

DRAFT
2023/24 Business Plan & Budget

Investing in streets, parks and the community

CITY OF ADELAIDE

Post-COVID-19 budget repair and upgrades to City infrastructure are the focus of **$268 million in expenditure to support future sustainability and City pride**



City Wide key highlights include:

- Expanding and improving Adelaide free Wi-Fi
- Increasing greenery in City Streets and Parks
- Protecting the City's heritage through grants and conservation plans
- Delivering Reconcilation initiatives and cultural mapping of the Park Lands
- Delivering events such as New Years Eve and ANZAC Day and activations across the East and West End, Gouger Street and North Adelaide
- Improvements to on-street parking technology
- Revitalisation and improvements to Main Streets
- Funding to continue to expand Public Art across the City
- Launcing a new trainee and apprenticeship program
- Working with our community to improve engagement and consultation

COMMUNITY INVESTMENT INCLUDES

$100.3m
ON CAPITAL WORKS INCLUDING

$50m
PUBLIC INFRASTRUCTURE RENEWALS

$12m+
CLIMATE CHANGE INITIATIVES AND PARK LANDS GREENING AND BIODIVERSITY

$8m+
project construction and improvements on City streets including Currie, Field, Hutt, Melbourne, Pitt, Sturt, Ward and West Pallant Streets and James Place, Kingston Terrace, North Terrace and Whitmore Square

$6m+
project construction and improvements to the Park Lands including Victoria Park / Pakapakanthi, Bonython Park / Tulya Wardli, Rymill Park / Murlawirrapurka and Mary Lee Park

$43m +
STREETS AND PARKS MAINTENANCE

$7m +
CLEANING CITY STREETS AND PARKS

$15m +
COMMUNTIY CENTRES AND PROGRAMS, LIBRARIES AND EVENTS

$5.9m
CUSTOMER EXPERIENCE AND MARKETING SERVICES

$2m+
CITY SAFETY AND NOISE MANAGEMENT

$1.6m +
HERITAGE EVENTS, PROMOTION, GRANTS AND MANAGEMENT

Our City

First shaped by the Kaurna People of the Adelaide Plains, then by Colonel William Light, Adelaide is a dynamic, accessible and safe city, that offers an enviable quality of life. The physical layout of the city enhances the attributes that make us unique. From the Nationally Heritage Listed Park Lands that surround our city, to the compact layout that makes the city walkable and cyclable, to our unique neighbourhoods and precincts, all these factors place Adelaide on the path to being one of the most liveable cities in the world.

Despite our small footprint, the City of Adelaide is home to over 12,000 businesses and contributes close to 18% of the State's economic value. Financial and insurance services; professional, scientific and technical services; and public administration and safety form the city's three largest industries in terms of economic contribution.

The city continues to show signs of recovery following the pandemic. Total local spend reached $4.5 billion in the 12 months to April 2023, a 10% increase compared to the same period last year. Office occupancy rates reached 80% in February 2023, one of the highest across all capital cities. This recovery sets a solid foundation for the city as we continue to navigate uncertainty around within the national and global economy.





15.6sqkm
total land area

12,265
local businesses

760ha
Park Lands
including 29 Parks and 6 Squares

80%
office occupancy

$4.5B
total local spend
(May 2022 to April 2023)

14,660
total private dwellings

$21.9B
City of Adelaide Gross Regional Product
17.6% of Gross State Product

Sources:
Australian Bureau of Statistics, Census of Population and Housing 2021. Compiled and presented by .id (informed decisions); Capital Cities Council of Lord Mayors April 2023 Pulse Report; National Institute of Economic and Industry Research (NIEIR) 2023. Compiled and presented in economy.id by .id (informed decisions); Property Council Office Occupancy Report February 2023, Office Occupancy - February 2023; Spendmapp by Geografia

Our Community

The City of Adelaide's great liveability is created not just through our layout and world-class infrastructure, but also through the breadth of our heritage, festivals, residents, businesses, students and visitors.

Adelaide's heritage buildings provide continuity with the past and are an essential part of the distinctive character and charm of the City. Adelaide's program of festivals and major events draws thousands of visitors to the City, enhances the City's image worldwide and contributes greatly to the quality of life enjoyed by local people.

Our community is vibrant and dynamic and consists of over 26,000 residents and over 300,000 visitors to the city daily. Our resident base is diverse with 45% of our residents born overseas and 36% speaking a language other than English. Adelaide is also home to the young and young-at-heart. Nearly half of our residents are aged 18 to 34 and one in five have chosen to spend their golden years living in the city.

26,120
total residents

47%
aged between 18 -34

20%
aged 60 and over

45%
born overseas

36%
speak a language other than English

41%
live alone

26%
study at Tafe or University

50%
renting



Sources:
Australian Bureau of Statistics, Census of Population and Housing 2021. Compiled and presented by .id (informed decisions).





Kaurna Acknowledgement

City of Adelaide tampendi, ngadlu Kaurna yertangga banbabanbalyarnendi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tarndanyako.

Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthi.

City of Adelaide acknowledges the traditional Country of the Kaurna 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 Kaurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations.



Lord Mayor introduction

The City of Adelaide has released its draft Budget for 2023/24.

This is a budget that transitions our Council from a four-year period of pandemic support to a new era of post-COVID-19 financial repair.

After nine years of freezing the rate in the dollar and four years of frozen property valuations, Council has decided on a conservative catch-up of our charges.

This new direction envisages cautious revenue raising overall by about 5 per cent, including the planned reinstatement of waived fees to help us repair and revamp the public realm.

The same cost of living pressures impacting our ratepayers have also affected Council's budgeting. For instance, the cost of infrastructure works, including street upgrades, have increased significantly compared to the same time last year.

In allowing the use of revalued property assessments for the first time in five years and again phasing in fees for Park Lands events and outdoor cafes – we are committed to significant investment in the public realm.

The rate in the dollar will this year still be frozen for the tenth year but bills will be based on up to date property valuations with a 10 per cent cap on the increase.

Council's budget would not be complete without the feedback of our ratepayers, who are a vital part of the process.

I encourage you to read this draft document during the consultation period and provide us with your valued feedback.

Dr Jane Lomax-Smith AM
Lord Mayor City of Adelaide

Contents

This Business Plan and Budget sets out the Council's priorities, services, programs, projects and budget for 2023/24. Council has outlined the annual deliverables the community can expect to see under each Program of the Organisation, alongside a Capital Renewal Works schedule for the next 3 years. Attachments to this document provide planning, financial, strategic and legal context, including our proposed reporting, financial statements and our subsidiary Business Plan and Budgets.

Further information is available online at cityofadelaide.com.au/budget

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Subsidiaries
Available online as separate documents

Frequently used terms within this document:

Capital Projects: Support the delivery of Council's Strategic Plan and its Strategic Asset Management Plan. The delivery of these is prioritised / reviewed annually to deliver on relevant financial and asset indicators.

FTE: Full Time Equivalent (1.0) employee

Operating Projects: Deliver on Council decisions, partnerships and/or strategic projects that are ongoing in nature.

Program: A description of the structure of the organisation, consisting of a group of people responsible for specific policies, strategies, plans, functions and services. Multiple programs make up a Portfolio. Each Portfolio is led by a Director, who is a member of the Executive, and reports to the CEO.

Service: Local government services that meet community need, expectation and legislated requirements.

Strategic Projects: Generally, 'one off' activities that have been prioritised to be delivered within a specific timeframe to meet strategic outcomes, often as a result of Council decisions and/or partnerships.

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

About this plan

The 2023/24 Business Plan and Budget is the key annual operational and financial planning document for the City of Adelaide. It describes the priorities, programs, services and projects that we plan to deliver, our sources of revenue, financial levers, long term sustainability and how we propose to allocate our budget.

Over the past three years, the City of Adelaide has continued to demonstrate its credentials as a safe and liveable city. The city is continuing to grow and move forward from the post-COVID recovery period. Council's financial responsiveness to the early impacts of the pandemic has delivered ongoing support and investment in local businesses and our community.

This first Business Plan and Budget of the newly elected Council continues this good work and focuses delivering Post-COVID-19 budget repair, upgrades to city infrastructure and engendering pride in our City. This year marks a transition to a new agenda with the preparation of a new Strategic Plan and City Plan, reshaping our Long Term Financial Plan, Asset Management Plans and seeking and meeting community expectations for the services we deliver.

Council recognises our current financial position, and the need to make financially sustainable decisions throughout the Business Plan and Budget process, so revenue can be redirected to urgent upgrades of our basic city infrastructure, including footpaths and other crucial assets and continuing to deliver valued outcomes for the community. This includes rethinking Council's core revenue bases post-COVID-19 with a general 5% increase on fees and charges, a transitional return of Park Lands events and outdoor dining charges and a 10% cap on rates

Our approach to setting rates, fees and charges will be critical in ensuring we are able to deliver for our community now, and in the future.

Prioritising levels of service for our infrastructure will ensure we can deliver well maintained community assets. In addition, maximising funding opportunities through effective advocacy and partnerships will support greater public value for ratepayers and our community. We will work with partners to support city growth, investment, affordable housing, climate resilience and city-wide improvements, while remaining committed to protecting our Park Lands and greening our city.

Our 2023/24 Business Plan and Budget is presented throughout the following pages:

- **Priorities** – our annual objectives that we will prioritise for the next year
- **Planning Summary** – an overview of our approach and considerations
- **Budget Summary** – an overview of our budget position and financial principles
- **Program and Project delivery** – a detailed view of our deliverables, strategic projects and budgets presented across our organisational structure
- **Capital Works –** a detailed view of our Major Projects, New and Significant Upgrades and renewal program





Priorities

As the Capital City Council for all South Australians, we play a key role in ensuring people have pride in our City.

Council will continue to welcome visitors back to our City, create a vibrant, culturally diverse community, drive economic growth for our businesses, protect and celebrate our Park Lands, improve our Public Realm infrastructure for all to enjoy and show leadership through partnerships, advocacy and by being financially sustainable.

Our Council, our community and our partners want us to:

- Improve our city streets and public infrastructure through investing in core services and maintenance of the public realm.
- Deliver well-planned and well-designed streets and places that we can be proud of, with policies that encourage activity and growth while preserving our Park Lands, heritage and environment.
- Focus on financially sustainable decision-making and strategic partnerships which enable future investment, jobs and growth in the City.

