

THE CITY OF ADELAIDE 2013-14 BUSINESS PLAN & BUDGET

Acknowledgement to Country

Adelaide City Council acknowledges that we are meeting on 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.

Lord Mayor's Message



Welcome to the Adelaide City Council 2013-14 Business Plan & Budget. As Lord Mayor, it is great to oversee a budget of such significance.

Council has a strong commitment to creating vibrant, fun and interesting places in the city where more people want to spend more time. This budget supports two of the largest projects in the city's history, the \$25 million Stage 1 redevelopment of Rundle Mall and \$28 million rejuvenation of Victoria Square.

Key features for Victoria Square include an events space for up to 7000 people and a generous promenade, while Rundle Mall will receive new seating, paving, plus a Gawler Place events space. Both developments will also see a significant increase in the number of trees.

Continuing the roll-out of Council's innovative transport strategy is also a focus of this budget, which aims to promote balanced transport across the city. Council's Bicycle Action Plan will receive \$1.3 million of funding for projects such as the Frome Street Bikeway, education and travel behaviour change initiatives and the Adelaide City Bikes scheme.

Council is committed to the city's digital future, with the budget allocating funds to begin implementation of Council's Digital Strategy, our plan for Adelaide to enhance its position as a great smart city.

I am very pleased the budget also places importance on maintaining and improving residential amenities, with an additional \$1 million allocated to improving the city's residential streets.

Thank you for your support, and I hope you are enjoying everything the city has to offer.

A handwritten signature in black ink that reads "Stephen Yarwood". The signature is stylized, with a large 'S' and a checkmark-like flourish above the 'Y'.

Stephen Yarwood

LORD MAYOR

Your Council

Lord Mayor

Stephen Yarwood

Deputy Lord Mayor

Michael Llewellyn-Smith AM

Area Councillors

Anne Moran

Mark Hamilton

David Plumridge AM

Natasha Malani

North Ward

Susan Clearihan

Sandy Wilkinson

Central Ward

Megan Hender

Houssam Abiad

South Ward

Michael Henningsen

Anthony Williamson



(L-R) Sandy Wilkinson, Anthony Williamson, Susan Clearihan, Michael Llewellyn-Smith, Natasha Malani, Houssam Abiad, Stephen Yarwood (Lord Mayor), Michael Henningsen, Megan Hender, Mark Hamilton, David Plumridge, Anne Moran

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PICTURE ADELAIDE

Continue to support public art in the City

I would love to see more community gardens

More trees on residential streets

I would like to see a city that is more pedestrian friendly

Increase the number of small bars and cafes

WHAT ADELAIDE'S PEOPLE WANT FOR OUR CITY

This plan was developed from 1000s of great ideas submitted by the people of Adelaide through two stages of Council's community engagement project, Picture Adelaide.



*More grants for
small businesses*

*More
community
theatre and street
performance
spaces*

*I love the old
buildings, lots of
cultural activities
and the Festivals*

*I want more
bicycle friendly
streets*

*More activated
laneways, bars
and seating*

Highlights for 2013-14

Council has received thousands of great ideas for our City from the people of Adelaide through its biggest consultation, *Picture Adelaide* and these ideas have helped us develop this Business Plan and Budget.

Highlights for the year ahead

- Completing Stage One of the **Victoria Square/Tarntanyangga Upgrade** including an integrated events space bringing energy and culture to the centre of the city
- Transforming **Rundle Mall** into a modern and unique place for people to meet, shop, enjoy events, spend time and soak up the lively city atmosphere
- **Continuing to work collaboratively with the State Government** on a range of major city projects, such as Adelaide Oval, Riverbank precinct and the new hospital
- Working with business and the community to adopt a place making approach to **Asset Renewal and Maintenance** to ensure integrated design and planning enhances city environments
- Creating a bicycle friendly City by expanding the **Bicycle Action Plan** including delivering bike lanes on Frome Street and Margaret Street, increasing Park Lands cycling networks
- Delivering a state of the art **City Library** and associated **History Hub** in the heart of the city
- Enhancing the Riverbank Precinct by redeveloping the old railway site located in **Tulya Wardli (Bonython Park)** for community use
- Delivering a **\$1m Residential Street Development Program** in consultation with the community
- Improving **digital literacy and expanding digital engagement** in the Community through the provision of free training in computer, internet and smart devices (e.g. iPads and smart phones) at the Digital Hub
- Continuing to bring public spaces and laneways alive through the next phase of Splash ensuring an **exciting and broader range of events and activities** in a variety of venues across the City and throughout the year
- Making the city **safe and pleasant for pedestrians** through the implementation of Smart Move Strategy, reduction of pedestrian waiting times at signals, continuing to improve safety lighting and footpath upgrades
- Attracting people and businesses to the City through **place-making and activation projects, reducing red tape and offering training and assistance** to small and start-up businesses
- Crafting a city adaptable to climate change, that **uses fewer resources and supports local ecological systems** by delivering such initiative as the **Sustainable Office Program** and managing Park Lands native vegetation and water courses
- Ensuring a **well presented, clean and safe** city by focusing on delivering high quality core services

How This Plan Was Prepared

The Local Government Act 1999 requires Council to develop and adopt strategic management plans which identify Council's objectives for at least a four year period, how Council intends to achieve its objectives, how they fit with the objectives of other levels of government, performance measures and estimates of revenue and expenses.

Adelaide City Council has adopted or is developing the following documents which comprise these strategic management plans:

- Adelaide: One City, Many Places, The City of Adelaide Strategic Plan 2012-2016
- Strategic Resource Plan
- Infrastructure and Asset Management Plans
- Corporation Plan 2012-2016

The Strategic Plan 2012-2016 outlines the Adelaide City Council's vision for the City of Adelaide and the projects and services it will deliver between 2012 and 2016.

Development of the Strategic Plan has involved extensive community engagement. Community ideas identified through the first two stages of Picture Adelaide have also provided inspiration for the development of the 2013-14 Business Plan and Budget.

The Corporation Plan 2012-2016 focuses on strategies that Council uses to shape its internal processes to ensure resources are efficiently and effectively deployed to deliver the outcomes of the Strategic Plan.

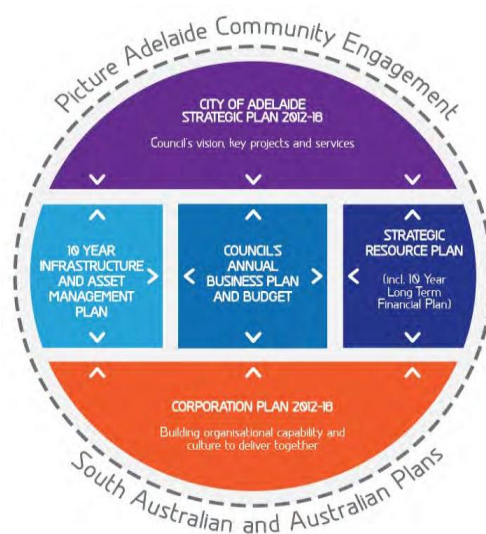
These plans establish the context for the 2013-14.

The Business Plan and Budget, is the key annual operational and financial planning document of the Adelaide City Council. It describes what services and projects Council plans to provide in the forthcoming financial year, and how it plans to allocate its budget.

The 2013-14 Business Plan & Budget sets ambitious targets for the Council and the city as a whole. There is significant focus on major projects such as the Victoria Square/Tarntanyangga Stage One upgrade and Rundle Mall Masterplan, but also a focus on seeking efficiencies and innovation through 'doing more with less' across the organisation. The budget also focuses on meeting the needs of a wide range of city users through focus on maintenance of the city's roads and footpaths, and working with businesses and the community to achieve the Strategic Plan goal of "One City, Many Places".

Key Funding Components (\$'000)

	2013-14
Business Operations	
Revenue	64,436
Expenditure	(44,713)
Total	19,723
General Operations	
Rates	85,348
Revenue	43,219
Expenditure	(92,380)
Total	36,187
Treasury	(2,274)
Contribution from Operations	53,636
Projects	(15,007)
New Assets	(59,676)
Asset Maintenance Program Manager	(5,518)
Asset Maintenance	(26,504)
Property Investments	6,268
Net Spend on Projects and Capital	(100,436)
Net Borrowing Requirement	(46,800)



The Adelaide City Council conducted an extensive three week public consultation on the draft 2013-14 Business Plan and Budget. During this time, people were invited to have "Their Say" on the Adelaide City Council's plans for 2013-14. The consultation period commenced on 9 May 2013 and concluded on 29 May 2013.

Forty-five submissions were received during the consultation period. The submissions were presented to Council on 3 June 2013 at a Public Meeting. All submissions received have been carefully considered when developing the final Business Plan and Budget. Thank you to everyone who submitted feedback.

2013-14 BUSINESS PLAN AND BUDGET KEY PROJECTS



Design **Park Lands Trail** Northern Loop and upgrade the Trail connection between Pardipardinyilla (Park 2) and Kangatilla (Park 4)

Footpath resurfacing on Mills Terrace and Molesworth Street

Refurbishment of **Elder Park Rotunda**

Implementation of initiatives to improve **water quality and biodiversity** in Torrens Lake



Enhancing the Riverbank Precinct by redeveloping the old railway site located in Tulya Wardli (Bonython Park) for community use



New Year's Eve celebrations in Elder Park

Upgrade of **road and pedestrian lighting** in Light Square / Wauwi

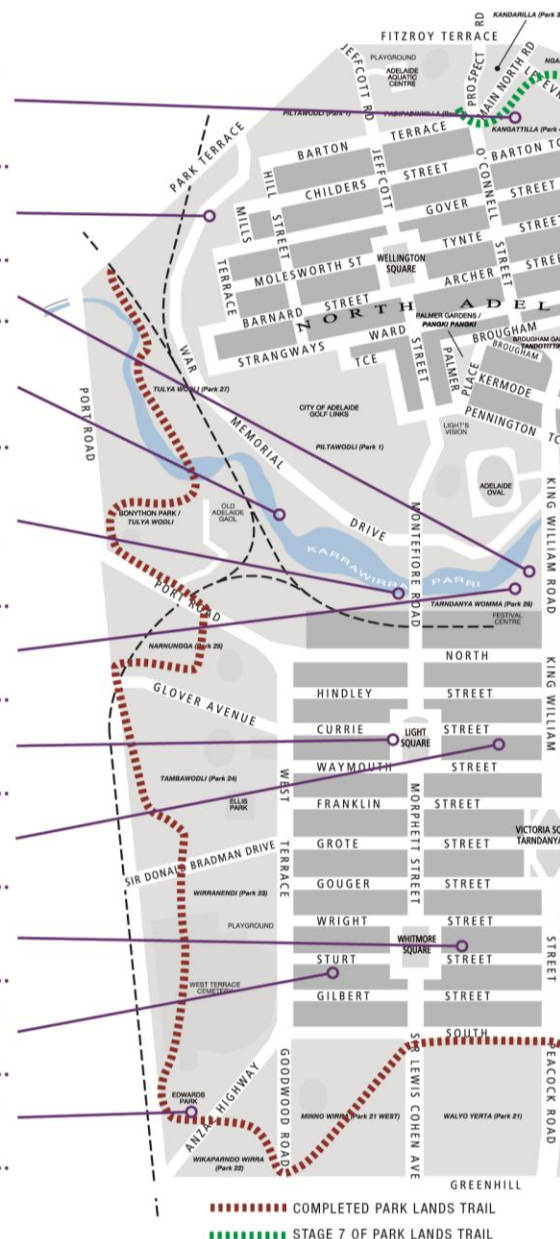
Progress the **Topham - Bentham - Pitt Street** place making pilot



Continuation of works for **Sturt Street Affordable Housing Project**

Footpath resurfacing Gilbert Street and Pirie Street

Upgrade and provide **additional lighting** along Anzac Highway



CITY WIDE PROJECTS

Secure lighting and **City Safety** projects
Implementation of the **Smart Move strategy**

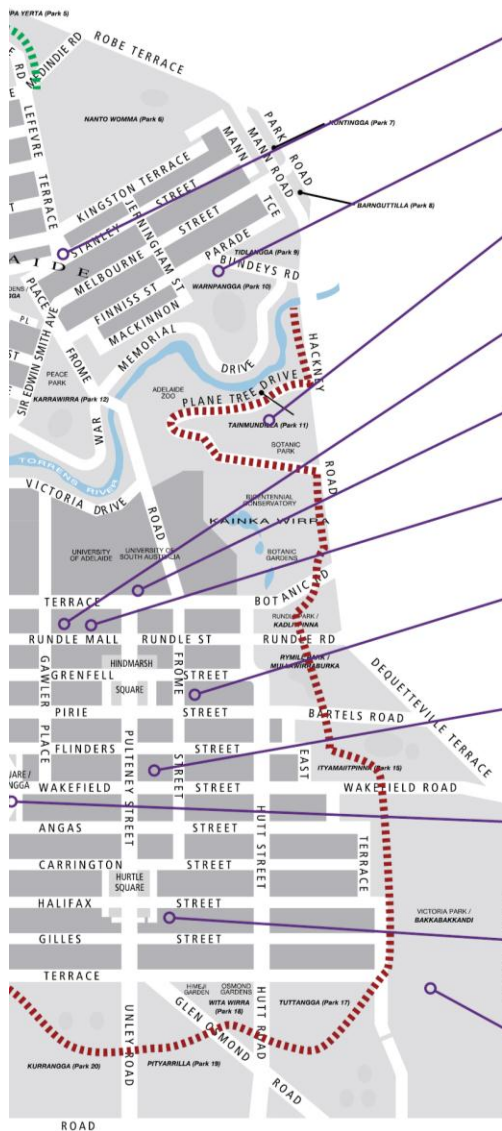
Ongoing **road resurfacing** and **landscape renewals**

Expansion of **Splash Adelaide** and **Activation**

Public Realm and **streetscaping** enhancements including the **Residential Street Development Program**

Significant reductions in Council's **energy** and **water usage**

Develop a **sport infrastructure masterplan** for West and South Park Lands



Footpath resurfacing on Brougham Place, Mann Terrace and New Street

Upgrade of **play space and playground equipment** in Warpanonga (Park 10)

Continuation of the **Tainmuntilla (Park 11) native revegetation** project

Major upgrade of the **Rundle Mall** precinct

Road resurfacing on North Terrace and Grenfell Street

Creation of a **Central Library** in the heart of the City

Construct **bike lanes** and associated facilities on Frome Street

Road resurfacing on Wakefield Street, Gunson Street, Angas Street, Cypress Street and Victoria Square / Tarntanyangga

Redevelopment and enhancement of Stage One **Victoria Square/ Tarntanyangga**

Footpath resurfacing on Hurtle Square / Tangkaira, Flinders Street, Grenfell Street and Gilles Street

Further **heritage grandstand work** for the Victoria Park / Pakapakanthi precinct



Significant **tree management** and **garden upgrades**

Grants for **community programs** and sponsorship of **arts, cultural festivals** and **major events**

Funding of additional **Public Art**

Building business capability by assisting businesses with **advice** and **support**

A broader range of **events** and **activities** throughout the year

Bring **laneways** and **public spaces** to life

Protecting and activating of the **City's Built Heritage**

Continuing to enhance technical capabilities in the community through the **Digital Strategy**

Promotion of **Access** and **Inclusion** Program

Improving **Development Assessment** process to make it quicker and easier

Continuing to collaborate with **State Government** and other **Partners** to ensure the success of **major projects**

Maintaining **city cleansing** at an exemplary standard

Adelaide: One City, Many Places, The City of Adelaide Strategic Plan 2012-2016 contains six outcomes reflecting the desired qualities sought for the future of the city. These outcomes guide strategy development and the Business Plan and Budget. Each Council outcome has annual objectives aligned to it.

