 48. Propositions in the LTFP which elicited moderate disagreement (numerically) include:
 - 48.1. Support for Council's proposal to upgrade the five Main Streets (51% agreed, 35% disagreed)
 - 48.2. Support to fund Main Street upgrades through \$62m debt (46% agreed, 41% disagreed). 13% indicated Other but no clear alternatives were provided
 - 48.3. That 1.5% of rates revenue be directed to Park Lands community buildings (69% agreed, 31% disagreed).
 49. Propositions in the LTFP which elicited unclear or divergent views (numerically) include:
 - 49.1. Options for delivering Main Street enhancements – over four years (27%), eight years (43%) or other approaches (30% - no clear alternatives provided except not doing the enhancements at all).
 50. No proposition in the LTFP created a strongly negative response (numerically).
 51. Based on this feedback, the limited number of responses, and the absence of substantive alternatives proposed, no changes to the financial projections are recommended to the draft LTFP for adoption (**Attachment B**).
 52. Minor clarity edits recommended by the Audit and Risk Committee at its meeting of 27 September 2024 have been incorporated in the draft LTFP for adoption (**Attachment B**).
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ATTACHMENTS

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

Attachment B – Draft 2024/25 LTFP for adoption

- END OF REPORT -