Council will achieve this in 2023/24 by prioritising the following objectives.

Capital City Leadership

Ensure our finances are sustainable for current and future generations and work with our partners on shared opportunities to the benefit of the City.

- Leverage Government and private partnerships through advocacy, and co-investment to support our priorities, plans and projects
- Financially sustainable decision-making and strategic partnerships which enable future investment, jobs and growth in the City

Economy

Residential, visitor, business and employment growth to provide economic benefit to the City, increased investment and the City's role as a State hub for economic activity.

- Develop a City Plan that provides guidance on City growth
- Pursue opportunities and partnerships that support an increased City workforc

Community

Government partnerships to deliver opportunities for affordable housing and to create accessible and safe streets.

- Advocate for affordable housing and housing support for vulnerable people
- Deliver improvements to City-wide transport and people movement

Environment

Protect and enhance the Park Lands and plan to manage the challenges of climate change for the benefit of our community and all South Australians.

- Leadership in delivering Climate Change actions
- Protect and enhance the Park Lands through increased tree plantings and managed use

Culture and Activation

Ensure our finances are sustainable for current and future generations and work with our partners on shared opportunities to the benefit of the City.

- Promote and celebrate Adelaide's heritage
- Work with key partners to provide 'year round' events and activations that attract people to visit the City and that celebrate our diverse community

Infrastructure

Improve city streets and public infrastructure by investing in core services and maintenance of the public realm.

- Maintain, develop and enhance main streets, streetscapes and parks
- Deliver on Council's Capital Works schedule

The activities that Council intends to undertake to achieve these objectives can be found within the program plans provided in this document.

How we Plan

Our approach to planning for 2023/24 started with Council Member training and onboarding following the November 2022 Local Government Elections and continued over several months, giving consideration to:

- Council's Strategic Plan 2020-2024, Long Term Financial Plan, Strategic Asset Management Plan, Asset Management Plans and Associated Strategies and Plans
- Council Member priorities and community insights from their campaign trails
- Understanding what we are hearing from the community from ongoing engagements, which are summarised through our quarterly reports
- Understanding our operational environment and key challenges and opportunities
- Planning principles of financial sustainability, innovation and insights, strategic, and simple and accessible
- Asset management, integrated and forward asset planning
- Financial sustainability and core budget management principles

We continue to review and refine programs, services and projects for the community. New service and project initiatives for 2023/24 have also been incorporated into programs with a focus on addressing Council's Priorities.

Our Planning Commitments as an organisation to support this Business Plan and Budget are:

- Building strategic relationships and partnerships to improve access to funding opportunities that support community outcomes
- Investing in community engagement to build trusting relationships
- Continuous improvement and efficiencies in the planning and delivery of services, programs and assets
- Service reviews to identify service changes based on community need and meeting Council's strategic intent
- Pursuing revenue opportunities and grants which reduce the reliance on rates and improve our procurement lifecycle
- Attracting businesses, workers and visitors to the city through economic opportunities, arts, culture and events

- Encouraging investment and development through partnerships
- Providing an overview of our services through our Organisational Programs

Our planning approach and commitments alongside the identified Financial Principles ensure that we are able to Plan, Budget and Report on the 2023/24 Business Plan and Budget in alignment with Council decisions, community expectations and operational challenges and opportunities.



How we Budget

Our budgeted expenditure for 2023/24 of $268m across operating and capital budgets focuses on the strategic projects, services and activities that support the city's infrastructure, community, economy, culture and environment. We will:

- Continue to focus on responsible financial management without impact to services, ensuring we maintain our range of quality services and facilities to deliver good outcomes for our community.
- Be innovative with the resources we have
- Be deliberate about improving service efficiency, to identify new revenue sources and grant opportunities, to manage risks and to create new opportunities for income

Operating grant funding from year to year can significantly impact our operating position and is one of the material differences compared to 2022/23, where we received an increased level of grants. This resulted from a significant volume of one-off grant funding that is not expected to reoccur in 2023/24. In 2023/24 we will be increasing our advocacy efforts to seek to address this imbalance and maintain consistent grant funding levels from year to year.

In recent times Council has maintained the rate in the dollar and held city-wide property valuations at 2019 levels, the two key determinants impacting rate revenue. This has seen rate revenue decline in real terms, dependent on new rateable properties and single revaluations for growth. In addition, certain fees and charges have been waived or held, some from before COVID and some to provide relief during COVID and recovery from there. These temporary decisions made with the intent of providing community support for the context at the time, have also resulted in a decline in fee revenue in real terms.

Council, like any other organisation or household, has experienced a significant increase in costs in recent years. Council and our stakeholders have recognised the benefits from past approaches to rating and fees. However, in order to deliver on its objectives, Council recognises the need to repair its budget position and the need to make financially sustainable decisions regarding rates and fees which will enable Council to invest in the required public infrastructure and deliver the services our community deserves now and into the future.

Accordingly, Council sought to value properties across the city to current values, whilst holding the rate in the dollar the same as in previous years.

Any increase in rates payable is therefore directly attributable to an increase in property valuation.

In addition, Council has reviewed its approach to fees and charges, reinstating fees previously waived before and during COVID via a transitional approach to provide support, while increasing other fees consistent with the increased cost to deliver services and meet inflation.

OPERATING POSITION ($'000s)			
	2022/23 Q3 Budget	2023/24 Draft	Movement
Income			
Rates Revenues	124,619	135,395	10,776
Fees and Charges	76,715	84,685	7,970
Grants, Subsidies and Contributions	9,787	4,449	(5,338)
Other Income	2,324	953	(1,371)
Total Income	**213,446**	**225,481**	**12,035**
Expenses			
Employee Costs	74,240	81,586	7,346
Materials, Contracts and Other Expenses	73,016	78,973	5,957
Sponsorships, Contributions and Donations	10,317	6,128	(4,189)
Depreciation, Amortisation and Impairment	54,864	56,040	1,176
Finance Costs	922	835	(87)
Total Expenses	**213,359**	**223,561**	**10,202**
Operating Surplus / (Deficit)	**87**	**1,920**	**1,833**

CAPITAL PROGRAM			
	2022/23 Q3 Budget	2023/24 Draft	Movement
Renewal/Replacement of Assets	45,201	50,416	5,215
New and Upgraded Assets	26,441	49,918	23,477
Total Capital	**71,642**	**100,334**	**28,692**

See 'Detailed Financial Overview' in Attachment B for further commentary.

Financial principles

To guide the development of a budget and plan that delivers on priorities and ensure financial sustainability for current and future generations, the below principles were applied by Council:

- 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
- 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
- Capital renewal expenditure will be based on asset management plans
- Consider the disposal, purchase and /or repurposing of property assets to unlock the potential and future prosperity of the City, without incurring a financial loss
- Borrowings will be used to fund new and upgrade projects (which include major projects) and not used to fund operations, expenses or renewal projects

Key assumptions

- Rate income increases in line with assumed property valuation movements (7.5%) and growth from new developments (assumed at 1%)
- Fees and Charges have generally increased by 5%, with variations for certain activities
- Some fees that have been waived or frozen in recent years are being reinstated through a transitional approach, which is discussed in further detail later in this document
- Grants, Subsidies and Contributions is income received from external organisations - our budget matches committed funding expected to be received and has reduced due to a higher level of once-off grants in 2022/23
- Other Income has reduced with all previous budget offset targets removed
- Employee costs have increased due to the combined application of Enterprise Agreements, level changes required under the Enterprise Agreement and a 0.5% increase in Superannuation Guarantee Charge. In addition, 28.7 FTE have been added through the introduction of additional services and the expansion of some existing services
- Materials, Contracts and Other Expenses have been generally indexed by 2.5%. Expenses have increased above indexation due to the expansion of services delivered to our community including maintenance, greening, trainee and apprentice programs, and improvements to the free wi-fi network
- Sponsorships, Contributions and Donations are paid to community groups and organisations. The funding allocation for 2023/24 is decreasing by $4.0m, consistent with delivering a strategic view to partnerships
- Renewal/Replacement of Assets funding represents a 90% Asset Renewal Funding Ratio and has been prioritised based on the condition and lifecycle of assets
- New/Upgraded Assets are strategically planned, assessed, prioritised and considered in the context of new infrastructure requirements or impact to current assets

Project and Program Delivery

The City of Adelaide will deliver the 2023/24 Business Plan and Budget through our Organisational Structure, including our Portfolios, Offices and Subsidiaries.

Each Portfolio has key focus areas which will support our priorities for the year and provide key measures of performance for our organisation to report back to the community on throughout the year.

A detailed view of our supported functions, strategic projects and budgets across these Programs, Offices and Subsidiaries is provided on the following pages as Program Plans.





City Shaping Portfolio

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.

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Office of the Director, City Shaping	3.0	-	(652)	**(652)**
Total	**3.0**	**-**	**(652)**	**(652)**

Key Focus areas for this Portfolio:

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

Programs:

- City Culture
- Park Lands, Policy and Sustainability
  includes Kadaltilla / Park Lands Authority subsidiary
- Regulatory Services

Aquatic Centre Opportunity – delivered within City Culture

It should be noted that Council expects to be required to make a contribution for the demolition and remediation of the Aquatic Centre. Timeframes and funding are not confirmed, however should works occur in the 2023/24 year, Council recognises that it will need to make a provision for the demolition of the existing facility. Future savings derived from no longer operating the Centre or providing for its renewal and maintenance has been determined as sufficient to service and fund the repayment of any borrowings required.

City Culture

The City Culture Program creates brilliant experiences for all who choose to live in and enjoy our City. By activating and curating places and spaces, and providing opportunities for creativity, recreation, and wellbeing, we connect, support and inspire our diverse community, and draw more people to Adelaide to live, study, work and play.