STRATEGIC PLAN

<i>OUTCOME 1</i> CITY OF GREAT PLACES	<i>OUTCOME 2</i> ACCESSIBLE CITY	<i>OUTCOME 3</i> CREATIVE CITY	<i>OUTCOME 4</i> LIVEABLE CITY
<ul style="list-style-type: none"> A city of outstanding buildings and places designed for people and the environment Attractive parks, streets and public spaces are actively used Distinctive heritage buildings are celebrated, conserved and adapted for housing, venues, businesses and creative industries The Park Lands and Karrawirra Pari (Torrens River) are treasured landscapes and places for diverse outdoor activities and events 	<ul style="list-style-type: none"> A city of well-connected places that's easy to get to and around Streets are for people with cyclists and pedestrians taking priority A readily available public transport system links city destinations and beyond day and night Low emission and other sustainable travel options prevail 	<ul style="list-style-type: none"> Art, culture and creative industries thrive and public and street art abounds Festivals and events occur throughout the year and vibrant streets and public places are part of daily life New and creative ideas are incubated and developed reinforcing our history of innovation and debate Quality and quirky cafes, restaurants, bars, vendors, venues and activities enrich the life of the city down streets, laneways, and on the riverbank and rooftops 	<ul style="list-style-type: none"> People of all ages, cultures and means form strong communities and actively participate in the life of the City A diverse residential population supports a thriving City Neighbourhoods, streets and public spaces are safe and welcoming places that promote social interaction People's ideas and their capacity to achieve is supported Sustainable and diverse housing choices are within walking distance of jobs, education, shops, services, parks and entertainment Diverse recreational opportunities support the wellbeing of residents and visitors

COUNCIL PROGRAMS

<ul style="list-style-type: none"> City Design City Planning Public Realm 	<ul style="list-style-type: none"> Accessible City City Parking and Business Services 	<ul style="list-style-type: none"> Vibrant City 	<ul style="list-style-type: none"> City Community Active City City Safety and Customer Service
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One City, One Team, The Corporation Plan 2012-16, underpins the City of Adelaide's Strategic Plan and aims to position the Corporation as a modern, high performing organisation. Corporate Programs are defined, by and aligned to, the five areas of action described within the Corporation Plan.

STRATEGIC PLAN		CORPORATION PLAN
<i>OUTCOME 5</i> PROSPEROUS CITY	<i>OUTCOME 6</i> ENVIRONMENTALLY SUSTAINABLE CITY	<i>CORPORATION OUTCOMES</i>
<ul style="list-style-type: none"> ▪ The city has a clear competitive offering that attracts investment and talent ▪ A supportive business environment assists city businesses and their workforces to thrive and prosper ▪ Innovative and entrepreneurial businesses that collaborate underpin a diverse city and state economy ▪ A city with a reputation for quality education and research ▪ Cost-effective high-speed communications connect businesses, students and communities 	<ul style="list-style-type: none"> ▪ A city that continues to adapt to climate change ▪ A city that uses water and energy efficiency, natural resources wisely, and reduces waste ▪ Ecological systems and habitats thrive and enrich the city 	<ul style="list-style-type: none"> ▪ Brilliant service provider ▪ Trusted partner ▪ Professional administrator ▪ High achieving team ▪ Best practice organisation
<i>COUNCIL PROGRAMS</i>		<i>CORPORATE PROGRAMS</i>
<ul style="list-style-type: none"> ▪ City Growth and Investment 	<ul style="list-style-type: none"> ▪ Sustainable City 	<ul style="list-style-type: none"> ▪ Marketing and Creative Services ▪ Finance and Risk ▪ Infrastructure Management ▪ Capital Works ▪ People and Culture ▪ Strategic Property Management and Development ▪ Strategy and Innovation ▪ Information, Communication and Technology ▪ City and Corporate Governance ▪ Office of Major Projects and Initiatives ▪ Media Relations

City Design

STRATEGIC PLAN OUTCOME 1

CITY OF GREAT PLACES

Value Proposition

The City Design Program will create a city of great places designed for people

Annual Objective

- Progress the Topham – Bentham – Pitt Street demonstration project by June 2014

Key Functions

- Provision of professional design advice and support
- Development of strategies to improve quality and consistency in the city's public realm
- Design for public spaces, including streetscapes and landscapes

Key Actions

- Provide professional design advice and support for key city activation projects including Victoria Square/Tarntanyangga, Rundle Mall, City Library, Park Lands projects and others
- Provide professional design advice and support for the projects of key city stakeholders
- Deliver the designs for the Capital Works 14/15 program and complete the 13/14 program
- Champion innovative design thinking in public space, eg supporting the Pilot Parklet Program and the work of the New Architects Group
- Develop strategies for consistency and sustainability in the design of the city to inform upgrades and renewals, such as improved street activation through the fine grain work
- Progress the recommendations of the Public Spaces Public Life 2011 Gehl Architects report

Performance Measure

- Increase in usage of place making locations as a result of project deliverables (e.g. Topham/Bentham/Pitt and Parklets)

Target: Delivered in line with community targets - established at the start of a project (to be gathered using Gehl Architects methodology and comparison and stakeholder survey)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	974	1,710	737
2012 – 13	1,029	1,556	527

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2144	Jan Gehl Initiatives	54	54
2210	Public Realm Incentive Scheme	250	250
2209	Topham-Bentham-Pitt	100	100
2240	Urban design framework	100	100
2275	West End master planning	50	50
	TOTAL	554	554

City Planning

STRATEGIC PLAN OUTCOME 1

CITY OF GREAT PLACES

Value Proposition

The City Planning Program will create a city of outstanding buildings and places that meet the aspirations of the community

Annual Objective

- Development policy program, including structure planning, completed for the City by June 2014

Key Functions

- Development Plan Amendments and policy development
- Development Assessment and advice to Development Assessment Panel
- Heritage advice, initiatives and promotion
- Adelaide Park Lands policy development, Community Land Management Plans and Adelaide Park Lands Authority support
- Building and development inspections and compliance

Key Actions

- Assess approximately 1200 development applications
- Provide incentives for the conservation of heritage buildings
- Provide advice to Council's Development Assessment Panel
- Provide support and advice to the Adelaide Park Lands Authority
- Provide advice on the Planning Reform Agenda of The Expert Panel

Performance Measures

- Implement Council's program of development policy
- Target:** Within scope, time and budget (as agreed with Council)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	376	3,855	3,480
2012 – 13	363	3,702	3,339

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1286	Adelaide Prize	35	35
1278	Built heritage management grants	820	820
1280	Built heritage management promotion	80	80
1279	Heritage advisory service	90	90
1684	Mainstreet heritage and character buildings restoration program	250	250
1342	Noise management and mixed use management program	40	40
1685	Park Lands marketing plan	60	60
	TOTAL	1,375	1,375

Public Realm

STRATEGIC PLAN OUTCOME 1

CITY OF GREAT
PLACES

Value Proposition

The Public Realm Program will ensure the city's parks, streets and public spaces are well-maintained

Annual Objective

- Deliver key functions and capital works support, focusing on major projects and priorities, within agreed levels of service, by June 2014

Key Functions

- North Adelaide Nursery
- Cleansing and waste services
- Property and facilities management
- Horticulture, including maintenance of the Park Lands, squares and streets
- Maintenance of public realm infrastructure, Council assets and plant equipment

Key Actions

- Develop sustainable initiatives within Council owned and leased facilities to achieve financial and environmental sustainable outcomes
- Reduce Council's level of waste to landfill and partner with Zero Waste SA to support community initiatives such as e-Waste recycling
- Develop a proposal to collaborate with other councils to share resources
- Provide support and maintenance on Council projects including Ergo apartments on Sturt Street, Rundle Mall and Victoria Square/Tarntanyangga upgrades and the Victoria Park playing fields

Performance Measure

- Customer Satisfaction
Target: 7 out of 10 (external customer satisfaction survey)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	1,637	24,806	23,168
2012 – 13	1,554	23,051	21,497

Accessible City

STRATEGIC PLAN OUTCOME 2

ACCESSIBLE CITY

Value Proposition **The Accessible City Program will facilitate safe and easy access to all the city's places**

Annual Objective

- Complete a 4-Year Action Plan for the Easy Walking, Safe Cycling, Quality Public Transport, Green Travel and Smart Parking Outcomes of the Smart Move Strategy by June 2014

Key Functions

- Transport and traffic planning
- Pedestrian and cycling networks
- Road closures and on-street parking controls
- Adelaide Connector Bus Service
- Free Adelaide City Bike hire scheme

Key Actions

- Complete consultation and concept designs for the Frome Street Bikeway, that will provide a north-south bicycle route in the City from Greenhill Road to North Terrace, along Regent, Charlotte, Castle and Frome Streets.
- Promote cycling events and awareness, expand the SmarterTravel@Work travel behaviour change program, and increase the stock of city bikes, with initial use during the Velo-city conference.
- Introduce a higher frequency free City Connector Bus service and acquire new buses to operate the service.
- Complete the On-Street Parking Strategy that will provide the basis for improving customer service and the adoption of new parking technologies.

Performance Measure

- Extent of implementation of the Smart Move target to complete 10 km of separated bike lanes by 2022
Target: 2.2 kilometres to be designed for construction, 22%.

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	211	2,559	2,348
2012 – 13	179	2,461	2,282

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1267	Adelaide Connector bus service	820	820
2273	Smart Move Strategy Promotions, Education and Behaviour Change	335	335
	TOTAL	1,155	1,155

City Parking and Business Services

STRATEGIC PLAN OUTCOME 2

ACCESSIBLE CITY

Value Proposition

The City Parking and Business Services Program will support an accessible city and procure value for money, goods and services

Annual Objective

- Deploy a trial of new technology that supports access and use of on-street parking by June 2014

Key Functions

- UParks
- On-street parking services
- Performance of Council businesses
- Investigate and propose new business opportunities
- Strategic Procurement and Contract management

Key Actions

- Develop a strategy for the longer term operations and commercial opportunities for UPark
- Review on-street parking control and expiation processes
- Prepare for the implementation of the State announced Transport Development Levy
- Roll-out and embed across the organisation a contract management system
- Implement a business services team and identify businesses requiring priority support

Performance Measures

- City Parking - UPark revenue and profitability are delivered in line with expectations
Target: Delivered in line with the 12/13 budget with year on year improvement
- Business Services – Evidenced savings are delivered
Target: Evidenced savings are delivered as agreed with individual sponsors

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	50,938	32,215	(18,723)
2012 – 13	49,744	31,042	(18,703)

Vibrant City

STRATEGIC PLAN OUTCOME 3

CREATIVE CITY

Value Proposition

The Vibrant City Program will facilitate and deliver great cultural and creative experiences and events for people

Annual Objective

- Develop a Vibrant City Strategy by June 2014

Key Functions

- Adelaide Town Hall business operations
- Sponsorship and Grants facilitation and management
- Event coordination and facilitation
- The City Activation Project
- Public Art

Key Actions

- Develop a Public Art Action Plan
- Develop a Live Music Action Plan
- Develop and implement a business case for the Adelaide Town Hall
- Provide sponsorship and grants
- Develop, position and activate Victoria Square/Tarntanyangga as a community events space

Performance Measure

- Increase in the number of co-created events staged in the city
Target: +10%-15%
(above previous year)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	1,511	2,765	1,255
2012 – 13	1,499	2,709	1,210

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1285	ANZAC Day	22	22
1282	Arts and living culture program	150	150
2153	City Activation	1,050	1,050
1305	Festivals Adelaide initiative	30	30
1250	Gala concerts	60	60
1289	New Year's Eve Elder Park celebrations	180	180
1682	Public art - murals	85	85
1653	Renew Adelaide	100	100
1235	Sponsorship funding	1,653	1,653
1346	Strategic support - sponsored events	65	65
	TOTAL	3,395	3,395

City Community

STRATEGIC PLAN OUTCOME 4

LIVEABLE CITY

Value Proposition

The City Community Program will build community capacity to develop strong neighbourhoods that promote participation and inclusion

Annual Objective

- Deliver the new City Library and associated History Hub by June 2014

Key Functions

- Reconciliation
- Volunteers
- Library and community centres
- Social planning, access and inclusion, and Home and Community Care services
- Neighbourhood development and community development grants

Key Actions

- Develop and deliver a 2013/14 Reconciliation Action Plan
- Deliver a business case for a community hub for the Sturt Street residential development
- Work with community to deliver four community led place making initiatives focused on Volunteers Week, Adult Learners Week, Neighbour Day and a sustainability event
- Increase opportunities for the community to volunteer in the city by establishing 'City Event' & 'City Professionals' volunteer groups
- Partner with City Archives to deliver 2 History Hubs that increase access to city archives

Performance Measure

- Community centre programs attendance rates
Target: 90% of programs have attendance >65%

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	598	5,669	5,071
2012 – 13	688	4,855	4,167

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1625	Aboriginal employment action plan	106	106
1650	Community calendar and feature activities	20	20
1281	Community development program	450	450
2151	Digital Hub	99	(10)
1493	NAIDOC week celebrations	20	20
	TOTAL	695	586

Active City

STRATEGIC PLAN OUTCOME 4

LIVEABLE CITY

Value Proposition

The Active City Program will provide opportunities for the community to be active, maintain their health and participate in recreation and community sports programs

Annual Objective

- Develop a sport infrastructure masterplan for the West and South Park Lands by December 2013

Key Functions

- Recreation planning and projects
- Recreation and sports grants
- Adelaide Aquatic Centre
- North Adelaide Golf Course
- Park Lands and Karrawirra Pari (Torrens River) sporting and recreation activities and licenses

Key Actions

- Develop a master plan for the North Adelaide Golf Course
- Provide recreation and sport grants to support activation in the city squares, along the Karrawirra Pari (Torrens River) and in the Park Lands
- Engage with sporting associations and the local community to develop a program of informal and formal sport and recreational activities for Victoria Park
- Undertake upgrade works at the Adelaide Aquatic Centre

Performance Measure

- Increased activation and usage of the city squares and Park Lands for sport and recreation, particularly amongst CBD workers, residents and students.
Target: 70% of city residents undertake 30 minutes of physical activity at least once a week (benchmark of 63% in 2012/13 CUP Survey)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	8,450	8,671	221
2012 – 13	8,515	8,309	(206)

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2251	North Adelaide Golf Course masterplan	70	70
1283	Recreation and sports grants	150	150
2208	Western Park Lands Sport & Recreation Master Plan	54	54
	TOTAL	274	274

City Safety and Customer Services

STRATEGIC PLAN OUTCOME 4

LIVEABLE CITY

Value Proposition

The City Safety and Customer Services Program will facilitate safer places for all to enjoy and support the delivery of brilliant service by Council

Annual Objective

- Design and implement a new environmental health operating model for Adelaide's food businesses by June 2014

Key Functions

- Emergency Management
- Street occupation permits and general compliance
- Environmental Health
- Customer Service Centre and Customer Service Strategy
- Liquor Licensing
- Strategic safety partnerships and planning