Supported functions:

- Adelaide Aquatic Centre
- Adelaide Town Hall
- BMX and Skate Parks
- Community Centres
- Commonwealth Home Support Program
- Community Wellbeing
- Culture and Creativity
- Events and Activations
- Library Operations
- Library Programs
- Monuments and Public Art
- Place Coordination
- Social Planning
- Sports and Recreation Facilities and Initiatives

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Office of the A/D City Culture	2.0	-	(385)	**(385)**
City Experience	10.1	782	(4,003)	**(3,221)**
City Lifestyle	15.3	1,245	(4,661)	**(3,416)**
Aquatic Centre	26.3	6,593	(7,443)	**(850)**
Creative City	11.0	82	(2,902)	**(2,820)**
Libraries	23.5	526	(5,046)	**(4,520)**
Adelaide Town Hall	6.0	2,863	(2,921)	**(58)**
Total	**94.2**	**12,091**	**(27,361)**	**(15,270)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
Aboriginal Protocol Grant	**51**
Adelaide's New Year's Eve	**473**
Annual Delivery of Kaurna Initiatives	**51**
ANZAC Day Service - March & Related Activities	**59**
Arts and Cultural Grants	**371**
Business Activation and Support	**103**
Christmas Festival Action Plan	**587**
City Activation – East End Unleashed	**140**

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Operating Activities ($'000 - embedded in the operating budget)	Expenditure
City Activation – Gouger Street Precinct	50
City Activation – Adelaide West Precinct	50
City Activation – Hutt Street Precinct	77
City Activation – Precinct Support	114
City Activation – North Adelaide Precinct	103
Community Capacity Development	40
Community Impact Grants	816
Cultural Entrepreneurs Incubator Program	41
Fashion Industry Support	35
Live Music Industry and Venues Support	56
UNESCO Adelaide City of Music Ltd Partnership	52
Winter Weekends	200
Total	**3,469**

Further to the operating budget and activities for this Program the below Projects have been identified in 2023/24:

Strategic Projects ($'000)	Expenditure
City Activation	400
Cultural Mapping of the Adelaide Park Lands	75
Total	**475**

Capital Projects ($'000)	Expenditure
Major Projects	-
New and Significant Upgrades	1,019
Renewals	-
Total	**1,019**



Park Lands, Policy and Sustainability

includes Kadaltilla / Park Lands Authority

The Park Lands, Policy and Sustainability Program establishes clear and integrated policies and plans to shape a well designed, planned and developed City, to protect and enhance our unique Park Lands, and support a welcoming and resilient community that demonstrates environmental leadership.

Supported functions:

- Carbon Neutral Council and Community
- Community Safety Strategy
- Economic Policy
- Heritage Management
- Heritage Promotion and Events
- Lakes and Waterways
- Park Lands and Open Space
- Park Lands Planning
- Planning Policy
- Reconciliation
- Social Planning
- Sustainable and Climate Resilient City
- Tree Management
- Waste Policy and Education

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
A/D, Park Lands Planning & Policy	2.0	-	(356)	**(356)**
City Planning and Heritage	14.2	43	(3,660)	**(3,617)**
Low Carbon & Circular Economy	10.0	-	(2,292)	**(2,292)**
Park Lands, Policy & Sustainability	10.5	-	(1,639)	**(1,639)**
Kadaltilla / Park Lands Authority (subsidiary)	1.0	253	(253)	**-**
Total	**37.7**	**296**	**(8,200)**	**(7,904)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
Carbon Neutral Adelaide	**232**
Climate Change Action Initiatives (CCAIF)	**783**
City of Adelaide Prize	**30**
Economic Policy	**41**
Heritage Incentive Scheme	**1,162**
Heritage Promotion Program	**212**
History Festival	**32**
Homeless and Vulnerable People project	**157**
NAIDOC Week Celebrations	**51**

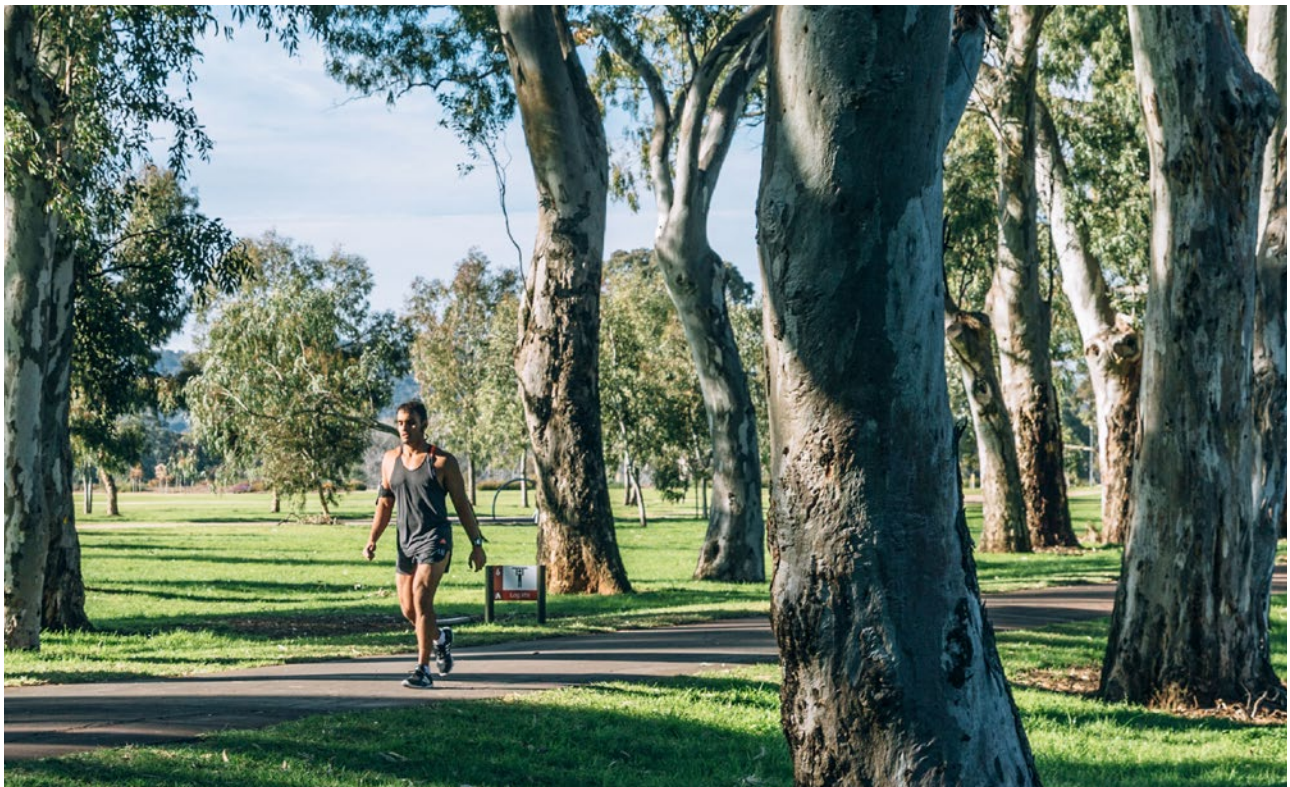
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Operating Activities ($'000 - embedded in the operating budget)	Expenditure
Noise Management Program Incentive Scheme	39
Safer City Program	275
New Operating Activities for 2023/24	
City Plan	76
Total	**3,092**

Further to the operating budget and activities for this Program the below Projects have been identified in 2023/24:

Strategic Projects ($'000)	Expenditure
Delivering the City Plan	390
Local Heritage Assessments - 20th Century Buildings	70
Master Plan of Light Square	75
Park Lands Biodiversity Survey	150
Park Lands Greening	30
Social Planning Homelessness and Adelaide Zero Project Resourcing	200
Total	**915**

Capital Projects ($'000)	Expenditure
Major Project - Victoria Park / Pakapakanthi (Park 16) Master Plan implementation	50
New and Significant Upgrades	493
Renewals	-
Total	**543**



Regulatory Services

The Regulatory Services Program facilitates safer places for all to enjoy, provides easy access for those who visit and move around our City, and makes the experience of doing business with the City of Adelaide a pleasure.

Supported functions:

- Building Assessment
- Building Compliance
- Environmental Health
- On-Street Parking Compliance
- Permits
- Planning Assessment

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
A/D, Regulatory Services	5.0	-	(843)	**(843)**
City Safety	18.0	458	(1,641)	**(1,183)**
On-Street Parking Compliance	36.0	11,256	(4,799)	**6,457**
City Development	21.0	3,340	(2,588)	**752**
Total	**80.0**	**15,054**	**(9,871)**	**5,183**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
New Operating Activities for 2023/24	
Essential Safety Provisions (ESP) Management	**129**
Total	**129**

Further to the operating budget and activities for this Program the below Projects have been identified in 2023/24:

Strategic Projects ($'000)	Expenditure
On-Street Parking Compliance Technology & Customer Analytics Reform	**100**
Private Laneways Fee-for-Service Trial	**50**
Total	**150**

Capital Projects ($'000)	Expenditure
Major Projects	**-**
New and Significant Upgrade – On-Street Parking Compliance	**80**
Renewals	**-**
Total	**80**

City Services Portfolio

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.

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Office of the Director, City Services	3.0	-	(677)	**(677)**
Total	**3.0**	**-**	**(677)**	**(677)**

Key Focus areas for this Portfolio:

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

Programs:

- City Operations
- Infrastructure
- Strategic Property and Commercial

City Operations

The City Operations Program ensures our City's assets, including streets, parks and other public spaces, are attractive, clean, well presented and maintained, so we all have a city to enjoy and to be proud of.

Supported functions:

- Green Waste Recycling and Mulch
- Kerbside Waste Collections and Recycling
- Monuments, Fountains and Public Art
- Park Lands and Open Space Management: Furniture and Fittings; Public Conveniences; Public Lighting; Roads and Footpaths; Stormwater; Tree Management
- Playground and Play Spaces
- Public Litter Bins
- Streets and Footpaths: Furniture and Fittings; Lighting; Public Conveniences; Signage and Line Marking; Stormwater; Streetscapes and Verges; Tree Management

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
A/D City Operations	13.8	-	(2,365)	**(2,365)**
Manager, City Presentation	1.0	-	(199)	**(199)**
Horticulture	83.2	2,334	(13,663)	**(11,329)**
Waste	1.0	29	(3,603)	**(3,574)**
Cleansing	49.0	7	(7,053)	**(7,046)**
Manager, City Maintenance	1.0	-	(184)	**(184)**
Infrastructure Maintenance	33.0	-	(5,546)	**(5,546)**
Trades	26.0	107	(5,164)	**(5,057)**
Facilities	4.0	-	(4,614)	**(4,614)**
Workshops	30.7	6	(734)	**(718)**
Total	**242.8**	**2,483**	**(43,115)**	**(40,632)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
Safer City Program	**120**
New Operating Activities for 2023/24	
City Operations Inspectors	**217**
Trainees and Apprentices	**650**
Park Lands Greening	**820**
Total	**1,807**

Further to the operating budget and activities for this Program the below Projects have been identified in 2023/24:

Strategic Projects ($'000)	Expenditure
N/A	-
Total	**-**

Capital Projects ($'000)	Expenditure
Major Projects	-
New and Significant Upgrades	-
Renewals	**2,700**
Total	**2,700**



Infrastructure

The Infrastructure Program provides effective whole of life planning and management of our diverse community infrastructure assets and seeks partnerships with government bodies to deliver on Council's strategic plans, stimulating the local economy and supporting existing community needs and future growth.

Supported functions:

- Adelaide Aquatic Centre
- Asset Management
- Infrastructure Delivery Plans
- Park Lands and Open Space Management
- Road and Footpath Management
- Sustainable and Climate Resilient City
- Traffic and Transport Management

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
A/D Infrastructure	1.9	-	(632)	**(632)**
Infrastructure Planning and Delivery	45.4	-	(43,378)	**(43,378)**
Technical Services	23.0	-	(614)	**(614)**
Total	**70.3**	**-**	**(44,624)**	**(44,624)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
Free City Connector	**1,162**
Total	**1,162**

Further to the operating budget and activities for this Program the below Projects have been identified in 2023/24:

Strategic Projects ($'000)	Expenditure
Asset Condition Audit	358
Climate Change Risk Adaptation Actions Year 2	200
Conservation Management Plans for Heritage Assets	200
Frome Road Masterplan	75
Lighting and Electrical Data Collection	300
Moonta Street Roof Installation Feasibility Study	50
North Terrace West Masterplan	100
SA Power Networks (SAPN) Luminaire Upgrades	100
Smart Lighting Platform Technical Specification	40
Stormwater Network Cleaning	500
Transport Strategy	200
West Pallant Street Improvements (Construction)	150
Total	**2,273**

Capital Projects ($'000)	Expenditure
Major Projects	17,378
New and Significant Upgrades	8,999
Renewals	45,807
Total	**72,184**



Strategic Property and Commercial

The Strategic Property and Commercial Program leverages the development and management of Council's property assets and identifies opportunities in partnership with the private and public sectors, to generate income, create employment opportunities, and reinvigorate City precincts, building a prosperous City.

Supported functions:

- Commercial Leasing
- North Adelaide Golf Course
- Off Street Parking (UPark) Commercial Management
- On-Street Parking
- Property Development
- Property Management

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
A/D Strategic Property & Commercial	1.8	-	(473)	**(473)**
Strategic Property Development	4.0	-	(765)	**(765)**
Strategic Property Management	4.2	6,280	(12,821)	**(6,541)**
Commercial	4.0	221	(915)	**(694)**
North Adelaide Golf Course	12.0	3,443	(3,579)	**(136)**
Parking	17.8	42,377	(13,388)	**28,989**
Total	**43.8**	**52,321**	**(30,841)**	**20,380**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
TPG 10 GIG Service	**113**
Total	**113**

Further to the operating budget and activities for this Program the below Projects have been identified in 2023/24:

Strategic Projects ($'000)	Expenditure
88 O'Connell Project Delivery	**30**
Central Market Arcade Redevelopment	**280**
Future Fund Governance Framework Establishment	**30**
Strategic Property Action Plan Implementation	**150**
Total	**490**

Capital Projects ($'000)	Expenditure
Major Project – Central Market Arcade Redevelopment	**15,000**
New and Significant Upgrades	**1,732**
Renewals	**116**
Total	**16,848**

Corporate Services Portfolio

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.

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Office of the Chief Operating Officer	5.0	-	(1,148)	**(1,148)**
Total	**5.0**	**-**	**(1,148)**	**(1,148)**

Key Focus areas for this Portfolio:

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

Programs:

- Customer and Marketing
- Finance and Procurement
- Governance
- Information Management
- People
- Strategy, Insights and Performance

Customer and Marketing

The Customer and Marketing Team supports extraordinary customer experiences, celebrates our City through the delivery of creative and digital services, and enhances our reputation by promoting our achievements and initiatives.

Supported functions:

- Content Development
- Customer Advocacy
- Customer Service
- Digital Experience
- Graphic Design
- Media and Public Relations
- Social Media
- Website Management

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Manager, Customer & Marketing	1		(213)	**(213)**
Customer Experience	24.3	1	(3,465)	**(3,464)**
Marketing & Communications	12.0		(2,238)	**(2,238)**
Total	**37.3**	**1**	**(5,916)**	**(5,915)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
New Operating Activities for 2023/24	
Videographer	**114**
Total	**114**

Finance and Procurement

The Finance and Procurement Team ensures that public resources are effectively managed to enable the delivery of Council's priorities and strategic plans, funding a long-term financially sustainable approach to delivery of services and infrastructure, and creating significant public value through its sustainable procurement practices.

Supported functions:

- Contract Management
- Financial Planning, Analysis and Reporting
- Ratings and Receivables

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Manager, Finance & Procurement	1.0		(265)	**(265)**
Financial Planning & Reporting	13.0		(1,916)	**(1,916)**
Procurement & Contract Management	7.8		(975)	**(975)**
Rates & Receivables	9.0	134	(1,217)	**(1,083)**
Total	**30.8**	**134**	**(4,373)**	**(4,239)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
N/A	-
Total	**-**

Governance

The Governance Team focuses their expertise and efforts on ensuring that the organisation balances rigour, excellence, accountability, innovation and transparency in delivering results for Council and our City, maximising opportunities through responsible risk management.

Supported functions:

- Compliance and Freedom of Information
- Council Governance
- Emergency Management
- Corporate Governance
- Enterprise Risk

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Manager, Governance & Risk	1.0	-	(209)	**(209)**
Corporate Governance	4.2	-	(1,965)	**(1,965)**
Council Governance	4.3	-	(573)	**(573)**
Legal Governance	1.0	-	(987)	**(987)**
Total	**10.5**	**-**	**(3,735)**	**(3,735)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
N/A	-
Total	**-**

Information Management

The Information Management Team delivers integrated technology solutions that improve access to information, streamline processes, safeguards our information and systems, and encourage collaboration across the organisation, to enable the delivery of customer focused services to our community.

Supported functions:

- Archives and Civic Collection
- Corporate Records Management
- Information Management Project Delivery

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Manager, Information Management	31.0	7	(1,379)	**(1,372)**
Project Delivery			(2,553)	**(2,553)**
Service Desk			(1,111)	**(1,111)**
Technology, Infrastructure and Platforms		23	(8,565)	**(8,542)**
Total	**31.0**	**30**	**(13,609)**	**(13,579)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
Business Systems Roadmap	**1,600**
New Operating Activities for 2023/24	
Mobile Work Order Management System (ATEN worx Online)	**145**
Adelaide Free Wi-Fi	**400**
Total	**2,145**

Further to the operating budget and activities for this Program the below Projects have been identified in 2023/24:

Strategic Projects ($'000)	Expenditure
Cyber Security Enhancement	**160**
Total	**160**

Capital Projects ($'000)	Expenditure
Major Projects	**-**
New and Significant Upgrade - City Operations Android Tablet Procurement	**132**
Renewals	**1,793**
Total	**1,925**

People

The People Team strengthens our organisation's capability to lead and deliver essential services for our community, corporate services for our organisation, and brilliant experiences in our City, by co-creating an environment where our people thrive, live our values, reach their potential, and learn and grow.

Supported functions:

- Human Resource Management
- Internal Communications and Connection
- Organisational Development
- Payroll
- Safety and Wellbeing

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Manager, People	8.6	-	(773)	**(773)**
People Experience	4.4	-	(1,279)	**(1,279)**
People Safety and Wellbeing	4.0	-	(700)	**(700)**
People Services	6.0	-	(1,192)	**(1,192)**
Total	**23.0**	**-**	**(3,945)**	**(3,945)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
New Operating Activities for 2023/24	
Aboriginal Employment Advisor	**121**
Graduate Employment Program	**203**
Total	**324**

Strategy, Insights and Performance

The Strategy and Insights Team develops clear strategies, and undertakes research, engagement practices and evidence-based business planning, to enable our organisation to effectively implement Council's strategic plans, to respond to community needs, and to anticipate and adapt to a changing environment.

Supported functions:

- Business Planning
- Community Engagement
- Organisational Performance
- Project Delivery and Performance
- Research and Insights
- Strategic Planning

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Manager, Strategy, Insights & Performance	1.0	-	(187)	**(187)**
Strategy & Insights	8.0	-	(1,287)	**(1,287)**
Project Management Office	4.0	-	-	**-**
Total	**13.0**	**-**	**(1,474)**	**(1,474)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
N/A	**-**
Total	**-**

Offices and Subsidiaries

- Office of the CEO
- Office of the Lord Mayor
- Adelaide Central Market Authority
- Adelaide Economic Development Agency



Office of the CEO

The Office of the 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.

Supported functions:

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

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Office of the Chief Executive	4.0	-	(1,470)	**(1,470)**
Total	**4.0**	**-**	**(1,470)**	**(1,470)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
N/A	-
Total	**-**

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.

Supported functions:

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

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Councillor Support	0.7	-	(471)	**(471)**
Civic Events, Partnerships, and Other Events		-	(587)	**(587)**
Lord Mayor's Office Administration	5.3	-	(997)	**(997)**
Total	**6.0**	**-**	**(2,055)**	**(2,055)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
International Relations (Sister Cities)	**100**
Total	**100**

Adelaide Central Market Authority

Oversees the management and operation of the Adelaide Central Market as a commercially sustainable, diverse, iconic, and unique fresh produce market.