Key Actions

- Reduce 'red tape' across permit applications and approval processes
- Deliver lighting solutions and CCTV installations to improve city safety
- Review procedures and guidelines for outdoor dining permits and alcohol management
- Deliver innovative means of delivering customer solutions through a review of Council's customer channels and access points
- Assist Adelaide's food businesses in achieving best class food and health safety standards through inspections and advice

Performance Measure

- Customer Satisfaction – measuring the satisfaction of customers contacting the Customer Service Centre

Target: To be confirmed upon analysis of 2012-13 data

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	1,632	4,511	2,879
2012 – 13	1,591	4,478	2,887

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2220	Vulnerable and Homeless People Project	43	0
2261	Environmental health risk and operating model review	100	100
2260	Rostering and quality software	50	50
	TOTAL	193	150

City Growth and Investment

STRATEGIC PLAN OUTCOME 5

PROSPEROUS CITY

Value Proposition

The City Growth and Investment Program will support the growth of 'place capital' in the mainstreets and precincts to create a prosperous and liveable city

Annual Objective

- Facilitate a place-led approach to rejuvenating Precincts and Main Streets by June 2014

Key Functions

- Engagement with Precinct/Main Street Groups
- Business advice, referral and mentoring services
- Investment facilitation and case management
- Promotion of city living
- Engagement with key stakeholders
- Economic analysis and advocacy

Key Actions

- Co-create an innovation eco-system that supports entrepreneurs to develop creative, diverse, knowledge based businesses
- Promote Adelaide as a destination for business, investment and talent and facilitate investment opportunities as they arise
- Collaborate with RMMA and other Main Street groups to attract new retailers to establish in Adelaide and to facilitate private investment in building place activation
- Partner with key stakeholders to promote living in the City

Performance Measure

- Customer Satisfaction

Target: 7 out of 10

(survey of 50 businesses assisted through Council's *Enterprise Adelaide*)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	-	1,343	1,343
2012 – 13	-	1,265	1,265

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1327	Adelaide Convention Bureau	300	300
1244	Business capability and growth	100	100
1675	City of Adelaide Retail Strategy	40	40
1238	Education Adelaide	200	200
1233	Enterprise Adelaide	320	320
2232	Facilitating a place-led approach to Main Streets and Precincts	570	570
2228	InnovyzStart	60	60
1680	Residential marketing strategy	50	50
1556	Rundle Mall Miscellaneous Revenue	225	0
1265	Rundle Mall marketing and management	2,044	(1,148)
1570	Rundle Mall subsidiary	1,273	1,148
	TOTAL	5,183	1,640

Sustainable City

STRATEGIC PLAN OUTCOME 6

ENVIRONMENTALLY
SUSTAINABLE CITY

Value Proposition

The Sustainable City Program will support the city and its community in using resources wisely and adapting for climate change

Annual Objective

- Develop place making solutions that consider environmental sustainability and climate change adaptation by June 2014

Key Functions

- Policy, planning and projects to prepare the city for the impacts of climate change
- Policy, planning and projects to promote environmental sustainability and the wise use of resources in the city
- Embedding environmental sustainability in the organisation
- Biodiversity and water quality management policy and advice

Key Actions

- Partner with stakeholders to build the community's capability to prepare for climate change, use resources wisely and manage escalating utility costs, including through incentives
- Influence design solutions and projects that prepare the city for the impacts of climate change and use resources wisely
- Support office tenants and building owners to reduce energy use and carbon emissions from commercial buildings, through initiatives such as CitySwitch
- Reduce Council's use of energy and mains water and increase diversion of waste from landfill
- Implement priority biodiversity and water quality outcomes

Performance Measure

- Kerbside waste recycled
Target: 50% by 2015

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	-	781	781
2012 – 13	-	747	747

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1583	Green energy and climate change initiatives	850	850
1636	Waste collection service solutions for high density living	50	50
	TOTAL	900	900



Media Relations

CORPORATION PLAN OUTCOME 2

TRUSTED
PARTNER

Value Proposition The Media Relations Program will enhance the Council's reputation through promoting its achievements

Annual Objective ■ Develop a media strategy for Council by March 2014

Key Functions

- Traditional and Social media services
- Position Council to enhancement reputation
- Establish relationships with key stakeholders to best leverage Council's position
- Develop key partnerships where appropriate.
- Support and capacity build Council's workforce
- Manage crisis/emergency communications

Key Actions

- Develop template communication materials to support emergency communications planning
- Delivery of initiatives arising from the social media strategy
- Develop and implement a media plan for Council's international and sister city activities
- Develop and implement media and communication plans for major projects such as City Library, Victoria Square/Tarntanyangga and Rundle Mall redevelopments
- Quarterly analysis of Portfolio media risks and opportunity and establish a mechanism to monitor and effectively manage

Performance Measure

- Stakeholder Satisfaction
Target: 7 out of 10
(survey of internal and external stakeholders)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	-	632	632
2012 – 13	1	514	513

Marketing and Creative Services

CORPORATION PLAN OUTCOME 2

TRUSTED
PARTNER

Value Proposition

The Marketing and Creative Services Program will promote and position Adelaide as one of the great small cities of the world

Annual Objective

- Deliver a marketing and promotion strategy for Council's new visual identity by December 2013

Key Functions

- Marketing services
- External communications and Council publications
- Digital and creative design
- Website and digital communications and development; website maintenance
- Visitor information services

Key Actions

- Deliver the Inside Adelaide magazine including weekly online articles and videos
- Provide publishing and digital support and opportunities that promote the city; Annual Report
- Deliver actions arising from the Visitor Information Services Strategy; and support the relocation of the Visitor Information Centre to a new permanent site in the city
- Develop and deliver a cooperative marketing strategy that promotes Christmas in the City
- Enhance user experience and accessibility of website

Performance Measure

- Marketing strategy and campaigns are delivered that achieve program business objectives
Target: % (target score under development) of projects where pre-agreed marketing objectives (as agreed with program managers) have been met or exceeded

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	97	1,502	1,405
2012 – 13	114	1,479	1,365

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2262	Christmas in the City	170	170
1272	Marketing the Council	200	200
1480	Marketing The City	55	55
2263	Online strategy and social media	140	140
1236	Tourism development and visitor information service	285	285
2274	Visitor Information Centre	200	200
	TOTAL	1,049	1,049

Finance and Risk

CORPORATION PLAN OUTCOME 3

PROFESSIONAL
ADMINISTRATOR

Value Proposition

The Finance and Risk Program will ensure public resources and assets fund long term financially sustainable outcomes while maximising opportunities through responsible risk management

Annual Objective

- Deliver Financial Management improvement initiatives across the organisation as part of the 'Finance, Innovation and Transformation ('FIT') Program, by June 2014

Key Functions

- Strategic Financial Advisory and Decision Support services
- Governance and Risk Management
- Accounts Receivable, Payable and Payroll services
- Rates and Property Valuations
- Corporate Financial Planning and Treasury services

Key Actions

- Streamline Council's transactional processing service functions
- Improve and simplify property valuation and rating processes by implementing 'computer assisted mass valuation' methodology
- Embed enterprise risk management principles across the organisation
- Deliver core services including management and financial accounting, corporate financial planning and treasury management

Performance Measure

- FIT Program – Finance led work-streams are delivered
Target: Within scope, time and budget (as agreed with project sponsor)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	93,653	9,514	(84,139)
2012 – 13	90,978	8,607	(82,371)

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2269	Finance, Innovation and Transformation (FIT) Program	200	200
	TOTAL	200	200

OFFICE OF THE GENERAL MANAGERS

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	-	2,639	2,639
2012 – 13	-	2,344	2,344

Infrastructure Management

CORPORATION PLAN OUTCOME 3

PROFESSIONAL
ADMINISTRATOR

Value Proposition

The Infrastructure Management Program will ensure that Council's assets effectively deliver multiple place outcomes

Annual Objective

- Commence development of a place led asset integration strategy by June 2014

Key Functions

- Asset maintenance plans
- Specification of new assets
- Centralised asset systems and auditing
- Strategic asset and infrastructure planning and management

Key Actions

- Develop a cross asset relationship model that integrates the allocation of resources across asset classes
- Develop strategic purpose plans for all key asset classes
- Develop an asset integration model for the financial sustainability of Council's asset renewal program
- Investigate opportunities for a mobile asset management system
- Deliver ICT systems integration and upgrades into asset management processes

Performance Measure

- Asset Sustainability Ratio within sector average
Target: 90% - 110%

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	384	8,897	8,512
2012 – 13	390	5,064	4,674

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2272	Residential street development program	1,000	1,000
1548	Water quality improvement	200	200
	TOTAL	1,200	1,200

Capital Works

CORPORATION PLAN OUTCOME 3

PROFESSIONAL
ADMINISTRATOR

Value Proposition

The Capital Works Program will provide cost effective and efficient delivery of new and upgraded assets to ensure sustainable places

Annual Objective

- Deliver capital works supporting Stage 1 of the Victoria Square/Tarntanyangga redevelopment by January 2014

Key Functions

- Capital Works tenders, contracts and delivery
- End to end project management and project delivery
- Asset and infrastructure planning and advice

Key Actions

- Deliver 95% of the Capital Works Program under direct control, on time and within budget
- Enhance the flexibility of capital works delivery through mobile computing and ICT solutions
- Implement the 'end to end' Project Management system
- Progress capital works that support the delivery of the Rundle Mall redevelopment
- Progress capital works that support the delivery of the redevelopment of Tulya Wardli (Bonython Park), installation of the new City Library and other major city projects

Performance Measure

- Capital works individual projects (included in overall program) delivered to time and budget
Target: 95% of projects included in the capital works program delivered to time and budget (as agreed with individual project sponsors)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	1,676	1,469	(207)
2012 – 13	1,627	1,474	(154)

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2215	APA Gas Pipelines project management	115	0
	TOTAL	115	0

City and Corporate Governance

CORPORATION PLAN OUTCOME 3

PROFESSIONAL
ADMINISTRATOR

Value Proposition

The City and Corporate Governance Program will support the Lord Mayor, Council and Chief Executive Officer to effectively govern the city and Corporation

Annual Objective

- Deliver, with the State Government, the International Velo-city Cycling Conference by May 2014

Key Functions

- Lord Mayor, Council and Chief Executive Officer support and point of contact
- Council business management
- International and Inter-Governmental relations
- Civic recognition and engagement
- Corporate sponsorship
- Internal communications and staff engagement

Key Actions

- Support Council members to understand their responsibilities associated with the introduction of ICAC
- Provide governance advice, scheduling of Council / Committee forward business, quality control and administrative services to Council and its committees
- Implement Council's International Partnership Strategy Action Plan
- Deliver a civic recognition program that acknowledges contributions in a range of ways
- Attract corporate sponsorship to support Council priorities
- Support and facilitate internal communication and engagement

Performance Measure

- Partner Satisfaction
Target: 7 out of 10 (Trusted partner survey)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	-	3,833	3,833
2012 – 13	-	3,724	3,724

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1512	Christmas Pageant	15	15
2143	Velo-city Global conference	550	550
	TOTAL	565	565

People and Culture

CORPORATION PLAN OUTCOME 4

HIGH ACHIEVING TEAM

Value Proposition

The People and Culture Program will build a constructive, safety conscious and agile workforce

Annual Objective

- Develop stage one of Council's workforce strategy that delivers an agile, flexible and engaged workforce by June 2014

Key Functions

- Organisational culture and development initiatives
- Workplace Health and Safety
- Workers compensation management
- People leadership and talent management
- Recruitment and workforce planning

Key Actions

- Implement a workforce planning model to deliver a high performing, agile, flexible and engaged workforce
- Negotiate new Enterprise Agreements to increase flexibility and support enhanced productivity
- Develop initiatives that enable flexible working arrangements for staff to work 'anywhere/anytime'
- Implement a program of initiatives to enhance organisational capability through cultural change including support for the FiT project of financial transformation
- Implement a new Performance Planning Review system following completion of trial
- Ensure organisational compliance with WorkCover standards for self-insurers

Performance Measure

- Lost time injury frequency rate
Target: <8 (number of injuries per million hours worked)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	51	2,864	2,813
2012 – 13	296	3,022	2,726

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2255	Contractor management	36	36
2256	New legislation and WorkCover PSSI	90	90
	TOTAL	126	126

Strategic Property Management and Development

CORPORATION PLAN OUTCOME 5

BEST PRACTICE ORGANISATION

Value Proposition

The Strategic Property Management and Development Program will leverage Council's property assets to strengthen its financial position and deliver great places

Annual Objective

- Deliver stage one of the Ergo (Sturt Street) Apartments development by June 2014

Key Functions

- Property Projects Delivery
- Property leasing and licensing activities
- Strategic property management

Key Actions

- Continue project management of Ergo residential projects
- Continue project management of Wingfield land disposals
- Prepare a Property Investment Strategy for all Council owned properties
- Deploy Expressions of Interest for Mellor Street
- Investigate development options for Council owned strategic sites
- Progress actions arising from the Park Lands Property Strategy

Performance Measure

- Complete construction of 72 affordable houses being Stage 1 of the Ergo project.
Target: Within scope, time and budget (as agreed with project sponsor)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	30,374	12,348	(18,026)
2012 – 13	31,013	17,064	(13,949)

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2116	Groundwater testing	130	130
2242	Mellor Street land sale	50	50
2247	Investigate options for Victoria Square Shopping Centre	50	50
1677	Strategic Property & Divestments Review	500	500
2113	Dunn Street site assessment	28	28
2115	Bus Station master plan	50	50
	TOTAL	808	808

Office of Major Projects and Initiatives

CORPORATION PLAN OUTCOME 5

BEST PRACTICE ORGANISATION

Value Proposition

The Office of Major Projects and Initiatives will realise benefits for the Corporation through building a value management culture

Annual Objective

- Complete stage 1 of the Victoria Square/Tarntanyangga upgrade by May 2014

Key Functions

- Centre of excellence on project management discipline and methodology
- Management of Major Projects
- Corporate reporting and business analytics

Key Actions

- Complete stages one to three of the Rundle Mall upgrade
- Deliver enabling works and scope potential public realm upgrades for the Adelaide Oval redevelopment and Torrens River footbridge
- Embed a project management philosophy across the organisation, including project assurance activities (quality control) and project governance processes (including gateways)
- Provide business analytics for all key business outcomes and identified priorities
- Implement benefit realisation planning and measurement across the organisation

Performance Measure

- Victoria Square/Tarntanyangga Redevelopment Stage 1 completed and able to accommodate the successful delivery of the Tour Down Under in 2014

Target: Within scope, time and budget (as agreed with project sponsor)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	185	1,004	819
2012 – 13	-	786	786

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1703	Adelaide Oval planning	250	250
2216	Business analytics	300	300
1707	Project management platform	160	160
	TOTAL	710	710

Strategy and Innovation

CORPORATION PLAN OUTCOME 5

BEST PRACTICE
ORGANISATION

Value Proposition

The Strategy and Innovation Program will identify, enable and deliver innovative strategy, policy and engagement

Annual Objective

- Review the Council Policy Governance Framework against the core principles of co-creation and place making, remove barriers and align policy to a place-led approach, by June 2014

Key Functions

- Community engagement
- Strategic research and analysis
- Policy and strategy advice and development
- Council and Corporation Strategic Plan support
- Capability building through innovation, engagement and benchmarking

Key Actions

- Develop and explore strategic research opportunities and partnerships that support open data and evidence based decision making
- Pilot new community engagement techniques that support co-creation and place making
- Plan and scope the development of Council's next Strategic Plan, including a longer term vision
- Experiment with flexible work environments by piloting ICT initiatives that support the delivery of the Digital Strategy
- Review the organisations approach to corporate planning

Performance Measure

- Community perception that they are able to have their say on issues of importance to them
Target: Overall approval rating of > 50%
(City User Population Survey)

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	-	1,111	1,111
2012 – 13	-	575	575

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
2223	Adelaide City Census of Land Use and Employment 2014	100	100
1357	City user population survey	35	35
1645	Community engagement strategy	52	52
2226	IAP2 conference sponsorship	8	8
2227	Re-invent and re-activate Picture Adelaide	35	35
	TOTAL	230	230

Information, Communication and Technology

CORPORATION PLAN OUTCOME 5

BEST PRACTICE ORGANISATION

Value Proposition

The Information, Communication and Technology Program will provide innovative technology solutions that add value to the city and community

Annual Objective

- Expand the free City Wi-Fi network to include the whole CBD by June 2014

Key Functions

- IT software applications
- IT infrastructure and systems
- Archives and records management
- Digital Strategy implementation for Council, City and the Community

Key Actions

- Pilot 'cloud computing' initiatives for the organisation
- Manage the implementation of Council's Digital Strategy, expand online services and 'open data' available to the public
- Launch Easy Records to streamline records management practice in the Corporation
- Investigate opportunities for shared ICT services with surrounding Councils
- Deploy the Customer Relationship Management System

Performance Measure

- Community perception that the digital infrastructure in the CBD enhances their city experience
Target: Overall approval rating of > 70% (Society Perception Survey).