Supported functions:

- Commercial Leasing
- Contribute to wider Market District
- Customer Service & Visitor Information
- Events & Activations
- Management of Board
- Market Operations
- Marketing, Social Media, Website Management
- Media and Public Relations
- Online Home Delivery/Click and Collect Operations

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
ACMA Operations	7.7	4,820	(5,073)	**(253)**
Marketing and Events	0.0	501	(501)	**-**
Online Market Platform	0.0	94	(236)	**(142)**
Total	**7.7**	**5,415**	**(5,810)**	**(395)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
N/A	-
Total	**-**





Adelaide Economic Development Agency

Works closely with businesses, industry groups, state government agencies and other relevant organisations, to deliver a range of programs designed to stimulate the city's economic growth with a focus on investment attraction, growing our visitor economy, residential growth, marketing the city as a whole and promoting Rundle Mall as Adelaide's premier shopping destination.

Supported functions:

- Business Support and Investment
- Economic Data and Insights
- Event and Festival Sponsorship
- Marketing the City
- Precinct Group Funding
- Residential Growth
- Rundle Mall Management, Events and Marketing
- Strategic Partnerships Program
- Visitor Attraction
- Visitor Information Services

2023/24 Budget ($'000)	FTE	Income	Expenditure	Total (net)
Managing Director, AEDA	3.0	-	(748)	**(748)**
Rundle Mall Management	9.6	4,250	(4,250)	**-**
Visitor Economy	6.0	19	(3,191)	**(3,172)**
Business and Investment	6.0	-	(2,329)	**(2,329)**
Marketing	7.0	-	(1,847)	**(1,847)**
Total	**31.6**	**4,269**	**(12,365)**	**(8,096)**

Operating Activities ($'000 - embedded in the operating budget)	Expenditure
Adelaide Fashion Week	**300**
Business Growth - Business Support	**179**
Digital Marketing	**57**
Event and Festival Sponsorship	**1,810**
General Marketing	**340**
Main streets Development Grants	**179**
Strategic Partnerships	**1,073**
Visitor Growth – Tourism Projects	**174**
WellFest Adelaide	**400**
Total	**4,512**

Further to the operating budget and activities for this Subsidiary the below Projects have been identified in 2023/24:

Strategic Projects ($'000)	Expenditure
Destination Adelaide Promotion	**300**
Promoting the City during Adelaide 500	**75**
Strategic Events Fund	**600**
Welcome to Adelaide	**120**
Total	**1,095**

Capital Projects ($'000)	Expenditure
Major Project – Experience Adelaide (City Deal)	**3,959**
New and Significant Upgrade – Rundle Mall Sound System	**960**
Renewals	**-**
Total	**4,919**

Capital Works

To ensure we provide assets, facilities and programs that meet the needs and expectations of our community, we undertake ongoing planning, delivery and monitoring of our existing assets. We regularly seek external funding, partnership and grant opportunities to further enhance or bring forward planned works. To ensure existing assets are maintained, renewed and upgraded, and that we identify appropriate opportunities for new assets, Capital Projects are assessed and prioritised with asset sustainability and the organisation's capacity to deliver in mind. Whilst capital projects can be funded by borrowings, we consider the asset depreciation, cost of the life of the asset (via Council's LTFP) and responsible borrowing capacity. Council categorises our Capital Projects expenditure to provide a better understanding of what is being delivered as:

Major Projects, New and Significant Upgrades: Strategically planned, assessed, prioritised and considered in context of new assets or impact to current assets..

Renewals: Renewals and maintenance works which are aligned to Asset Management Plans and current assets.

	2022/23 Q3 Budget	2023/24
Major Projects	$19.19m*	**$36.39m**
New and Significant Upgrades	$7.25m*	**$13.53m**
Renewals	$45.20m	**$50.41m**
Total Capital Works investment for 2023/24	**$71.64m**	**$100.33m**

** Includes projects that are continuing in 2023/24 as detailed on the following pages*





Major Projects

These Projects are defined as complex projects identified through Council strategies and plans.

Projects commencing (new) for 2023/24:	2023/24 Draft Budget
Experience Adelaide (City Deal)	$3.96m
Gouger Street Revitalisation (Concept Design)	$0.50m
Victoria Park / Pakapakanthi (Park 16) Master Plan implementation	$0.05m
Total	**$4.51m**

Continuing projects from 2022/23:	2022/23 Q3 Budget	2023/24 Draft Budget
Carriageway Park / Tuthangga (Park 17) Improvements (Detailed Design)	$0.06m	$0.18m
Central Market Arcade Redevelopment *	$1.00m	$15.00m
City of Adelaide Bikeways: North-South	$0.54m	$1.63m
Flinders Street Improvements (Detailed Design)	$0.06m	$0.11m
Hindley Street Revitalisation (Detailed Design)	$0.00m	$2.43m
Hutt Street and South Terrace Stormwater Improvements (Detailed Design)	$0.07m	$0.11m
Hutt Street Entry Statement (Construction)	$0.07m	$2.93m
Jeffcott Street Pavement Rehabilitation and Catchment 13 Stormwater Improvements (Concept Design)	$0.03m	$0.04m
Mary Lee Park (Park 27B) Community Sports Building Redevelopment (Construction)	$0.14m	$1.90m
Melbourne Street Improvements (Constructions)	$0.15m	$0.85m
Moonta Street Public Realm	$0.43m	$0.04m
Market to Riverbank - Pitt Street (Construction)	$0.39m	$1.92m
Rymill Park /Murlawirrapurka (Park 14) Lake Upgrade (Construction) * ^	$1.31m	$3.57m
Street Lighting LED Renewals * ^ (in conjunction with City Safe CCTV Network project)	$0.42m	$0.52m
Sturt Street (West) Greening	$0.00m	$0.47m
Wakefield Street Improvements (Detailed Design) *	$0.12m	$0.17m
Total	**$4.79m**	**$31.88m**

Grand Total for all Major Projects	$4.79m	$36.39m

** these projects include both carry forward funding and new funding for 2023/24*
^ these projects exclude 23/24 renewal funding of $0.5m and $1.4m respectively

New and Significant Upgrades

These upgrades are defined as installation of new infrastructure and upgrades to existing infrastructure, identified through Council strategies and plans.

Projects commencing (new) for 2023/24:	2023/24 Draft Budget
Adelaide Central Market Authority (ACMA) - New Parents Room	**$0.02m**
Adelaide Central Market Authority (ACMA) - New Security Gates	**$0.08m**
Adelaide Central Market - New Trolley Bays and Trolleys	**$0.13m**
Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall and Footpath Upgrade (Construction)	**$0.07m**
Brown Hill Keswick Creek - Stormwater Project (Financial Contribution)	**$0.32m**
Christmas 2024	**$0.20m**
City Operations Android Tablet Procurement	**$0.13m**
Currie Street and Morphett Street Intersection Traffic Signal Safety Upgrade (Construction)	**$0.04m**
Gunson Street Improvements (Detailed Design)	**$0.05m**
Hamilton Place Improvements (Concept & Detailed Design)	**$0.03m**
James Place Upgrade	**$0.21m**
Jeffcott Street and Ward Street Intersection Traffic Signal Safety Upgrade (Construction)	**$0.11m**
Kingston Terrace Bus Stop Upgrades (Construction)	**$0.15m**
Minor Traffic Signal Safety Upgrades (Construction)	**$0.05m**
Morphett Street and South Intersection Traffic Signal Safety Upgrade (Construction)	**$0.15m**
New Access Ramps for Accessible Car Parks (Construction)	**$0.05m**
New Street and Park Lands Furniture (Construction)	**$0.05m**
New Street and Parklands Bicycle Racks (Construction)	**$0.03m**
On-Street Parking Compliance Resourcing	**$0.08m**
Public Art	**$0.50m**
Rundle Mall Sound System	**$0.96m**
Rymill Park / Murlawirrapurka (Park 14) Public Lighting Upgrade (Construction)	**$0.30m**
Town Clerk's Walk and Red Gum Park / Karrawirra (Park 12) Improvements (Detailed Design)	**$0.02m**
Vincent Street and Vincent Place Improvements (Concept Detailed Design)	**$0.10m**
Total	**$3.81m**

Continuing projects from 2022/23:	2022/23 Q3 Budget	2023/24 Draft Budget
Adelaide Central Market - Cool Room	**$0.16m**	**$0.20m**
Botanic Catchment Water Course Rehabilitation	**$0.10m**	**$0.08m**
Bullrush Park / Warnpangga (Park 10) Public Lighting Upgrade	**$0.03m**	**$0.19m**
Christmas Festival Capital Budget	**$0.02m**	**$0.18m**
City Activation (Festoon Lighting)	**$0.04m**	**$0.06m**
City Dirt BMX Facility Master Plan - Blue Gum Park/Kurangga (Park 20)	**$0.03m**	**$0.03m**
City Wide Waste and Recycling	**$0.21m**	**$0.11m**
Climate Change Action Initiative Fund (CCAIF)	**$0.14m**	**$0.38m**
Field Street Improvements	**$0.05m**	**$1.60m**
Frome Street Footpath Upgrades (In conjunction with N-S Bikeway Project)	-	**$0.55m**
Greener City Streets Program	**$0.51m**	**$0.49m**
Hutt Road / Park Lands Trail Signalised Crossing	**$0.04m**	**$0.30m**
Kingston Terrace Streetscape and Stormwater Improvements	**$0.02m**	**$0.04m**
North Terrace / Station Road Footpath Improvements	-	**$0.30m**
Place of Courage / Spirit of Woman (Park 27)	**$0.01m**	**$0.10m**
Public Art	**$0.02m**	**$0.05m**
Replacement of UPark Car Park Management System (CPMS)	**$0.13m**	**$0.23m**
Royal Avenue Improvements (Detailed Design)	**$0.05m**	**$0.04m**
Rymill Park /Murlawirrapurka (Park 14) Sustainable Water Supply	**$0.10m**	**$1.00m**
Skate Park CCTV and Greening	**$0.28m**	**$0.04m**
Southwest Community Centre	-	**$1.50m**
Stafford Street Public Lighting Upgrade	**$0.03m**	**$0.20m**
Stephens Street and Stephens Place Improvements	**$0.00m**	**$0.16m**
Torrens Retaining Structure	**$0.94m**	**$1.82m**
Ward Street Improvements	$0.01m	$0.03m
West Pallant Street Improvements	**$0.01m**	**$0.04m**
Whitmore Square Stage 2 Masterplan Implementation Upgrades	-	**$0.04m**
Total	**$2.91m**	**$9.72m**

Grand Total for all New and Significant Upgrades	**$2.91m**	**$13.53m**

Renewals

The below table represents asset renewals for 2023/24 by Council's Asset Management Plan categories.

Future years are forecast only and subject to change.

Projects commencing (new) for 2023/24:	2022/23 Q3 Budget	2023/24 Draft Budget	2024/25 Forecast	2025/26 Forecast
Asset Renewal Delivery Resource	**$5.59m**	**$5.5m**	**$5.5m**	**$5.5m**
Bridges	**$0.31m**	**$0.53m**	**$0.41m**	**$1.77m**
Buildings	**$7.08m**	**$10.44m**	**$10.43m**	**$9.98m**
Commercial Plant & Fleet	**$1.30m**	**$0.12m**	**$0.19m**	**$0.07m**
Information Management	**$1.87m**	**$1.79m**	**$1.50m**	**$1.58m**
Kerb and Water Table	**-**	**$2.77m**	**$2.72m**	**$1.97m**
Lighting & Electrical	**$5.46m**	**$4.21m**	**$3.01m**	**$2.60m**
Park Lands & Open Space	**$2.80m**	**$0.69m**	**$3.01m**	**$2.01m**
Pathways	**-**	**$6.85m**	**$4.08m**	**$6.13m**
Plant & Fleet	**$3.49m**	**$2.70m**	**$2.86m**	**$2.76m**
Roads	**-**	**$5.52m**	**$5.73m**	**$5.87m**
Traffic Signals	**$2.30m**	**$2.38m**	**$3.10m**	**$2.23m**
Urban Elements	**$1.64m**	**$4.16m**	**$2.85m**	**$3.04m**
Water Infrastructure	**$2.27m**	**$2.75m**	**$2.06m**	**$0.71m**
Transportation*	**$11.09m**	**NA**	**NA**	**NA**
Total Renewals	**$45.20m**	**$50.41m**	**$47.45m**	**$46.22m**

**Transportation made up of Road, Pathways, Kerb and Water Table in 22/23*

A detailed list of each renewal projects can be found online cityofadelaide.com.au/budget

ATTACHMENT A Delivering Our Plan

- Legal Context
- Strategic Framework
- Partnerships and Advocacy
- Measures and Performance



Legal Context

Under the *Local Government Act 1999*, Council must develop and adopt 'strategic management plans' which identify Council's objectives, how Council intends to achieve its objectives, how these fit with the objectives of other levels of government, performance measures and estimates of revenue and expenses.

This annual plan provides a commitment to the community on services and projects. We will deliver on our strategic plan, within our budget and resources to achieve:

- The vision and goals of the Council and community
- Responsible management of public funds to support community outcomes
- Council's commitment to the community and legislatively required priorities
- Deliverables for the year, showing how these align to our Services, Strategic Plan, Asset Management Plans and other endorsed Strategies and Action Plans
- Deliverables which respond to the challenges and opportunities of the current environment and show how we will manage these

Regular reporting on our strategies and plans ensures Councils is accountable for its delivery on its commitments and provides transparency on how resources are used.

Our Council and its Committees are responsible for making decisions that set the strategy for our city and community and monitoring the performance of the organisation.

Strategic Framework

The City of Adelaide is also guided by key strategic documents which comprise our legally required suite of 'strategic management plans'.

Our Strategic Plan and related strategies and plans provide direction on the services and programs that deliver outcomes to our community.

The 2020 – 2024 Strategic Plan provides four community outcomes as long term objectives that support how we will deliver on our vision supported by enabling priorities:

- Thriving Communities
- Strong Economies
- Dynamic City Culture
- Environmental Leadership

The Long Term Financial Plan articulates the sustainable principles and measures that guide Council's financial decision making over a ten year period and the Strategic Asset Management Plan supports the development of Council's Asset Management Plans, which drive asset renewal, maintenance and improvements.

The *Local Government Act 1999* requires to review the suite of 'strategic management plans' within two years of a Local Government Election. Having held an election in November 2022, this work is currently underway. The long term objectives within the strategic management plans are available on the City of Adelaide website.



2023 City of Adelaide Strategic Management Framework
As a result of the reviews currently underway, Council expects our Strategic Framework and suite of plans to change.

Partnerships and Advocacy

Council will continue to build strong partnerships to advocate for the benefit of the City and leverage these to seek co-investment, grants and contributions.

Capital City Committee: The Capital City Committee is the main forum for the City of Adelaide and State Government of South Australia to progress the strategic development of our city.

Council of Capital City Lord Mayors (CCCLM): The Lord Mayor works with other leaders on the CCCLM to represent the special roles and interests of each Australian Capital City in relation with other spheres of government.

Local Government Collaboration: These collaborations typically support the delivery of sector-wide policies and best practice, improved community services, and greater Council efficiencies and sharing of resources.

Strategic Partnerships: While government partnerships provide a means for Council to jointly work on and fund major projects and address regional issues, strategic partnerships provide a greater opportunity for Council to work with the private sector, community and not-for-profit organisations.

As the Capital City Council for South Australia, Council is continuously seeking to work with the Federal and State Governments to support a range of key projects, partnerships and infrastructure that will deliver the best outcomes for our community and stimulate the City's economy. The Adelaide City Deal, a joint funding initiative with the City of Adelaide and the Federal and State Governments, continues to be a focus in 2023/24 with deliverables associated with Lot 14, CCTV, City Wi-Fi and Visitor Growth.

Measures and Performance

The current City of Adelaide 2020 -2024 Strategic Plan includes a range of actions to articulate what we are doing to deliver on our vision for the City and measures to know 'what success looks like'. These were built based on conversations with Council, our community and consideration of external influences and other Government Strategies and Plans.

At the end of each financial year the City of Adelaide prepares an Annual Report which provides an update on the progress of Council's Strategic Plan and the extent to which the City of Adelaide achieved these actions and measures.

The Business Plan and Budget is developed as an annual view of objectives, expressed through Council's Priorities, Strategic Plan and Long Term Financial Plan. The activities that Council intends to undertake is provided under each Program Plan, and these will be measured to assess the performance of the Council against its objectives. The assessment of performance and progress including the Services, Projects, Commercial Businesses and Budget of Council are provided through Quarterly Updates. It also outlines how events in the past quarter have shaped our financial forecast going forward and any changes in scope and budget to deliverables.

Careful consideration is given to key financial indicators and ratios, and cash flow estimates to guide decision making that supports Council's financial sustainability through these updates. This reporting supports Council to respond to emerging challenges while continuing to support and deliver for our community. Quarterly reviews provide an opportunity for Council to re-prioritise services, projects and budgets as required.

Council also monitors community feedback as well as key city, community and service indicators and measures to provide support in understanding indicators of achievement and identify risks and opportunities. These keep us on track and support transparency and accountability by ensuring our progress is communicated and shared in a consistent manner.

ATTACHMENT B Delivering Our Budget

- Financial Framework
- Rates
- Borrowings
- Fees and Charges
- Detailed Financial Overview
- Financial Indicators and Statements




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Financial Framework

Funding pathway			Expenditure	
Rates	$135.4m	OPERATIONS	Services	$172.5m
Fees and Charges	$84.7m		Strategic Projects	$5.6m
Grants and Subsidies	$4.4m		Renewal or replacement of existing assets	$50.4m
Other	$1.0m			
Borrowings	$19.9m	(NEW) CAPITAL	New income generating assets	$15.0m
Capital Grants and Proceeds	$5.9m		New Community assets	$34.9m
Proceeds to build the Future Fund	$27.1m			

Building the budget

To guide the development of the 2023/24 Budget, Council adopted a set of key financial principles (see page 5) which have been applied to a robust budget process. The 2022/23 Budget was set to achieve a break-even operating result, seeking to retain the base service provision and base budget position to ensure that costs were controlled, and revenue maximised to achieve long term financial sustainability. The 2023/24 Budget continues this approach.

The budget process began by maintaining the 2022/23 Operating Budget throughout the year, updating the Base Budget to incorporate permanent changes to inform the following year's budget. The various parts of the organisation then built upon the Base Budget, from the ground up, to develop the budget required to deliver the same services at the same levels for the 2023/24 year. This effectively sets the required 2023/24 Base Budget, consistent with the approach for the 2022/23 Budget.

Identified service changes, strategic projects and operating initiatives, based on delivering the priorities of Council and supported by business cases, were developed and presented to Council for endorsement and inclusion in the Budget. At the same time, revenue assumptions, particularly for Rates and Fees and Charges, were developed independently and applied to the revenue components within the Budget.

Council has also committed to a capital program to deliver $20m of new and upgraded infrastructure. To do so, Council may have to utilise borrowings (for budgeting purposes, assumed at 100% of new and upgraded capital projects). To service the interest and repayments associated with these borrowings, an operating surplus of $1.745m is required. Costs and revenues were re-assessed and adjusted to ensure that the surplus can be achieved. Council is budgeting to generate an operating surplus of $1.920m in the 2023/24 financial year.

Operating budget

Council's operating budget provides for ongoing service delivery to the community across our community and corporate services and strategic projects to deliver on specific objectives. These costs are traditionally funded via Rates Revenues or other Fees and Charges. Grants and subsidies assist with this ongoing service delivery.

Capital budget

Council's capital budget provides for project-based delivery of new/upgraded assets as well as renewal/replacement of existing city assets. Renewal costs are funded via cashflows generated from operations and new/upgraded costs are funded from operational cashflows and borrowings. Borrowings are mainly utilised for major infrastructure projects and major city shaping projects such as the development of Market Square (Central Market Arcade), or commercially focused projects with a financial return on investment.

Implications for future years

In developing the Business Plan and Budget, borrowings have been considered in relation to the budget principles and the maximum borrowing indicators as defined by our prudential limits specified in our Treasury Policy. All borrowing terms and conditions will be in accordance with the Treasury Policy and where possible, known costs for projects and other known variables have been included in the Business Plan and Budget in alignment with Council decisions.

Borrowings at the end of 2022/23 will be impacted by the timing of cash inflows and cash outflows, and timing of when projects are delivered. The projected year-end position, monitored through the quarterly review forecast process, flows through to form the 2023/24 opening balance for borrowings. Any impact affecting the year-end balance of borrowings and the cumulative funding position will be considered to ensure that borrowings in remain within our current Prudential Borrowing Limits.