Budget Year	Revenue Budget (\$'000s)	Expenditure Budget (\$'000s)	Net Cost (\$'000s)
2013 – 14	531	6,140	5,609
2012 – 13	311	5,744	5,433

Project ID	Projects	Gross Budget (\$'000s)	Net Budget (\$'000s)
1709	City of Adelaide Clipper Ship Sponsorship	50	50
2124	Open Data Strategy	40	40
	TOTAL	90	90



Operating Budget

Council's **Operating Budget** identifies the amount of money Council will receive in income, and spend on expenses in the course of its normal operating (non-capital) activities. Costs attributed to the **Operating Budget** would include items such as rates, business income, salaries and wages, utilities costs, and administrative costs. The **Operating Budget** includes four categories: **General Operations**, **Public Realm Maintenance** (formerly part of General Operations), **Business Operations**, and **Projects** (formerly Strategic Operating Projects).

General Operations

The income and expenditure included in the *General Operations* category is the amount of money Council will receive and utilise in delivering its core services. The *General Operations* category would include a majority of the Corporation's salaries and wages, administrative expenses and utility costs.

Public Realm Maintenance

The income and expenditure included in the *Public Realm Maintenance* category is the amount of money Council will receive and utilise in maintaining the public spaces of the city. The *Public Realm Maintenance* category would include items such as cleansing, waste management, horticulture and maintenance of Council assets.

Business Operations

The income and expenditure included in the *Business Operations* category is the amount of money Council will receive and utilise in running the businesses that Council owns and operates. These include UPark, Adelaide Aquatic Centre and Health Club, North Adelaide Golf Course, Adelaide Town Hall and Property Portfolio. The income earned from these businesses helps to fund delivery of Council's core services.

Projects

The expenditure included in the *Projects* category is the amount of money Council will provide for ad hoc, or one off projects. Funds are labeled as a *Project* rather than *General Operations* if it does not make up part of our core services, or there is a finite funding life required. The *Projects* category would include items such as funding for the Velo City Conference, Digital Strategy, Representation Review, City Activation and Splash Adelaide. The key definitions that drive when funding would be labeled a *Project* rather than *General Operations* is when it:

- Is a temporary or one-off endeavour; and
- Has a definable start and finish; and
- Produces a unique outcome, product, or service; and
- Falls outside ongoing normal core services; and
- May require varying levels of resource input.

Capital Budget

Council's **Capital Budget** identifies the amount of money Council will invest in its long-term physical assets, and includes three categories: **New Assets** (formerly Strategic Enhancements), **Asset Maintenance**, and **Property Investments** (formerly Strategic Property Portfolio).

New Assets

The expenditure included in the *New Assets* category is the amount of money Council will invest in creation of new assets – this can either be the upgrade of existing assets above like-for-like replacement (i.e. Victoria Square/Tarntanyangga) or creation of new assets (i.e. Major Events Space). The delivery of Council's *New Assets* should be in accordance with the Strategic Plan objectives and Capital City responsibilities.

Asset Maintenance

The expenditure included in the *Asset Maintenance* category is the amount of money Council will invest in maintaining and replacing its existing asset base. Spend in the *Asset Maintenance* category is driven by the intelligence from the Asset Management System regarding the best time to renew Council's existing assets. This category would include projects such as road resurfacing and line marking, street and pedestrian lighting, and property minor works.

The *Asset Maintenance* category is divided into nine sub-categories:

- Initiation and Data Collection;
- Transportation (including footpaths, traffic and roads);
- Lighting and Electrical;
- Draining and Waterways;
- Park Lands and Squares;
- Urban Elements;
- Property;
- Plant & Equipment; and
- IT Corporate Systems.

Property Investments

The expenditure included in the *Property Investments* category is the amount of money ACC will provide for investment to meet Council's strategic objectives for growth in the City and also to provide additional net revenue to the Council. This category would include projects such as the Sturt Street Affordable Housing Project.

Capital Works Program Summary (including carry forwards)

Program	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
New Assets	59,701	59,676
Property Investments	13,242	(6,268)
Asset Maintenance		
Initiation and Data Collection Program	1,025	1,025
Transportation Program	6,520	6,320
Lighting and Electrical Program	1,160	1,160
Drainage and Waterways Program	1,200	1,200
Park Lands and Squares Program	1,390	1,390
Urban Elements	1,480	1,480
Properties	8,200	8,200
Plant and Equipment	2,266	1,679
IT Corporate System	4,050	4,050
Asset Maintenance	27,291	26,504
Capital Works Program Management	5,518	5,518
Sub-total Capital Works Program	105,752	85,430
Including 2012-13 Capital Works Carry Forwards	32,491	28,546
Total Capital Works Program including Carry Forwards	105,752	85,430

Capital Works Program – New Assets (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
NEW ASSETS				
New Assets				
K707	Major Events Space	Major Events Space	1,000	1,000
M704	Victoria Park	Victoria Park	100	100
M732	Bicycle Action Plan	Design and construction of bike lanes	428	428
M733	Bicycle Action Plan	Cycling Access & Movement Projects	125	125
M799	Victoria Park Criterium Track	Victoria Park Criterium Track		(25)
N702	Brownhill and Keswick Creek Flood Management	ACC contribution to the Brownhill and Keswick Creek Stormwater Management Plan	355	355
K/N703	Victoria Square/Tarntanyangga Upgrade (Stage 1)	Stage One of the Victoria Square/Tarntanyangga redevelopment	26,000	26,000
M/N705	Park Lands Trail	Continuing delivery of the Park Lands Trail with supporting facilities and signage	800	800
N708	Tainmuntilla Native Regeneration Project	Continuing rejuvenation and re-vegetation of River Torrens Precinct	60	60
N709	Park 19 (Pityarrilla) Rejuvenation	Rejuvenation of Park 19 (Pityarrilla)	110	110
N710	City Library	Creation of a new City Library in Rundle Mall	2,350	2,350
N711	Frome Street Bikeway	Bikeway construction on Frome Street between Glen Osmond Road and North Terrace	980	980
K/N712	Rundle Mall Masterplan	Major upgrade to the Rundle Mall precinct	20,000	20,000
N713	City Lighting / Safety Projects	City lighting safety projects locations to be identified	100	100
K/MN714	Public Art	Ongoing contribution to Public Art	535	535
N715	Adelaide Connector Bus Replacement and Bus Stop Upgrades	Purchase of new buses for use in Adelaide Connector Bus route and upgrade of bus stops	1,075	1,075
M/N739	Aquatic Centre Plant & Facilities Upgrade	Upgrade works for the Adelaide Aquatic Centre	3,150	3,150
N717	Small Sports Facilities	Installation of a variety of sports facilities across the city	100	100
N720	Historic Lighting	Lighting of historic buildings across the city	100	100
K/MN729	Residential Undergrounding Scheme	Continuation of the residential street undergrounding of power lines	633	633
N737	Park 27 Redevelopment (rail yard site)	Restoring part of the old rail yard site to the west of the Morphett St bridge to Park Lands for community use	1,700	1,700
Total - New Assets			59,701	59,676
Total New Assets			59,701	59,676

Capital Works Program – Property Investments (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
PROPERTY INVESTMENTS				
Property Investments				
M/N798	Sturt Street Affordable Housing	Investment into affordable housing on Sturt Street	13,242	(1,368)
K/M/N767	Property Investments	Net Property Investments		(4,900)
Total - Property Investments			13,242	(6,268)
Total Property Investments			13,242	(6,268)

Capital Works Program – Asset Maintenance (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
ASSET MAINTENANCE				
Initiation and Data Collection Program				
N901	Asset Management Condition Information and Data Collection	Annual program for the collection and management of asset related data to ensure accurate planning for Council's long term asset management requirements.	375	375
N902	Asset Management Project Initiation	Annual program for scoping and design of future year projects to "spade ready" status to improve the ability for Council to deliver its capital renewal requirements.	125	125
N903	Rolling Revaluation Program	Asset classes to be revalued - Land & Buildings ,Plant & Equipment, Transportation, Lighting & Electrical, Stormwater drainage & Urban Elements	200	200
N904	Asset Management Improvement Program	Improvement activities around change management focusing on Hansen asset management requirements and asset management practices & processes to achieve sustainable asset management	325	325
Total - Initiation and Data Collection Program			1,025	1,025
Transportation Program				
M113	Frew Street - Wright Street to Sturt Street	Footpath resurfacing in Frew Street	45	45
M167	Parking Ticket Machines Renewal	Parking Ticket Machines Renewal	175	175
M191	Cycling Black Spot Projects	Improvement of cycle facilities in hazardous locations	165	80
M192	Bicycle Action Plan	Minor bike lane repairs	355	240
M193	Bicycle Action Plan	Minor bike lane repairs	80	80
N102	Bridge Maintenance and Repair	Bridge Maintenance and Repair	110	110
N104	Torrens Linear Park Trail - Safety Improvements	Maintenance of trails along the Torrens River in conjunction with State Government and other Local Councils to improve safety	70	70
N105	Road Resurfacing - Victoria Square/Tarntanyangga	Victoria Square/Tarntanyangga (Gouger St to Grote St)	110	110
N106	Road Resurfacing - Grenfell St	Grenfell St (King William St to Pulteney St)	80	80
N107	Road Resurfacing - Victoria Square/Tarntanyangga	Victoria Square/Tarntanyangga (King William St & Angus St Intersection)	90	90
N108	Road Resurfacing - Jeffcott St	Jeffcott St (Ward St to Pennington Tce)	300	300
N109	Road Resurfacing - Wakefield St	Wakefield St (Gawler St to Pulteney St)	200	200
N111	Footpath Resurfacing - Gilbert St	Gilbert St (West Tce to Morphett St) - North side - Stage 1 of 2	70	70

Capital Works Program – Asset Maintenance (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
N112	Footpath Resurfacing - Gilles St	Gilles St (Hutt St to East Tce) - Stage 1 of 5	150	150
N113	Footpath Resurfacing - Flinders St	Flinders St (Victoria Square/Tarntanyangga to Gaw ler Plc)	100	100
N114	Footpath Resurfacing - Mann Tce	Mann Tce (Mackinnon Pde to Dead end)	110	110
N115	Footpath Resurfacing - Mills Tce	Mills Tce (Childers St to Barnard St)	130	130
N116	Footpath Resurfacing - Molesw orth St	Molesw orth St (Wellington Sq to Hill St) - South side	120	120
N117	Road Resurfacing - Victoria Square/Tarntanyangga	Victoria Square/Tarntanyangga (Grote St to King William St)	110	110
N118	Footpath Resurfacing - Wakefield St	Wakefield St (Gaw ler Plc to Pulteney St) Stage 1 of 3, Stage 1 - (Pulteney St to Divett Plc) - North side, Stage 2 - (Divett Plc to Gaw ler Plc) - North side, Stage 3 - (Pulteney St to Chancery Lane) - south side	130	130
N119	Road Resurfacing - Franklin St	Franklin St (Pitt St to King William St)	90	90
N121	Footpath Resurfacing - Pirie St	Pirie St (King William St to Gaw ler Plc) - North side - Stage 1 (King William St to Exchange Plc) , Stage 2- (Exchange Plc to Gaw ler Plc)	130	130
N122	Footpath Resurfacing - Currie St	Currie St (King William St to Topham Mall) - North side / South side - Stage 1 of 3	170	170
N123	Footpath Resurfacing - Hurtle Square / Tangkaira	Hurtle Square / Tangkaira (Carrington St) - South side path	50	50
N124	Road Resurfacing - Ifould St	Ifould St (Hutt St to Daly St)	40	40
N125	Footpath Resurfacing - New St	New St (Stanley St to Melbourne St)	50	50
N126	Footpath Resurfacing - Grenfell St	Grenfell St (Gaw ler Plc to King William St) - North & South side - Stage 2 of 3	130	130
N127	Footpath Resurfacing - Gunson St	Gunson St (Angus St to Wakefield St)	50	50
N128	Road Resurfacing - War Memorial Drv	War Memorial Drv (King William Rd to New footbridge)	150	150
N129	Footpath Resurfacing - Brougham Plc	Brougham Plc (Stanley St to New St) kerbing	120	120
N146	Footpath Resurfacing - Park Lands Paths	Park Lands Paths (CLMP)	350	350
N147	Footpath Resurfacing - Pulteney St	Pulteney St (Rundle St to North Tce) - Stage 1 of 2 - Replacement of Stone kerb & footpath on West side , Yr 2 - East side kerb & footpath	300	300
N148	Road Resurfacing - North Tce	North Tce (East Tce to Frome St)	200	200
N149	Disability Action Plan Initiatives	Upgrade Bus Stops for DDA compliance	50	50
N150	Bus protuberance for disability access	Construction of bus protuberance to comply w ith DDA	100	100
N181	Traffic Improvements (minor) Program	Ongoing minor ducting work	50	50