Rates

To 2022/23, Council has held the Rate in the Dollar for the past nine years for all ratepayers in the city. In addition, the valuations used for rating purposes were also held, since 2019, due to the impacts of COVID-19 on the market. To ensure property valuations reflect current market conditions, a review of valuations has been performed for the 2023/24 financial year.

Rating structure

Our Rating Structure is developed in accordance with the requirements of the *Local Government Act 1999*. Key considerations include:

- The taxation principles of equity, benefit, ability-to-pay, efficiency and simplicity have been identified and applied as guiding principles to our Rating Policy
- We are committed to maintaining a transparent and equitable rating system. Accordingly, we undertake to manage the Rating Policy to ensure the greatest level of equity for ratepayers by maintaining a non-punitive rating structure
- It has been determined that implementation of a significant minimum rate would represent a regressive taxation structure and contradict the identified guiding taxation principles
- We will continue our practice of identifying and valuing all land in the Council area. Once identified, each separate occupation of land will be assessed for rateability
- A Differential General Rate will be applied to all rateable land in accordance with Section 147 of the Local Government Act 1999. Differentiation factors previously endorsed by Council are 'Residential', 'Non-Residential' and 'Vacant Land' land uses
- The application of a Differential General Rate is generally intended to alter the amount payable for particular land uses and approximate the benefit principle. For 2023/24, and consistent with prior years, it is expected non-residential rates will represent approximately 75% of general rates revenue
- To protect ratepayers from large movements in property valuations a 10% cap on annual increases in general rates payable specific to individual ratepayers will be applied, subject to specific criteria.

The differential rates are allocated varied Rates in the Dollar by the following categories: Residential, Non-Residential and Vacant Land. Further to this, separate rates will continue to be levied for the purposes of managing and marketing the Rundle Mall Precinct, and to recover funds on behalf of Landscape SA.

The Rating Policy by which Council raises rates and information on our rate in the dollar, is available at cityofadelaide.com.au/rates

Statement on expected rate revenue

The 2022 Local Government reforms resulted in financial regulation changes requiring councils in South Australia to consistently show a statement on expected rate revenue. For the City of Adelaide, this information is provided below.

It should be noted that approximately 80% of the City of Adelaide's rateable properties are non-residential (i.e., commercial), which results in a skewed average rateable amount, when compared to suburban and regional Local Governments.

Expected Rates Revenue

General Rates Revenue	2022/23 (adopted)	2023/24 (estimated)	Change
General Rates (existing properties)	$124,776,516	$135,083,549	
General Rates (new properties)	$882,600	$1,512,671	
General Rates (GROSS)	**$125,659,116**	**$136,537,164**	
Less: Mandatory Rebates	($5,493,548)	($5,883,212)	
Total	**$120,165,568**	**$130,653,952**	**8.5%**

Other Rates (including service charges)

General Rates Revenue	2022/23 (adopted)	2023/24 (estimated)	Change
Regional Landscape Levy	$2,096,982	$1,773,741	
Separate and Special Rates (Rundle Mall Management Levy)	$3,919,981	$3,919,981	
General Rates (GROSS)	**$126,182,531**	**$136,347,674**	**7.4%**
Less: Mandatory Rebates	($1,300,793)	(1,300,793)	
Expected Total Rates Revenue*	**$124,881,738**	**$135,046,881**	**8.3%**

**Please note: Total expected rates revenue excludes the regional landscape levy*

Summary of rateable properties

	2022/23 (adopted)	2023/24 (estimated)	Change
Number of rateable properties	26,861	27,130	1.0%
Average per rateable property	$4,649	$4,907	5.5%

Borrowings

Borrowing is undertaken in accordance with our Treasury Policy (available at cityofadelaide.com.au). This Policy guides our decision making in relation to funding our operations in the context of cash flow, budgeting, borrowings and investments. It is an important financial management tool and as such, links closely to our overall strategic management plans in the terms of:

- Strategic planning for the future of the City of Adelaide, covering short, medium and long term spending and investment issues
- Current and estimated future revenues and the ability to increase revenue through rating, user charges, additional grant funds or business activities
- Intergenerational equity considerations in terms of the ratepayers who benefit from the related expenditure
- Current and future funding needs for both operating and capital expenditures
- Potential movements in interest rates
- Any other strategic imperative that is linked to revenue and expenditure capacities

Fees and Charges

City of Adelaide's fees and charges are reviewed each year in conjunction with the development of the Business Plan and Budget. The review ensures that the fees:

- Reflect (or move progressively toward) the cost of the services provided
- Are comparable with market rates, where appropriate
- Take into account benefit derived by users of community facilities
- Are consistent with directions articulated through our existing policies or plans
- Are consistent with our Financial Principles and related parameters

Fees and charges are consistently and fairly determined, in recognition of our policy direction, ratepayers' expectations and relevant legislation.

As such Statutory Fees will be updated in line with the State Government Gazette and included in the Fees and Charges Schedule available online and for public inspection at Council's Customer Centre, 25 Pirie Street, from July 2023.

Section 188 of the *Local Government Act 1999* provides the legal context for fees and charges:

- Fees and charges are determined by resolution of Council either as a direct resolution, by by-law or via delegation

- A council is unable to fix or vary fees or charges prescribed under other Acts
- In respect of fees for the use of facilities, services or works requests, a council need not fix fees or charges by reference to the cost to the council
- Council is required to keep the list of fees and charges on public display and provide updates where fees and charges are varied during the year.

In recent years, Council has waived or held the rate on several fees and charges. The intent of these decisions was to provide targeted support to the community and stakeholders during a particular period, most notably throughout the COVID-19 pandemic.

These decisions provided valuable support, however, were always temporary and not a financially sustainable model in the long term.

Council, like any other organisation or household, has experienced a significant increase in costs in recent years and needs to respond accordingly.

Council recognises the need to repair its budget position in 2023/24 if it is to invest in the required public infrastructure and delivery of services that our community needs, both now and into the future.

As such, Council has reviewed its approach to fees and charges, reinstating fees previously waived during COVID via a transitional approach from 1 October 2023, to provide support, while increasing other fees consistent with increased costs to deliver services and meet inflation.

While previously waived fees are being reinstated, the proposed fee rates remain lower or competitive than other capital city and Adelaide metropolitan councils.

As a base position, Council is increasing fees by 5% in 2023/24 to meet rising costs, inflation and in reflection of previous years where no increases were made.

For the two activities for which fees are being reinstated following waiving in recent years (outdoor dining and events held in Park Lands), the 2023/24 fee rate has been increased by CPI for each year since the fee was waived.

A complete list of Council's fees and charges is available online.

Detailed Financial Overview

Income

$'000s	2022-2023 Q3 Budget	2023-2024 Budget	Variance
Rates Revenues	124,619	135,395	10,775
Statutory Charges	11,896	14,683	2,787
User Charges	64,819	70,002	5,183
Grants, Subsidies and Contributions	9,787	4,449	(5,338)
Investment Income	150	150	-
Reimbursements	338	338	-
Other Income	1,836	465	(1,371)
Total Income	**213,446**	**225,481**	**12,035**

Rates income - $135.4m

In 2023/24 Council has revalued properties with an average increase of 7.5%, resulting in additional rates income of $9.4m. Council also anticipates 1% growth in revenue from new developments and additions. This is expected to result in a further $1.4m of revenue. Council will continue to hold its rate in the dollar for the tenth consecutive year for General Rates.

For the Rundle Mall Separate Levy, the rate in the dollar will be reduced to offset increases in property valuations to maintain the same level of income and associated expenditure. The expected revenue for 2023/24 will, on average, remain unchanged.

Statutory charges - $14.7m

Statutory charges are fees for the provision of regulatory services. They are associated with the granting of a permit or license or with the regulation of an activity, including Development Act fees, parking fines and dog registration fees. Most fees are set by State Government legislation and administered by Council. Council is notified of the fee amounts in late June of each year and these will be adopted by Council in June 2023, once gazetted. In 2023/24 Council intends to increase its on-street parking compliance presence, and as a result has increased expected expiation income by $2.0m. The fees associated with permits for Outdoor Dining and Parklets are being reintroduced, with an expected income of $0.6m.

User charges - $70.0m

User charges income is received from individuals, sporting groups and various other bodies that utilise user pay services and hire or lease Council-owned property. With some fees being waived or frozen in recent years, for 2023/24 some fees have been reinstated, such as Event Fees, and other fees have in general increased by 5%.

Council also receives income from commercial aspects of the business through the operation of the Aquatic Centre, UParks and Town Hall. The commercial revenue budgets have been based on historical performance overlayed with current market conditions and projections of activity.

Grants, subsidies and contributions - $4.4m

Grants, subsidies and contributions are income received from Federal and State governments. Operating grants, subsidies and contribution income has decreased due to a higher level of once-off grants received in 2022/23. Over $3m was received for the undertaking of a project to ensure Resilient Flood Planning, as well as for Adelaide Free Wi-Fi.

In addition to these operating grants, the City is also expecting to receive capital grants and subsidies to fund the construction or purchase of new or upgraded assets. These are capital in nature and presented in a separate section of the Financial Statements shown on page 73.

Reimbursement - $0.3m

Reimbursement income consists of all reimbursements paid to Council by insurance companies, ratepayers, developers and other tiers of government. Reimbursements have remained consistent with the 2022/23 budgeted amount of $0.3m.

Other income - $0.5m

Other income is comprised of income from private works, and other miscellaneous receipts, and varies from year to year.

Expenses

$'000s	2022-2023 Q3 Budget	2023-2024 Budget	Variance
Employee Costs	74,240	81,586	7,345
Materials, Contracts & Other Expenses	73,016	78,973	5,957
Sponsorships, Contributions and Donations	10,317	6,128	(4,189)
Depreciation, Amortisation & Impairment	54,864	56,040	1,177
Finance Costs	922	835	(87)
Total Expenses	**213,359**	**223,561**	**10,202**

Employee costs - $81.6m

Employee costs include base salary and all relevant on-costs, such as superannuation and work cover, as well as agency labour costs. The budget covers recurrent labour, project labour and externally funded labour. Employee costs are budgeted to increase by $7.4m, from $74.2m to $81.6m. As a result of the expansion of services delivered to our community, an additional 28.7 FTE from 746.1 to 774.8, have been included in the 2023/24 budget. Employee costs for 2023/24 also include the combined application of increases aligned with Enterprise Agreements, level changes required under the Enterprise Agreement and 0.5% increase in Superannuation Guarantee Charge.