Capital Works Program – Asset Maintenance (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
N182	Traffic Bollard Renew al Program	Rolling program to renew and replace traffic bollards throughout the City	40	40
N184	Traffic Signal Netw ork Renew al / Improvements	Ongoing renew al and improvements to the Traffic Signal netw ork including pole and lamp replacement, cabling improvements, loop installations and SCAT connections.	1,200	1,200
N190	Black Spot Funding Program	Annual program funds to contribute to the State Government grant funding under the Black Spot funding scheme to be advised in September.	200	200
N191	Bicycle asset renew al	Ongoing renew al of coloured bicycle lanes	50	50
N192	Parking Ticket Machines Renew al	Wright St at Compton St, Pirie St at Hutt St, Hindley St at Rosina St, Frome St at Flinders St, Frome St at Grenfell St, Frome St at Wakefield St, East Tce at Rundle St, King William Rd at Festival Theatre, Kintore Ave West, Kintore Ave East, North Tce at Pulteney St, Hindmarsh Sq = 8.	200	200
N256	Footpath Resurfacing - InfraStructure Adjacent to Developments	InfraStructure Adjacent to Developments	100	100
Total - Transportation Program			6,520	6,320
Lighting and Electrical Program				
M723	Go Green with Public Lighting	Stage 3 Public Lighting Project	50	50
N052	Renew al of CCTV Surveillance Camera System (Stage 3)	Renew al of street CCTV cameras, recording and associated hardware, fibre optic cabling etc in order to ensure satisfactory performance of CCTV cameras in Hindley St, Rundle Mall, East End and other locations with surveillance provided by SAPOL. (CCTV upgrade is staged over 3 years)	100	100
N053	Security Lighting and City Safety Projects	Security Lighting and City Safety Projects (ongoing) Locations TBA by Safety Officers and priorities in Lighting Audit report, Safety Audits, Customer reports & condition audits.	200	200
N055	Anzac Highw ay - Roadw ay Lighting (Stage 3)	Continuation of renew al and additional lighting to meet current standards	300	300
N056	War Memorial Dve (From King William St to MontefioreRd)	Renew al of road and pedestrian lighting	200	200
N057	Light Square/Wauw i -Roadw ay and pedestrian Lighting	Renew al of road and pedestrian lighting	100	100
N058	Pultney St Lighting - from Rundle Mall to North Tce	Renew al of road and pedestrian lighting	110	110
N059	Lighting Improvements (Under-veranda) O'Connell St, East Tce, Melbourne St and other priority locations	Improve pedestrian lighting by installing under-veranda lighting (as per previous lighting audit).	100	100
Total - Lighting & Electrical Program			1,160	1,160

Capital Works Program – Asset Maintenance (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
Drainage and Waterways Program				
M002	Torrens Management	Gross Pollutant Trap	90	90
N003	Creek Rehabilitation	Ongoing program to undertake rehabilitation works to all creeks and watercourses within the City of Adelaide. 2013/14 Design (Tuthangga (Park 17))	30	30
N005	Torrens Management - Torrens Lake Initiatives	Program of initiatives to improve water quality and biodiversity in Torrens Lake through establishment of Curly Pond Weed, reduction of carp, monitoring of nutrient loads, Biological Filtration and Environmental Flow .	50	50
N006	Underground Drainage Replacement	Ongoing renewal of stormwater drainage network timed to coincide with road resurfacing projects to minimise future damage to newly surfaced roads. 2013/14 First Creek Culvert Replacement	1,030	1,030
Total - Drainage and Waterways Program			1,200	1,200
Park Lands and Squares Program				
M207	Park Land Tree Management Program	Park Land Tree Management Program	25	25
M208	Street Tree Replacement Program	Street Tree Replacement Program	25	25
N207	Tree Management Program	Undertake Park Lands tree succession planting, veteran tree management and pest and disease management	420	420
N209	Streetscape Landscape Program	Ongoing program to upgrade plantings and irrigation systems in streetscapes.	430	430
N212	Nature Strips and Verges Redevelopment Program	Redevelop nature strips across the city	50	50
N213	Park Lands Irrigation Management Program	Renewal of irrigation systems and components to ensure operational efficiencies	100	100
N227	Park Land Landscape Program	Renewal of Park Lands and Squares landscapes	340	340
Total - Park Lands and Squares Program			1,390	1,390
Urban Elements				
N202	Park Lands Recreational Program	Repairs and improvements to recreational elements within the Park Lands.	40	40
N216	Retaining Wall Renewal / Maintenance Program	Undertake repairs to retaining walls to ensure structural integrity and aesthetic appearance.	50	50
N251	Bins Program	Ongoing renewal of bins and butt out bins	30	30

Capital Works Program – Asset Maintenance (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
N252	Furniture Program - (Urban)	Ongoing renewal program of furniture including seats, bike racks, bollards, bins and butt out bins	60	60
N253	Furniture Program - (Park Lands)	Ongoing renewal program for Park Lands furniture including benches, tables, BBQ's, bollards, fences, bins and butt out bins and drinking fountains.	110	110
N254	Streetscape Rejuvenation	Rejuvenating streetscapes, miscellaneous street furniture, painting light poles, traffic signal poles, traffic sign poles, traffic signal boxes, bin surrounds, flag poles, street name plates and planter box program in Hutt St, Gouger St, O'Connell St, Melbourne St and other locations.	20	20
N255	Planter Box Program	Support planter box program in Hutt St, Gouger St, O'Connell St, Melbourne St and other locations	10	10
N257	Playspace & Playground Equipment Renewal Program	Existing equipment requires replacement due to age, condition or vandalism. Based on recommendations from 2008/2009 playground audit. Replacement of - Warnpangga (Park 10) - Lower North Adelaide Playground	130	130
N258	Signage Program (Park Lands)	Maintenance of existing signs, updates to signage details and installation of minor signs.	20	20
N259	Refurbishment of Rotunda - Elder Park	Refurbish, repaint and rebuild structures as required.	190	190
N260	Princess Elizabeth Playspace	Refurbish and upgrade the existing Princess Elizabeth Playspace and environs in accordance with the Princess Elizabeth Activity & Playspace Masterplan	500	500
N261	Cultural Signage	Ongoing program for the installation of Cultural Signs and changing sign slats directing city users to sites of interest.	20	20
N262	Refurbishment and upgrade of Christmas Tree lights	Renewal and replacement of the existing lighting to a system that is more energy efficient	300	300
Total - Urban Elements			1,480	1,480
Properties				
G350	Upark Technology Upgrade	Continuation Program	27	27
K312	Park Lands Buildings	Renewals and minor works	120	120
K314	Park Lands Buildings	Victoria Park Heritage Grandstand	60	60
K329	UPark Gawler Place Facility Renewals	Facility renewals for Gawler Place UPark	190	190
M329	UPark Gawler Place Facility Renewals	Facility renewals for Gawler Place UPark	110	110
M332	Bus Station	Upgrade of Bus Station	50	50

Capital Works Program – Asset Maintenance (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
M340	Colonel Light Centre	Ground Floor Refurbishment	200	200
M341	Central Market Arcade Fire Services	Upgrade of fire safety equipment in Central Market Arcade	1,800	1,800
M343	Hazardous Waste	Hazardous Waste	150	150
M344	Compliance Audit of Council Properties	Compliance Audit of Council Properties	150	150
N302	Town Hall Works	Funding required to undertake renewal works in Town Hall as part of the foundation investigation works.	200	200
N303	Golf Links - Building and service renewals	Works to replace sections of the clubhouse roof.	20	20
N304	Grote St and North Tce Library	Libraries transition plan	50	50
N305	Park Land Buildings - Renewals and Minor Works	Renewals and minor works to Park Land buildings as identified in Property Condition Audits. Includes rectification of legislative compliance issues and plant and equipment replacements.	100	100
N306	Park Lands Buildings - Victoria Park Heritage Grandstand	Ongoing refurbishment of the Victoria Park Heritage Grandstand.	850	850
N307	Park Land Buildings - Horticultural Veale Gardens - Walyu Yarta (Park 21)	Improvement to the Horticulture Staff facilities in Veale Gardens and Conservatory building	100	100
N308	Public Conveniences - Ongoing Replacement Program	Ongoing renewal and replacement of Council's Public Conveniences	200	200
N309	Town Hall - Renewal Works prioritised based on compliance	Works identified as per risk and condition audit requirements	750	750
N311	UPark - Topham Mall Facility renewals	Asset renewals as identified in RLB Property Condition Audit	230	230
N312	UPark - Wyatt St Facility renewals	Asset renewals as identified in RLB Property Condition Audit	110	110
N313	UPark - Rundle St	Asset renewals as identified in RLB Property Condition Audit	117	117
N314	Adelaide Golf Links	Asset renewals as identified in RLB Property Condition Audit	55	55
N315	North Adelaide Post Office	Asset renewals as identified in RLB Property Condition Audit	13	13
N316	North Adelaide Community Centre	Asset renewals as identified in RLB Property Condition Audit	14	14
N317	Bus Station	Asset renewals as identified in RLB Property Condition Audit	51	51
N318	London Rd Depot	Asset renewals as identified in RLB Property Condition Audit	383	383
N319	Lounders Boat Shed	Lounders Boat Shed	200	200
N320	Palais Carpark	Replacement of electrical and lighting	150	150

Capital Works Program – Asset Maintenance (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
N321	Investigation of roof restoration	Conduct roof condition audits for the restaurants (Jolleys Boat House, Pavilion & Riverfront) along river Torrens and also estimate the costings for its replacement and new Aircon	30	30
N322	North Adelaide Railway Station	Pending on information from EOI	30	30
N323	Condition Audit for Pumphouses	Condition Audit for Pumphouses	25	25
N324	Colonel Light Centre	Maintenance and renewal of CLC meeting rooms	150	150
N325	Colonel Light Centre	Maintenance and renewal of Level 3 & Level 9	350	350
N326	Colonel Light Centre	Upgrade of fire safety equipment	600	600
N328	Compliance Audit	Compliance Audit to be undertaken for all Council Buildings	250	250
N329	Compliance Audit Action Plan	Action Plan to be formulated as part of the Compliance Audit	100	100
N330	Asbestos Register for Buildings	Create and maintain Asbestos register for all Council Buildings	200	200
N331	Karrawirra (Park 12)	Horticultural Hub Karrawirra (Park 12)	15	15
Total - Properties			8,200	8,200
Plant and Equipment				
K/M/N400	Plant & Equipment	Plant & Equipment	1,926	1,679
N401	Library Stock Purchases	Ensure collection is responsive and relevant to the information needs of the customers.	340	
Total - Plant and Equipment			2,266	1,679
IT Corporate System				
M423	Adelaide Wireless Network	Adelaide Wireless Network	500	500
N411	Server Replacement	Ongoing program to replace obsolete and out of warranty servers and other data centre equipment (storage, power supply, backup devices) in line with replacement cycle.	311	311
M412	Network Connectivity & Security	Network Connectivity & Security	270	270

Capital Works Program – Asset Maintenance (including carry forwards)

Project ID	Project Name	Project Description	2013-14 Gross Cost \$'000	2013-14 Net Cost \$'000
N412	Network Connectivity and Security	Ongoing program to replace obsolete network connections and equipment (switches) and upgrade network security protection systems.	349	349
N413	Telecommunications System Upgrade	Ongoing program to upgrade corporate landline telephone systems, including handsets.	90	90
N414	Corporate PC and Desktop Replacement	Ongoing program to replace PC, laptop and desktop equipment (monitors, peripherals) in line with 4-year replacement cycle.	463	463
N415	Printer and Photocopier Replacement	Ongoing program to replace printers and photocopiers in line with replacement cycle.	75	75
N416	Desktop Software Licence Upgrade	Ongoing program to upgrade Microsoft and other desktop software licence.	320	320
N417	Corporate Applications Upgrade	Ongoing program to upgrade corporate applications.	167	167
N418	Business Systems Upgrade	Ongoing program to upgrade OSCAR and related Intranet business systems.	260	260
N419	Mobile Computing	Deploy mobile computing solutions to support mobile workforce.	70	70
M/N421	Corporate Asset Management System Upgrade	Major upgrade of the corporate Asset Management System. Accompanied with improved business processes (in scope) will provide an effective end to end (life cycle) management system with links to key corporate applications (GIS, Finance), as well as deployment of the Maintenance Management function, including the use of mobile device to capture asset maintenance information.	483	483
N422	Customer Relationship Management System Implementation	The Customer Relationship Management System (CRM) will provide enhanced customer service and stakeholder relations by providing an integrated view of the customer/stakeholder and their interaction with Council. The CRM will support local processes based on customer as well as end to end corporate processes including integration with major corporate applications (eg Pathway).	360	360
N428	Hansen Facilities Management Module	Procure a facilities management system that is integrated with the Asset Management System to support the management of Council's properties.	132	132
N429	Corporate Asset Management System	Asset Management Business Improvement Program (which includes reconfiguration of asset register for different asset classes, Asset Management & Business Systems integration works)	200	200
Total - IT Corporate System			4,050	4,050
Total Asset Maintenance Programs			27,291	26,504

Significant Influences

A number of significant factors have influenced the preparation of the Council's 2013-14 Business Plan and Budget. These include:

- Commitments to major projects and partnership initiatives over more than one year, including Victoria Square/Tarntanyangga and Rundle Mall, and partnerships such as the Capital City Committee arrangements and Education Adelaide
- Requirements to maintain and improve infrastructure assets to acceptable standards including the Park Lands, city roads, footpaths, lighting, and the Council's property holdings
- Expected increases in waste management levies, water charges and electricity charges for the 2013-14 financial year
- Service and infrastructure needs for a growing population in the city (residents, businesses, visitors, workers and students)
- The provision of a wider choice of transit options and supporting infrastructure

External Influences

In addition, external influences are also expected to impact the local government sector and the city over next year, including the following:

- State Government 30 Year Plan for Greater Adelaide
- State Government initiated major projects such as the City Riverbank/Adelaide Oval precinct and transit initiatives requiring new public realm works and ongoing maintenance
- Global and domestic economic conditions, including credit constraints and Federal and State Government budgetary pressures
- Changing demographics, including an aging population
- Adapting to climate change and community expectations and values regarding sustainability

Council's Proposed Response

In response to the cost pressures on Council and to minimise the burden on ratepayers, the Business Plan and Budget has been prepared within the following context:

- A renewed strategic approach to the management of purchasing, contracts, projects, and assets
- A more strategic and commercial approach to Council's businesses and assets, fees and charges and sponsorship coverage
- A new approach to leverage grant funding opportunities
- Major strategic projects of metropolitan/State benefit to be partnership funded with the State and Federal governments wherever possible
- Developing new strategies for revenue enhancement and targeting of further efficiencies

Strategic Financial Parameters

Council's Strategic Financial Parameters are an important part of its medium term financial framework which operates in conjunction with the Long Term Financial Plan to promote financial sustainability. To ensure consistency with the Local Government sector, Council's strategic financial parameter targets include both sector wide financial sustainability indicators as adopted by the Local Government Association and parameters that deal more specifically with Council's fee based facilities and Property Portfolio.

It is noted that due to the unique nature of the Adelaide City Council as a capital city council, not all the sector wide indicators have the same relevance to the Adelaide City Council.

In summary, Council's Strategic Financial Parameters address the following:

- **Financial Sustainability** - Can we afford it in the long term?
- **Council Role** - Should we be involved? To what extent?
- **Program Alignment** – Are Council's Programs appropriately aligned to Council's Strategic and Corporation Plans?
- **Core Services Operating Excellence** – Have we maintained efficient and effective Council Programs and services?
- **Infrastructure Management** - Are we spending enough on existing assets?
- **Rating Stability** – Has Council appropriately considered the impact on our ratepayers?
- **Funding** - Who benefits and therefore who should pay?
- **Property Portfolio** – Is Council maintaining and enhancing revenue generating assets?
- **Business Operations Contribution** – Is Council maintaining its Business Operations contribution?
- **Borrowings and Financial Position** – When should we borrow? How much can we borrow?
- **Intergenerational Equity** - Is there fairness between generations of ratepayers?

Business Plan & Budget Framework

Council's Business Plan and Budget framework formalises the processes and authority for changes to the approved Business Plan and Budget outcomes, objectives and budgets and allows for the timely response to new opportunities, emergencies or other unforeseen events.

Outcomes and Objectives

Where structural changes across Programs are required but no change to outcomes, objectives or Council's total expenditure budget or total revenue budget, the CEO is authorised to move the outcomes and budgets between Programs. Council is required to be notified of any such changes at the next budget reconsideration.

Council approval is required for changes where outcomes or objectives are varied.

General Operations

The CEO is authorised to make budget changes that do not alter Council's total general operating services expenditure or revenue budgets and must notify Council at the next Budget reconsideration. Within these parameters, the CEO is authorised to make changes to individual Programs total expenditure and revenue budgets and must notify Council at the next budget reconsideration.

Council approval is required for changes to total general operating services expenditure or revenue budgets.

Business Operations

For Council's Business Operations, the budget has been determined by ensuring a net contribution for the relevant business. The CEO is authorised to make budget changes that do not alter the net contribution of a business and must notify Council at the next budget reconsideration.

Council approval is required for changes to the net contribution of a business.

Projects

The CEO is authorised to move expenditure budgets between projects within the same Program and must notify Council at the next budget reconsideration.

Council approval is required for changes to the overall operating projects expenditure budget for an individual Program. Council approval is also required for new projects or the deferral or cancellation of existing projects.

Capital Works Program

The CEO is authorised to make budget changes where individual capital project expenditure will vary from its approved budget by less than \$100k for the financial year, and where the total net capital budget remains unchanged.

Council approval is required for changes where individual capital project expenditure will vary from its approved budget by more than \$100k for the year, or where the total net capital budget changes.

Council approval is required for addition of new projects or the deferral or cancellation of existing projects.

Where a budget requires reclassification between Operating and Capital Budget to better reflect requirements in relation to accounting principles, the reclassification will occur when reasonably practical and Council notified at the next budget reconsideration.

Carry Forwards

Funding approval for budgeted projects not completed at the end of any budget year is forfeited unless approval to carry forward the project and associated budget allocation is granted by Council.

While there may be one-off exceptions based upon their relative merits, operating activity budgeted for but not expended in a year should not be carried forward to the following year. Similarly, unless a contractual obligation exists, individual carry forwards should not be for less than \$10k each.

Identifiable projects that will not commence in the year that they have been budgeted for should be re-evaluated and, where warranted, included in the budget for the following year at the time of its adoption.

The scope and funding requirements of New Assets, Asset Maintenance and Projects that are contractually committed or underway but not completed at the end of a financial year, need to be reviewed and the projects considered for carrying forward. Any request for carrying forward needs to clearly articulate any potential change of scope as varied from original approval. Any impact on the achievement of the outcomes or objectives established in Council's original Business Plan and Budget should also be identified.

Infrastructure & Asset Management Practices

Adelaide City Council owns and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for city users. Infrastructure and Asset Management Plans have been developed for all infrastructure assets to ensure Council continues to provide effective and comprehensive management of its asset portfolios. To manage this process, Council assets have been grouped into categories and Infrastructure and Asset Management Plans developed for each category. The categories completed and a brief summary of the assets are provided below:

- Transportation Assets (Roads, footpaths, traffic infrastructure, bridges, parking machines)
- Torrens and Stormwater Drainage Assets (Torrens Lake, underground drainage network, creeks)
- Lighting, Electrical and CCTV Assets (includes underground duct work and cabling)
- Urban Elements (Street and Park furniture, Public Artwork)
- Buildings (Operational and Civic/Community buildings)

The development of these Infrastructure and Asset Management Plans indicate Council's ongoing commitment to operate and maintain its asset portfolio efficiently to both meet strategic and legislative requirements. The plans make assumptions on the continued utilisation of the assets and specify rolling condition audits required to provide up to date information for the ongoing improvement and review of the plans.

Asset Maintenance

The Infrastructure and Asset Management Plans provide the basis for the capital asset management renewal program developed as part of the Annual Business Plan and Budget process. This program details those individual asset renewal projects flowing out of the Infrastructure and Asset Management Plans which require completion to ensure the assets meet the required levels of service. In 2013-14, the Asset Maintenance Program has a projected net expenditure of \$26.504m.

New Assets

The delivery of Council's New Assets program provides new and enhanced facilities in accordance with the Strategic Plan objectives and Capital City responsibilities.

Council's generated operating surplus is applied to meet capital expenditure requirements in relation to the New Assets program in accordance with Strategic Plan objectives and Capital City responsibilities and thus reduces the amount of borrowings otherwise needed for that purpose. In addition, part of Council's operating surplus may be held for capital expenditure needs in future years by either increasing financial assets or, where possible, reducing outstanding debt in the short term.

In 2013-14, the New Assets program has a projected gross expenditure of \$59.701m.

Property Investments

Council's Property Investments play an important part in meeting Council's strategic objectives for growth in the city and also to provide additional net revenue to Council. This assists with the funding of current expenditure programs and relieves part of the funding requirement on existing rate payers. Consequently, it is important that both the value of the investments and the returns (both net of borrowings) are protected to avoid adverse impacts with regard to intergenerational equity, rates and expenditure programs in the future. This means that proceeds from asset sales need to be reinvested to ensure that the total Property Investments net asset value is maintained. In addition, new assets need to generate an adequate net return to maintain total net returns the investments.

The 2013-14 Property Investments Program reflects budgeted gross expenditure of \$13.242m and net proceeds of \$6.268 million.

Analysis of Capital Expenditure

Net Outlays on Existing Assets

The following table summarises capital outlays on existing assets in accordance with local government sector guidelines:

Net Outlay on Existing Assets	2013-14 Budget \$'000	2012-13 Budget \$'000
Gross Expenditure on Renewal / Replacement of Assets	27,291	26,060
Depreciation	(24,511)	(23,732)
Sub-total	2,780	2,328
Proceeds from Sale of Replaced Assets	-	-
EQUALS: Net Outlays on Existing Assets	2,780	2,328

Asset sustainability is best measured by comparing renewal and replacement capital expenditure with the optimal level identified in a soundly based Infrastructure and Asset Management Plan (IAMP). This approach should be used where a council is satisfied with the rigor of its IAMP.

Council's IAMP predicts infrastructure consumption and renewal needs and considers new infrastructure needs to meet future community service expectations. The Plan is subject to a rigorous process of consultation and evaluation. Key elements of the process are as follows:

- Long term capital planning which integrates with the Council's Strategic Management Plans;
- Listing of all known capital projects, prioritised within classes of assets on the basis of evaluation criteria;
- Transparent process for evaluating and prioritising capital projects.

Net Outlays on New and Upgraded Assets

The following table summarises capital outlays new and upgraded assets in accordance with local government sector guidelines:

Net Outlay on New and Upgraded Assets	2013-14 Budget \$'000	2012-13 Budget \$'000
Gross Expenditure on New / Upgraded Assets	82,943	87,381
Proceeds from Sale of Surplus Assets	(19,510)	(21,975)
Amounts received specifically for New / Upgraded Assets	(25)	(1,883)
EQUALS: Net Outlays on New and Upgraded Assets	63,408	63,523

Ongoing maintenance and depreciation expenses associated with capital expenditure for new and upgraded assets are factored into Council's Long Term Financial Plan.

Fees & Charges Framework

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 of 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

Council previously resolved the Corporation's fees and charges must be reviewed each year, in conjunction with the development of the Business Plan and Budget. A comprehensive strategic review has been undertaken to ensure that the fees:

- Reflect (or move progressively toward) the cost of the services given.
- Are comparable with market rates, where appropriate.
- Take into account benefit derived by users of community facilities.
- Are consistent with Council directions articulated through existing policy or plans.
- Are consistent with Council's Strategic Financial Parameters.

Fees and Charges are consistently and fairly determined, in recognition of Council policy direction, ratepayer's expectations and relevant legislation.

Fees increases are generally in line with inflation, or market levels when relevant. Fees for specific community purposes have been maintained and some have risen in accordance with Council direction.

Fees and Charges for 2013-14 are scheduled to be reviewed and adopted by Council in June 2013. Once gazetted, statutory fees will be updated and included in the Fees and Charges Schedule available for public inspection from July 2013.

Analysis

There are approximately 700 fees and charges set by Council for 2013-14 and approximately 220 fees determined by Statute, as prescribed under various Acts. Over 400 Fees and Charges set by Council, relate to General Operating Services, with nearly 300 fees relating to Business Operations.

There are 44 new or replacement fee types. The majority of these fees are in the following areas:

- Adelaide Aquatic Centre: gym membership & functions (6)
- Golf Links: Supa golf (7)
- North Adelaide Community Centre: meeting room hire (4)
- Sports Field Licenses (17)
- U-Park: administration fee, and new half hour pricing bracket (5)

Fees and Charges relating to Council's core programs include:

- Customer charges including flags and banners, license and permit fees, Park Lands recreation, road closure fees, street usage, temporary parking controls and Park Lands events
- Archive materials for commercial use
- Public Realm fees including the dumping and the sale of compost material
- Library and community center usage charges

Those fees and charges set by Council for General Operating Services are proposed to rise in the order of 4% to 5%, with increases above 5% largely resulting from rounding to the nearest dollar or an appropriate unit of currency.

Fees & Charges Framework – Business Operations

Adelaide Town Hall

Fees and charges have been revised to ensure the Adelaide Town Hall is recognised as a premium venue and remains competitive in the market place without losing sight of civic responsibilities.

The fees distinguish between catered and non-catered events and corporate and community events.

Adelaide Town Hall wish to expand the product offering, potential customers are encouraged to contact Town Hall with a competitive quote to discuss bundling opportunities, to tailor packages to suit all stakeholders in order to maximize venue utilisation.

The fees have been reviewed in line with the Adelaide Town Hall Strategic Plan.

Adelaide Aquatic Centre

The Centre has proposed not to increase the casual admittance fees and the associated multi visit passes for 2013-14.

The overall increase for Adelaide Aquatic Centre fees and charges averages 3.2%.

Six new fees have been added which include health club passes and new membership types.

North Adelaide Golf Course

The North Adelaide Golf Course has proposed not to increase their fees for the 2013-14 year. Golf patronage has declined year to date 2012-13 by 11%.

The Course introduced a lower fee to hire a full set of golf clubs at the Pro Shop with the intention of enticing the casual golfer along with a new packaged hire fee introduced at the Par 3. Associated half set club hire fees and single club hire fees were removed in line with the introduction of these two new fees.

Six new fees were introduced to allow the trial of Supa Golf at the Par 3 Course.

UPark

47% of the UPark fees will not increase at all and 4% will be reduced, while 23% will increase by between \$0 and \$1 with the remaining 26% increasing by more than \$1. These fees have been set at a commercial yet competitive market rate to facilitate an appropriate mix of short term and long term parkers.

Long Term Financial Plan

A high level 10 year Long Term Financial Plan has been developed as part of Council's ongoing financial planning to assist Council to plan within a longer term strategic framework.

Key inputs and influences on the long term financial plan include:

- An assessment of Council's current financial position and achieving longer term financial sustainability
- Alignment with the Strategic Plan
- Meeting Strategic Financial Parameters in the medium term
- Council's Governance Principles
- Consideration of Council's appropriate role and responsibilities
- Alignment with Council Programs
- Alignment with Corporate Programs and internal support strategies
- Alignment with agreed service provision and delivery standards
- Alignment with Revenue and Financing guidelines, including the Rating Policy and Treasury Policy
- Alignment with Infrastructure and Asset Management Plans
- Costing of proposed strategies before they are agreed

The specific assumptions and outcomes underpinning the Long Term Financial Plan are:

- Strategic Financial Parameters are assumed to operate throughout the forecast period
- Rates growth, on average, is assumed in line with forecast inflation, excluding new development
- Statutory charges reflect dollar increments or percentage increases as specified by statute.
- Parking increases correspond with recommended discrete dollar increments
- Property Portfolio income and expenditure is based on estimated projections
- Strategic Projects are based on an extrapolation of ongoing and non-ongoing programs, subject to inflation and known changes
- Capital expenditure is in line with Council targets, with Asset Management expenditure based on renewal commitments and Councils adopted 10 Year Infrastructure and Asset Management Plans
- With the exception of borrowings relating to the Victoria Square/Tarntanyangga redevelopment and Rundle Mall Master Plan, borrowings are assumed to be used for the Property Portfolio and other income-earning assets in line with the Strategic Financial Parameters.

The following page contains Council's Long Term Financial Plan.

Long Term Financial Plan

	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Plan \$'000	2015/16 Plan \$'000	2016/17 Plan \$'000	2017/18 Plan \$'000	2018/19 Plan \$'000	2019/20 Plan \$'000	2020/21 Plan \$'000	2021/22 Plan \$'000	2022/23 Plan \$'000
BUSINESS OPERATIONS											
Revenue	65,606	64,436	64,571	67,282	69,694	72,195	74,789	78,131	80,919	83,809	86,807
Expenditure	(49,207)	(44,713)	(45,433)	(46,810)	(48,300)	(49,838)	(51,086)	(52,711)	(54,341)	(56,021)	(57,753)
Total Business Operations	16,399	19,723	19,138	20,472	21,394	22,358	23,703	25,420	26,578	27,788	29,053
GENERAL OPERATIONS (including Public Realm Maintenance)											
General Rates	82,933	85,348	88,335	91,427	94,627	97,939	101,367	104,915	108,587	112,387	116,321
Revenue	40,997	43,219	45,059	46,465	47,918	49,421	50,974	52,580	54,241	55,958	57,733
Expenditure	(84,150)	(92,380)	(96,606)	(102,055)	(107,346)	(111,761)	(116,351)	(121,153)	(125,754)	(130,525)	(135,472)
Finance Charges	(848)	(2,274)	(2,712)	(3,047)	(1,977)	(1,754)	(1,536)	(2,025)	(1,826)	(1,699)	(1,569)
Total General Operations (Incl. Public Realm Maintenance) & Finance Charges	38,932	33,913	34,077	32,790	33,222	33,844	34,454	34,317	35,248	36,122	37,013
AMOUNT AVAILABLE FOR PROJECTS	55,331	53,636	53,215	53,262	54,617	56,202	58,156	59,737	61,826	63,910	66,066
Net Projects (Incl. Carry Forwards)	(16,305)	(15,007)	(9,449)	(12,963)	(13,352)	(13,753)	(14,166)	(14,591)	(15,028)	(15,479)	(15,943)
Net New Assets (Incl. Carry Forwards)	(15,376)	(59,676)	(12,969)	(7,325)	(6,630)	(6,602)	(8,409)	(9,096)	(11,007)	(11,746)	(12,683)
Net Asset Maintenance Program Management	(5,256)	(5,518)	(5,794)	(6,084)	(6,388)	(6,580)	(6,777)	(6,981)	(7,190)	(7,406)	(7,628)
Net Asset Maintenance (Incl. Carry Forwards)	(23,315)	(26,504)	(21,811)	(23,475)	(23,927)	(24,877)	(24,983)	(25,205)	(26,177)	(26,804)	(27,284)
Net Property Investments (Incl. Carry Forwards)	(9,075)	6,268	(10,000)	17,833	-	-	(13,702)	-	-	-	-
Net Lending / (Borrowing) Requirement	(13,997)	(46,800)	(6,808)	21,248	4,319	4,389	(9,881)	3,865	2,424	2,475	2,528
FUNDING											
Working Capital and Provision Movements	660	(660)	-	-	-	-	-	-	-	-	-
Borrowings (Including Roll Overs)	17,030	29,843	10,803	10,000	-	-	13,702	-	-	-	-
Funding of Carry Forwards	-	29,857	-	-	-	-	-	-	-	-	-
Redraw of Prior Year Repayments	-	-	-	-	-	-	-	-	-	-	-
Repayments	(3,693)	(12,239)	(3,995)	(31,248)	(4,319)	(4,389)	(3,821)	(3,865)	(2,424)	(2,474)	(2,528)
Total Funding	13,997	46,800	6,808	(21,248)	(4,319)	(4,389)	9,881	(3,865)	(2,424)	(2,475)	(2,528)
Net Funding	-	-	-	-	-	-	-	-	-	-	-
Total Borrowings	7,717	55,178	61,986	40,738	36,419	32,030	41,911	38,046	35,622	33,147	30,620
Total Borrowing as % of Prudential Target	6%	43%	48%	30%	26%	22%	28%	24%	22%	20%	18%
Net Financial Liabilities	25,750	72,550	79,359	58,111	53,791	49,402	59,283	55,418	52,994	50,519	47,992