Materials, contracts and other - $79.0m

Materials cover many different expenses of Council including utility payments for water and electricity, library books, and consumable materials. Contracts covers costs such as contractors, waste collection, equipment hire, software license fees and consultants. Other Expenses include audit and legal fees, communication expenses, insurance and registration, levies paid to other organisations, elected member allowances, advertising, fringe benefits tax, training and travel expenses. Materials, contracts and other expenses are budgeted to increase by $6.0m from $73.0m. This is due to the expansion of services delivered to our community including maintenance, greening, trainee and apprentice programs, and improvements to the free wi-fi system. In addition, the existing expenditure base is generally indexed by 2.5% (well below CPI) with additional increases for expenditure imposed on Council such as Waste Management, Gas, Security Services and Operating Leases.

Sponsorships, Contributions and Donations $6.1m

Sponsorships, Contributions and Donations are paid to community groups and organisations. Council continued to focus efforts on supporting the city in the recovery from covid in 2022/23 such as sponsoring events, and improvement grants. As Council considers a strategic view to partnerships, our funding allocation for 2023/24 has decreased by $4.2m.

Depreciation - $56.0m

Depreciation is a non-cash expense that recognises the systematic allocation of the service potential (cost or replacement value) of an asset over its useful life. Over the long term, depreciation represents the minimum amount which, on average, Council needs to allocate each year towards asset replacement. This is a different concept from maintenance expenditure, which is the amount Council needs to spend each year to ensure that its assets last as long as planned. Depreciation is increasing by $1.1m from the 2022/23 budgeted depreciation of $54.9m to $56.0m in 2023/24. This is a result of indexation and the completion of key projects.

Finance costs - $0.8m

Finance costs include interest payable on borrowings and finance leases and other banking charges. Council is budgeting for a decrease of $0.1m from the budget of $0.9m in 2022/23 to $0.8m in 2023/24 largely due to the impact of finance leases.

Note – Borrowings associated with the construction of new assets are capitalised against the assets during the construction phase.



Financial Statements

Cash flow statement

Proceeds from borrowings shows $19.9m to be provided in 2023/24. This is a result of the delivery of new and upgraded capital program in 2023/24.

Balance sheet

Total Assets are projected to rise to $2,010m in 2023/24. This is an increase of $20.0m, largely the result of the capital expenditure program, contributed assets and revaluation of assets.

Total borrowings are projected to increase to $29.8m as at June 2024. This level of borrowings is within Council's Prudential Borrowing limits. Please see the financial indicator section for more information.

The Future Reserve Fund is a result of Strategic Property Sales. This fund is to be utilised to purchase or construct income generating assets. The Future Fund is projected to increase to $40.4m in 2023/24.

Uniform Presentation of Finances

Operating surplus / (deficit)

The operating surplus or deficit indicates the extent to which income is sufficient, or insufficient, to fund the cost of services. A surplus indicates Council is raising enough operating income to cover its operating expenses whereas a deficit indicates it is not.

Net outlays on existing assets

This is expenditure that returns the service potential of existing assets back towards their original level. Consistent negative outlays on existing assets indicate that, overall, existing assets may be deteriorating as expenditure on their renewal or replacement is less than the rate of depreciation.

Net outlays on new and upgraded assets

Outlays on new and upgraded assets indicate the net cost to Council of acquiring or creating new assets. Outlays on new or upgraded assets will increase depreciation and maintenance expenses in future periods.

Net lending / (borrowing) for financial year

Net Lending, if a positive result, indicates that Council will reduce its level of borrowings over the period. Net Borrowings, if a negative result, means Council is required to borrow additional funds increasing the level of net borrowings over the period.

Indicators and Statements

	Target	2022/23 Q3 budget	**2023/24**
OPERATING SURPLUS RATIO			
This ratio expresses the Operating Surplus as a percentage of Total Operating Revenue.	0%-20%	0.0%	**0.9%**
NET FINANCIAL LIABILITIES			
This ratio expresses the Financial Liabilities as a percentage of Operating Income.	Less than 80%	(3.8%)	**(0.9%)**
ASSET SUSTAINABILITY RATIO			
This ratio expresses the expenditure on Asset Renewals as a percentage of forecast required expenditure according to the Asset Management Plans.	90%-110%	88%	**90%**
ASSET TEST RATIO			
The ratio expresses Borrowings as a percentage of Saleable Property Assets.	Maximum 50%	3%	**10%**
INTEREST EXPENSE RATIO			
Interest expense as a percentage of General Rates Revenue (less Landscape Levy)	Maximum 10%	0.4%	**0.4%**
LEVERAGE TEST RATIO			
The ratio expresses the total Borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.1	**0.2**
CASH FLOW FROM OPERATIONS RATIO			
The ratio expresses Operating Income as a percentage of Operating Expenditure plus expenditure on Renewal/ Replacement of assets	Greater than 100%	105%	**101%**
BORROWINGS			
The ratio expresses Borrowings as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	6%	**19%**
The ratio expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	25%	**46%**

Statement of Comprehensive Income

$'000s	2022/23 Q3 Budget	2023/24 Budget
Income		
Rates Revenues	124,619	135,395
Statutory Charges	11,896	14,683
User Charges	64,819	70,002
Grants, Subsidies and Contributions	9,787	4,449
Investment Income	150	150
Reimbursements	338	338
Other Income	1,836	465
Total Income	**213,446**	**225,481**
Expenses		
Employee Costs	74,240	81,586
Materials, Contracts and Other Expenses	83,333	85,100
Depreciation, Amortisation and Impairment	54,864	56,040
Finance Costs	922	835
Total Expenses	**213,359**	**223,561**
Operating Surplus / (Deficit)	**87**	**1,920**
Asset Disposal & Fair Value Adjustments	475	1,125
Amounts Received Specifically for New or Upgraded Assets	10,047	14,075
Net Surplus / (Deficit)	**10,609**	**17,120**
Total Comprehensive Income	**10,609**	**17,120**

Statement of Financial Position

$'000s	2022/23 Q3 Budget	2023/24 Budget
ASSETS		
Current Assets		
Cash and Cash Equivalents	800	800
Trade & Other Receivables	16,210	35,560
Inventories	541	541
Total Current Assets	**17,551**	**36,901**
Non-Current Assets		
Financial Assets	419	377
Equity Accounted Investments in Council Businesses	1,608	1,928
Investment Property	2,899	2,928
Infrastructure, Property, Plant and Equipment	1,923,494	1,941,788
Other Non-Current Assets	129	129
Non-Current Receivable	43,943	26,027
Total Non-Current Assets	**1,972,492**	**1,973,286**
TOTAL ASSETS	**1,990,042**	**2,010,077**
LIABILITIES		
Current Liabilities		
Trade and Other Payables	27,212	14,317
Provisions	14,149	14,574
Other Current Liabilities	4,877	5,066
Total Current Liabilities	**46,238**	**33,956**
Non-Current Liabilities		
Trade and Other Payables	293	293
Borrowings	9,899	29,784
Provisions	1,721	1,773
Other Non-Current Liabilities	40,803	36,064
Total Non-Current Liabilities	**52,716**	**67,913**
TOTAL LIABILITIES	**98,954**	**101,870**
Net Assets	**1,891,088**	**1,908,208**
EQUITY		
Accumulated Surplus	796,283	801,303
Asset Revaluation Reserves	1,066,521	1,066,521
Future Reserve Fund	28,284	40,384
Total Council Equity	**1,891,088**	**1,908,208**

Statement of Changes in Equity

$'000s	2022/23 Q3 Budget	2023/24 Budget
Balance at the end of previous reporting period	**1,880,479**	**1,891,088**
a. Net Surplus / (Deficit) for Year	10,609	17,120
b. Other Comprehensive Income	-	-
Total Comprehensive Income	10,609	17,120
Balance at the end of period	1,891,088	1,908,208
Balance at the end of period		**1,813,985**

Statement of Cash flows

$'000s	2022/23 Q3 Budget	2023/24 Budget
Cash Flows from Operating Activities		
Receipts		
Operating Receipts	213,010	227,007
Payments		
Operating Payments to Suppliers and Employees	(158,605)	(174,731)
Net Cash provided by (or used in) Operating Activities	**54,405**	**52,276**
Cash Flows from Investing Activities		
Receipts		
Amounts Received Specifically for New/Upgraded Assets	11,749	5,295
Proceeds from Surplus Assets	6,685	27,125
Sale of Replaced Assets	971	630
Payments		
Expenditure on Renewal/Replacement of Assets	(45,201)	(50,416)
Expenditure on New/Upgraded Assets	(26,245)	(49,598)
Capital Contributed to Equity Accounted Council Businesses	(196)	(320)
Net Cash provided by (or used in) Investing Activities	**(52,237)**	**(67,284)**
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings	1,899	19,885
Payments	-	-
Repayment from Borrowings	-	-
Repayment of Lease Liabilities	(4,771)	(4,877)
Net Cash provided by (or used in) Financing Activities	**(2,872)**	**15,008**
Net Increase (Decrease) in Cash Held	**(703)**	**(0)**
plus: Cash and Cash Equivalents at beginning of period	1,503	800
Cash & Cash Equivalents at end of period	**800**	**800**

Uniform Presentation of Finances

$'000s	2022/23 Q3 Budget	2023/24 Budget
Income	213,446	225,481
less Expenses	(213,359)	(223,561)
Operating Surplus / (Deficit) before Capital Amounts	**87**	**1,920**
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(45,201)	(50,416)
add back Depreciation, Amortisation and Impairment	54,864	56,040
add back Proceeds from Sale of Replaced Assets	971	630
Net Outlays on Existing Assets	**10,634**	**5,624**
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(26,441)	(49,918)
add back Amounts received specifically for New and Upgraded Assets	11,749	5,295
add back Proceeds from Sale of Surplus Assets	6,685	27,100
Net Outlays on New and Upgraded Assets	**(8,007)**	**(17,523)**
Net Lending / (Borrowing) for Financial Year	**2,714**	**(9,979)**

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