Long Term Financial Plan

INCOME STATEMENT	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
INCOME											
Rates	87,237	89,801	92,922	96,151	99,493	102,951	106,529	110,232	114,064	118,028	122,131
Statutory charges	17,042	17,610	18,139	18,683	19,243	19,821	20,415	21,028	21,658	22,308	22,977
User charges	53,527	52,618	53,011	55,507	57,704	59,988	62,364	65,489	68,058	70,730	73,509
Grants, subsidies and contributions	3,219	3,683	2,945	2,951	2,957	2,964	2,970	2,977	2,984	2,991	2,998
Investment Income	264	275	286	297	309	321	334	347	361	376	391
Reimbursements	400	439	457	475	494	514	534	556	578	601	625
Other Income	646	(65)	(67)	(70)	(73)	(76)	(79)	(82)	(85)	(88)	(92)
Total Income	162,335	164,362	167,692	173,995	180,128	186,483	193,068	200,546	207,618	214,946	222,540
EXPENSES											
Employee costs	59,546	64,194	66,762	69,432	72,209	75,098	78,102	81,226	84,069	87,011	90,056
Materials, contracts & other expenses	65,966	61,526	54,406	61,166	64,621	67,122	69,375	72,079	74,849	77,723	80,703
Depreciation, amortisation & impairment	23,732	24,511	25,089	25,880	26,475	27,240	28,021	28,845	29,714	30,617	31,542
Finance costs	887	2,317	2,759	3,098	2,033	1,815	1,602	2,096	1,902	1,781	1,657
Net loss - joint ventures & associates	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	150,131	152,548	149,016	159,576	165,338	171,274	177,098	184,245	190,535	197,131	203,958
OPERATING SURPLUS/(DEFICIT)	12,205	11,814	18,676	14,418	14,790	15,209	15,970	16,302	17,083	17,815	18,581
Asset disposal & fair value adjustments	(1,913)	19,510	0	0	0	0	0	0	0	0	0
Amounts received specifically for renewal or replacement assets	0	0	0	0	0	0	0	0	0	0	0
Physical resources received free of charge	0	0	0	0	0	0	0	0	0	0	0
Amounts received specifically for new or upgraded assets	0	25	0	0	0	0	0	0	0	0	0
NET SURPLUS (DEFICIT)	10,292	31,349	18,676	14,418	14,790	15,209	15,970	16,302	17,083	17,815	18,581

Long Term Financial Plan

CASHFLOW STATEMENT	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts											
Operating receipts	162,071	164,088	167,407	173,698	179,819	186,162	192,734	200,199	207,257	214,570	222,149
Investment receipts	264	275	286	297	309	321	334	347	361	376	391
Payments											
Operating payments to suppliers & employees	(123,853)	(125,380)	(121,405)	(129,888)	(136,443)	(141,821)	(147,085)	(152,824)	(158,495)	(164,291)	(170,300)
Finance payments	(887)	(2,317)	(2,759)	(3,098)	(2,033)	(1,815)	(1,602)	(2,096)	(1,902)	(1,781)	(1,657)
Net Cash provided by (or used in) Operating Activities	37,596	36,665	43,528	41,009	41,652	42,847	44,382	45,626	47,221	48,874	50,582
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Amounts specifically for new or upgraded assets	0	25	0	0	0	0	0	0	0	0	0
Sale of replaced assets	270	0	0	0	0	0	0	0	0	0	0
Sale of Surplus Assets	5,689	19,510	0	0	0	0	0	0	0	0	0
Payments											
Expenditure on renewal / replacement of assets	(28,053)	(30,718)	(27,605)	(29,559)	(30,315)	(31,457)	(31,761)	(32,185)	(33,367)	(34,210)	(34,912)
Expenditure on new / upgraded assets	(28,838)	(72,943)	(22,968)	10,508	(6,630)	(6,602)	(22,111)	(9,096)	(11,007)	(11,746)	(12,683)
Net Cash provided by (or used in) Investing Activities	(50,932)	(84,126)	(50,573)	(19,051)	(36,945)	(38,060)	(53,872)	(41,281)	(44,374)	(45,956)	(47,595)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Proceeds from Borrowings	17,030	29,843	10,803	10,000	0	0	13,702	0	0	0	0
Proceeds from Borrowings - Funding of Carry Forwards	0	29,857	0	0	0	0	0	0	0	0	0
Payments											
Repayments of Borrowings	(3,693)	(12,239)	(3,995)	(31,248)	(4,319)	(4,389)	(3,821)	(3,865)	(2,424)	(2,474)	(2,528)
Net Cash provided by (or used in) Financing Activities	13,337	47,461	6,808	(21,248)	(4,319)	(4,389)	9,881	(3,865)	(2,424)	(2,474)	(2,528)
Net Increase/Decrease in Cash Held	1	0	(237)	710	387	399	391	480	423	444	459
Cash and cash equivalents at the beginning of the period	4,682	4,683	4,683	4,446	5,155	5,543	5,941	6,333	6,813	7,235	7,679
Cash and cash equivalents at the end of the period	4,683	4,683	4,446	5,155	5,543	5,941	6,333	6,813	7,235	7,679	8,138

Long Term Financial Plan

STATEMENT OF CHANGES IN EQUITY	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
ACCUMULATED SURPLUS											
Balance at end of previous reporting period	824,132	834,424	865,773	884,449	898,867	913,657	928,866	944,836	961,137	978,221	996,035
Net Surplus/(Deficit) for the year	10,292	31,349	18,676	14,418	14,790	15,209	15,970	16,302	17,083	17,815	18,581
Transfer from Asset Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	834,424	865,773	884,449	898,867	913,657	928,866	944,836	961,137	978,221	996,035	1,014,617
ASSET REVALUATION RESERVE											
Balance at end of previous reporting period	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592
Transfer to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592
TOTAL EQUITY AT END OF REPORTING PERIOD	1,274,016	1,305,367	1,324,043	1,338,461	1,353,251	1,368,460	1,384,430	1,400,731	1,417,815	1,435,629	1,454,211

Long Term Financial Plan

BALANCE SHEET	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
ASSETS											
Current Assets											
Cash and cash equivalents	5,217	5,219	4,981	5,691	6,078	6,477	6,868	7,348	7,771	8,215	8,674
Trade and other receivables	7,378	7,378	7,378	7,378	7,378	7,378	7,378	7,378	7,378	7,378	7,378
Inventory	370	370	370	370	370	370	370	370	370	370	370
	12,966	12,967	12,730	13,440	13,827	14,226	14,617	15,097	15,520	15,963	16,422
Assets held for Sale	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	12,966	12,967	12,730	13,440	13,827	14,226	14,617	15,097	15,520	15,963	16,422
Non Current Assets											
Assets held for Sale	16,040	16,040	16,040	16,040	16,040	16,040	16,040	16,040	16,040	16,040	16,040
Equity accounted investments in Council businesses	109	109	109	109	109	109	109	109	109	109	109
Investment Property	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159
Infrastructure, Property Plant & Equipment	1,280,088	1,358,238	1,383,722	1,376,893	1,387,363	1,398,183	1,424,034	1,436,471	1,451,130	1,466,470	1,482,523
Total Non-current Assets	1,299,396	1,377,548	1,403,031	1,396,202	1,406,672	1,417,492	1,443,343	1,455,780	1,470,439	1,485,778	1,501,832
Total Assets	1,312,362	1,390,515	1,415,761	1,409,642	1,420,499	1,431,718	1,457,960	1,470,877	1,485,959	1,501,742	1,518,254
LIABILITIES											
Current Liabilities											
Trade & Other Payables	18,301	17,641	17,641	17,641	17,641	17,641	17,641	17,641	17,641	17,641	17,641
Borrowings	4,228	4,228	4,228	4,228	4,228	4,228	4,228	4,228	4,228	4,228	4,228
Provisions	10,253	10,253	10,016	10,726	11,113	11,512	11,903	12,383	12,806	13,249	13,708
Total Current Liabilities	32,782	32,122	31,885	32,595	32,982	33,381	33,772	34,252	34,675	35,118	35,577
Non Current Liabilities											
Borrowings	3,487	50,949	57,756	36,508	32,189	27,800	37,681	33,816	31,392	28,918	26,390
Provisions	2,077	2,077	2,077	2,077	2,077	2,077	2,077	2,077	2,077	2,077	2,077
Total Non-current Liabilities	5,564	53,026	59,833	38,585	34,266	29,877	39,758	35,893	33,469	30,995	28,467
Total Liabilities	38,346	85,148	91,718	71,180	67,248	63,258	73,530	70,145	68,144	66,113	64,044
NET ASSETS	1,274,016	1,305,367	1,324,043	1,338,461	1,353,251	1,368,460	1,384,430	1,400,731	1,417,815	1,435,629	1,454,211
EQUITY											
Accumulated Surplus	834,424	865,773	884,449	898,867	913,657	928,866	944,836	961,137	978,221	996,035	1,014,617
Asset Revaluation Reserve	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592	439,592
TOTAL EQUITY	1,274,016	1,305,367	1,324,043	1,338,461	1,353,251	1,368,460	1,384,430	1,400,731	1,417,815	1,435,629	1,454,211

Long Term Financial Plan

UNIFORM PRESENTATION OF FINANCES	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income	162,335	164,362	167,692	173,995	180,128	186,483	193,068	200,546	207,618	214,946	222,540
less Expenses	(150,130)	(152,548)	(149,016)	(159,576)	(165,338)	(171,274)	(177,098)	(184,245)	(190,535)	(197,131)	(203,958)
Operating Surplus / (Deficit) before Capital Amounts	12,205	11,814	18,676	14,418	14,790	15,209	15,970	16,302	17,083	17,815	18,581
add Capital Program Write-Off from Previous Years	1,000	1,000	0	0	0	0	0	0	0	0	0
Funding surplus before capital amounts	13,205	12,814	18,676	14,418	14,790	15,209	15,970	16,302	17,083	17,815	18,581
less Net Outlays on Existing Assets											
Capital Expenditure on Renewal / Replacement of Existing Assets	28,053	30,718	27,605	29,559	30,315	31,457	31,761	32,185	33,367	34,210	34,912
less Depreciation, Amortisation and Impairment	(23,732)	(24,511)	(25,089)	(25,880)	(26,475)	(27,240)	(28,021)	(28,845)	(29,714)	(30,617)	(31,542)
less Proceeds from Sale of Replaced Assets	(270)	0	0	0	0	0	0	0	0	0	0
Net Outlays on Existing Assets	4,051	6,206	2,516	3,678	3,841	4,218	3,740	3,341	3,652	3,593	3,371
less Net Outlays on New and Upgraded Assets											
Capital Expenditure on New and Upgraded Assets (including Investment property & Real Estate developments)	28,839	72,943	22,968	(10,508)	6,630	6,602	22,111	9,096	11,007	11,746	12,683
less Amounts received specifically for New and Upgraded Assets	0	(25)	0	0	0	0	0	0	0	0	0
less Proceeds from Sale of Surplus Assets (including Investment Property and Real Estate developments)	(5,689)	(19,510)	0	0	0	0	0	0	0	0	0
Net Outlays on New and Upgraded Assets	23,150	53,407	22,968	(10,508)	6,630	6,602	22,111	9,096	11,007	11,746	12,683
Net Lending / (Borrowing) for Financial Year	(13,997)	(46,800)	(6,808)	21,248	4,319	4,389	(9,881)	3,865	2,424	2,475	2,528
Net Financial Liabilities at the beginning of the period	(11,753)	(25,750)	(72,550)	(79,358)	(58,111)	(53,791)	(49,402)	(59,283)	(55,418)	(52,994)	(50,519)
Net Financial Liabilities at the end of the period	(25,750)	(72,550)	(79,358)	(58,111)	(53,791)	(49,402)	(59,283)	(55,418)	(52,994)	(50,519)	(47,992)
KEY FINANCIAL INDICATORS	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Operating Surplus Ratio - %	14.2%	13.3%	20.4%	15.2%	15.1%	15.0%	15.2%	15.0%	15.2%	15.3%	15.4%
Net Financial Liabilities Ratio - %	16.0%	44.5%	47.7%	33.7%	30.1%	26.7%	30.9%	27.8%	25.7%	23.7%	21.7%
Asset Sustainability Ratio - %	124.7%	124.6%	104.4%	101.6%	114.3%	115.6%	112.7%	110.4%	111.3%	114.0%	116.0%

Funding the Business Plan

Funding for Council's Business Plan comes from two main sources:

- Funds from Operations
- Funds from Borrowing

Funds from Operations result from the net contribution (Revenue less Expenditure) from Council's General Operations and Business Operations.

General Operations cover the core services of Council. Revenue sources for this category include General Rates as well as Grants and Other Revenue from fees and charges related to Council operations and other related responsibilities. The Other Revenue relates mainly to the recovery of service delivery costs through the charging of fees to users of Council's services as well as statutory charges set by State Government.

Council's Business Operations consist of the Adelaide Aquatic Centre, North Adelaide Golf Course, Adelaide Town Hall, Property Investments including the Central Market, UPark, and the Wingfield Waste and Recycling Centre.

Financing the Budget

The following table shows the comparison of the 2013-14 Budget Net Lending / (Borrowing) position to prior years.

Net Lending / (Borrowing)	2013-14 Budget \$'000	2012-13 Budget \$'000	2011-12 Actual \$'000
Operating Surplus	11,814	12,205	3,935
Non-cash adjustments	1,000	1,000	11,164
Funding Surplus	12,814	13,205	15,099
Net Outlays on Existing Assets	(6,207)	(4,051)	6,483
Net Outlays on New and Upgraded Assets	(53,408)	(23,150)	(14,683)
Equals: Net Lending / (Borrowings)	(46,800)	(13,997)	6,899

The following table shows the comparison of the 2013-14 Budget Net Lending / (Borrowing) position to prior years.

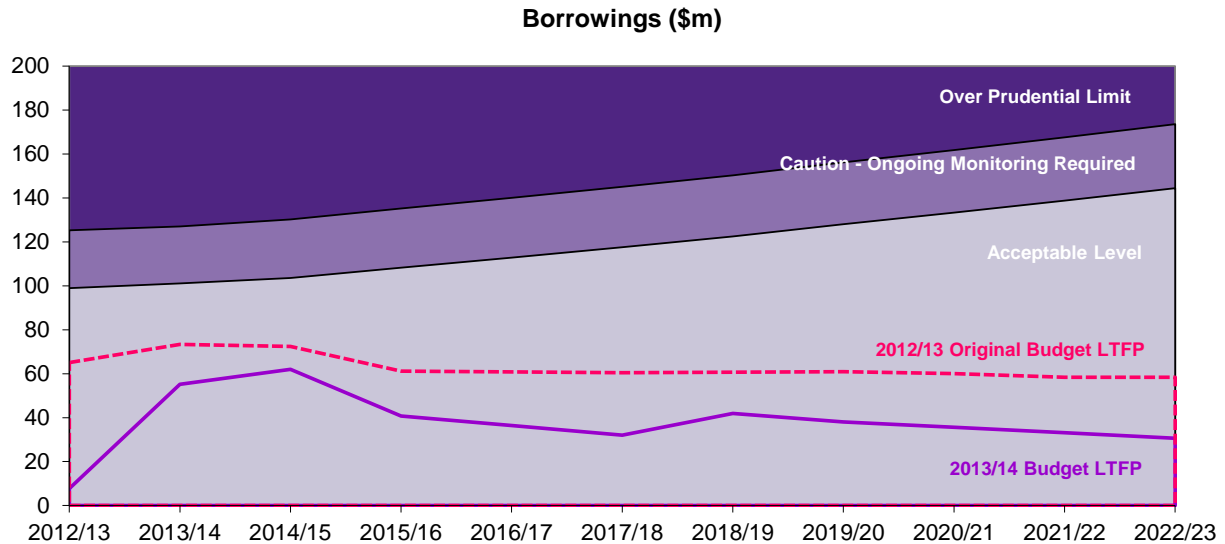
Financing Transactions	2013-14 Budget \$'000	2012-13 Budget \$'000	2011-12 Actual \$'000
Borrowings including Roll Overs	(29,843)	(17,030)	-
Funding of Carry Forwards	(29,857)	-	-
Redraw of Prior Year Repayments	-	-	-
Funding Surplus	(59,700)	(17,030)	-
Repayments	12,239	3,693	3,357
Working Capital and Provision Movements	660	(660)	3,541
Equals: Net Lending / (Borrowings)	(46,800)	(13,997)	6,899

The following table shows the prudential ratios in line with the Treasury Policy. This compares the 2013-14 budget numbers to prior years and the next five years as per the Long Term Financial Plan.

Year	Borrowings \$'000	Debt Serving Ratio	Borrowing Rate Ratio	Net Financial Liabilities
Limit =		25%	80%	80%
2012-13 Budget	7,717	1.0%	4.9%	16.4%
2013-14 Budget	55,178	1.9%	34.8%	45.7%
2014-15 LTFP	61,986	5.1%	38.1%	48.8%
2015-16 LTFP	40,738	5.5%	24.1%	34.4%
2016-17 LTFP	36,419	3.5%	20.8%	30.7%
2017-18 LTFP	32,030	3.0%	17.7%	27.2%
2018-19 LTFP	41,911	2.6%	22.3%	31.6%
2019-20 LTFP	38,046	3.2%	19.5%	28.4%
2020-21 LTFP	35,622	2.8%	17.6%	26.2%
2021-22 LTFP	33,147	2.6%	15.8%	24.1%
2022-23 LTFP	30,620	2.3%	14.1%	22.1%

Implications for Future Years

For the period covered by the Long Term Financial Plan, the following graph shows the balance of borrowings. Based on the current parameters and assumptions, Council remain in the range of acceptable borrowings for the next 10 years.



The table below shows the details of borrowings, borrowing movements, principal repayments and interest payments for the prior years' actuals and next five years as per the Long Term Financial Plan.

Year	New Borrowings \$'000	Redraws \$'000	Principal Paid \$'000	Loan Balance @ 30 June \$'000	Interest Paid \$'000
2012-13 Budget	17,030	0	3,693	7,717	887
2013-14 Budget	59,700	0	12,239	55,178	2,317
2014-15 LTFP	10,803	0	3,995	61,987	2,759
2015-16 LTFP	10,000	0	31,248	40,739	3,098
2016-17 LTFP	0	0	4,319	36,419	2,033
2017-18 LTFP	0	0	4,389	32,029	1,815
2018-19 LTFP	13,702	0	3,821	41,910	1,602
2019-20 LTFP	0	0	3,865	38,045	2,096
2020-21 LTFP	0	0	2,424	35,621	1,902
2021-22 LTFP	0	0	2,474	33,147	1,781
2022-23 LTFP	0	0	2,528	30,620	1,657

Treasury Policy

In developing the Long Term Financial Plan, borrowing was identified as an important funding source, particularly for strategic expenditure relating to the Property Portfolio.

Borrowing is undertaken in accordance with Council's Treasury Policy (available online at www.adelaidecitycouncil.com) which underpins the Council's decision making in the funding of Council's operations in the context of cash flow, budgeting, borrowings and investments. It is an important financial management tool in the overall context of funding Council's expenditure. As such, this Treasury Policy links closely to the Council's overall strategic management plans in the context of:

- Strategic planning for the future of the Council, covering short, medium and long term spending and investment issues
- Current and estimated future revenues and the ability to increase the revenue stream through either taxation, user charges, additional grant funds or business activities
- Inter-generational equity considerations in terms of the ratepayers who benefit from the expenditure and therefore on a user pay basis who should pay for the costs associated with such 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

Implications for Future Years

In developing the Long Term Financial Plan and Annual Business Plan and Budget, borrowings have been considered in relation to Strategic Financial Parameters and the maximum borrowing limits specified in Treasury Policy. All borrowing terms and conditions will be in accordance with the Treasury Policy and all costs have been taken into account in the Council's Long Term Financial Plan.

Forecast debt at the end of 2012-13 is \$7.7m. The amount of capital expenditure carried forward at the end of the 2012-13 financial year will also impact on the 2013-14 opening balance of borrowings.

The 2013-14 Budget proposes total funding of \$46.8m million. This will increase total borrowing at the end of June 2014 to \$55.2m.

Rating Structure

Policy Development and Strategic Context

In formulating the Rating Structure for 2013-14, Council has taken into account the needs and impact on ratepayers, the delivery of Council's Strategic Plan and its Business Planning and Budget process. This framework ensures a rates structure that takes into consideration Council's Strategic focus and service delivery.

In setting its proposed rates for the 2013-14 financial year, Council has considered the amount of revenue required to fund the delivery of the services and activities set out in the Business Plan and Budget. Council has also taken into account other sources of revenue and the distribution of rate contributions between various categories of ratepayers.

Rates Modelling

With the annual valuation process nearing completion, Adelaide City Council has undertaken an analysis of the existing valuation and rating base. For 2013-14, the average increase in rates payable will be 3.5% for existing properties.

Rating Structure

Adelaide City Councils 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 the Adelaide City Council rating structure, and are addressed by the joint application of Council's Rating Policy Statements and Rating Operating Guidelines.
- Council is committed to maintaining a transparent rating system. Accordingly, Council undertakes to manage the rating policy to ensure the greatest level of equity for our customers by maintaining a non-punitive rating structure.
- It has been concluded that implementation of a minimum rate would represent a regressive taxation structure and contradict the identified guiding taxation principles.
- Council will continue its practice of identifying and valuing all land in the Council area. Once identified, each separate occupation of land will be assessed for ratability.

- A Differential General Rate will be applied to all rateable land as specified in Section 147 of the Local Government Act 1999 with the effect of one rate in the dollar to be applied to all residential land and a different rate in the dollar to be applied to all non-residential land uses (including vacant land).
- The application of a Differential General Rate is generally intended to alter the amount payable by particular land uses and approximate the benefit principle. For 2013-14, and consistent with prior year, the non-residential rate will represent approximately 80% of general rates revenue.

Your Rates in 2013-14

The Residential Differential General Rate will raise net rate revenue in the order of \$17.8 million in 2013-14.

The Non-Residential Differential General Rate will raise net rate revenue in the order of \$67.5 million in 2013-14.

Council will continue to offer a quarterly billing option with the last day to pay Council rates scheduled for 1 September 2013, 1 December 2013, 1 March 2014 and 1 June 2014.

Valuation Method

Property in the Adelaide City Council area will continue to be valued according to the Assessed Annual Valuation method as defined in the Valuation of Land Act 1971 for the following reasons:

- It is based on the predominant basis of occupancy across the city, whereby the majority of both non-residential and residential property is leased.
- Assessed Annual Value has been used for many years and is understood by the majority of the City's ratepayers.
- The availability of a significant amount of market annual rental information makes the Assessed Annual Value method efficient to administer.
- The method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation.

Ratepayers may object to the attributed land use and/or assessed annual valuation of their property in accordance with the Local Government Act 1999 and within 60 days of receipt of the first Rates and Valuation Notice.

Where a ratepayer does not feel that a rating issue has been dealt with satisfactorily by the joint application of Council's Rating Policy and Rating Operating Guidelines, an established step-by-step grievance

procedure is available with internal and external options for escalation and resolution of the matter.

Separate Rates

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 the Adelaide & Mount Lofty Ranges Natural Resources Management Board:

- The activities and initiatives funded by the Rundle Mall Differential Separate Rate promote Rundle Mall as a destination for shopping and enhance the vibrancy of the precinct. In 2013-14, the separate rate will generate approximately \$3.2 million
- The NRM Levy is a State tax which Council is obliged, by virtue of the Natural Resources Management Act 2004, to impose and collect. All proceeds are paid to the Adelaide and Mount Lofty Ranges NRM Board. The latest advice from the Adelaide and Mount Lofty Ranges NRM Board indicates that the community contribution from Adelaide City Council will increase by approximately 13% in 2013-14.

What Assistance is Available?

Rebates of rates will be granted to ratepayers where the applicant satisfies the eligibility criteria for mandatory rebates under Sections 159 to 165 of the Local Government Act 1999.

Applications for discretionary rebates must be received by 1 March prior to the commencement of the financial year for which the rebate has been sought and will be considered in accordance with the statutory provisions of Section 166 of the Local Government Act 1999, together with policy criteria as detailed in the Discretionary Rate Rebate Policy. This policy was adopted by Council in April 2008.

In providing Discretionary Rebates, consideration is given to whether applicants were previously proclaimed, the type and level of service delivered to people within the Adelaide City Council area, and the community need that is being met by activities carried out on the land and whether the activities are those that council would otherwise need to support.

Council considers it appropriate that ratepayers who are experiencing financial hardship may apply for a postponement or remission of rates. Ratepayers who may be having difficulty paying their rates are encouraged to contact rates staff as soon as they can, rather than waiting until their rates are overdue.

Council will continue to administer the State Government funded concession available to eligible ratepayers: pensioners and low income beneficiaries (maximum of \$190), self-funded retirees (maximum of \$100).

Council will continue to apply those provisions of the Local Government Act 1999, which offer a discretionary

Council funded remission of rates to eligible ratepayers: pensioners and low income beneficiaries (maximum of \$100), self-funded retirees (maximum of \$50).

Council will apply those provisions of the Local Government Act 1999 which have introduced a Postponement of Rates Scheme for eligible State Seniors Card holders. Eligible seniors may postpone rates in excess of \$500 less any concession entitlement. Interest will accrue on postponed balances as per Section 182A (12) of the Act (i.e. with a premium of 1% over the cash advance debenture rate).

Council will continue to apply penalties for late payments in accordance with Section 181(8) of the Local Government Act 1999.

Ratepayers with a good recent payment history who are in a formal written payment arrangement for rates will not be liable for fines and interest during the agreed payment period. These terms will be void in the event of default.

Summary of the 2013-14 Budget

This summary of the Budget provides information about the key indicators of the Council's financial performance and financial position. Analysis on each of the indicators is included in the following sections of the document.

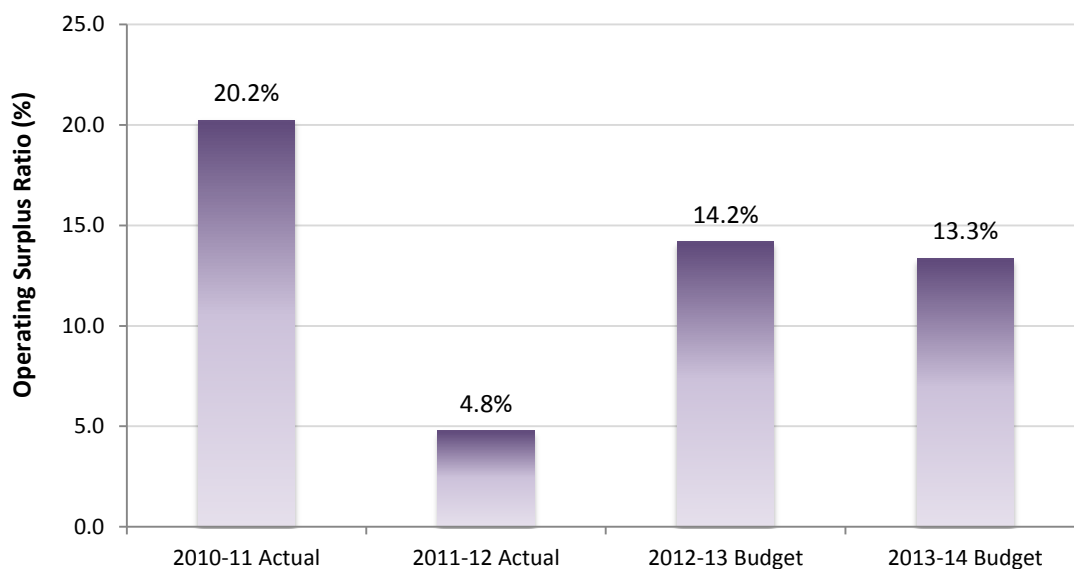
The Business Plan identifies the Council's key actions towards its strategic directions and the specific objectives targeted for 2013-14. It sets the strategic context within which the budget has been developed and meets the requirement of Section 123 (3) of the Local Government Act 1999 to

adopt an 'Annual Statement' in conjunction with the budget for the year.

In preparing the Budget, planning projections and assumptions have been re-examined and validated and emerging priorities identified.

Pursuant to Section 123 (2)(b) of the Local Government Act 1999, the final Budget presented for formal adoption by Council is in accordance with the Local Government (Financial Management) Regulations 2011.

Operating Surplus Ratio



The independent inquiry into financial sustainability in August 2005 emphasised that a Council's long-term sustainability is dependent upon ensuring that, on average over time, a Council has an operating breakeven position or better.

For the Council, an operating surplus of \$11.814m is targeted after including general rates (adjusted for discretionary rates rebates) of \$85.348m. This shows that Council's projected operating income is sufficient to meet projected operating expenses for the financial year.

Net Surplus per Statement of Comprehensive Income	2013-14 Budget \$'000	2012-13 Budget \$'000	Difference \$'000
Operating Revenue	164,362	162,335	2,027
less: Operating Expenses	152,548	150,131	2,417
Operating Surplus	11,814	12,205	(391)
add: Net Gain / (Loss) on Disposal or Revaluation of Assets	19,510	(1,913)	21,423
add: Amounts Specifically for New or Upgraded Assets	25	-	25
add: Physical Resources received free of charge	-	-	-
Net Surplus per Income Statement	31,349	10,292	21,057

Consistent with prior years, the above table shows that an Operating Surplus has been maintained in 2013-14.

Council's generated operating surplus is applied to meet capital expenditure requirements in relation to new assets in accordance with Strategic Plan objectives and Capital City responsibilities. In addition, part of Council's operating surplus may be held for capital expenditure needs in future years by either increasing financial assets or, where possible, reducing debt.

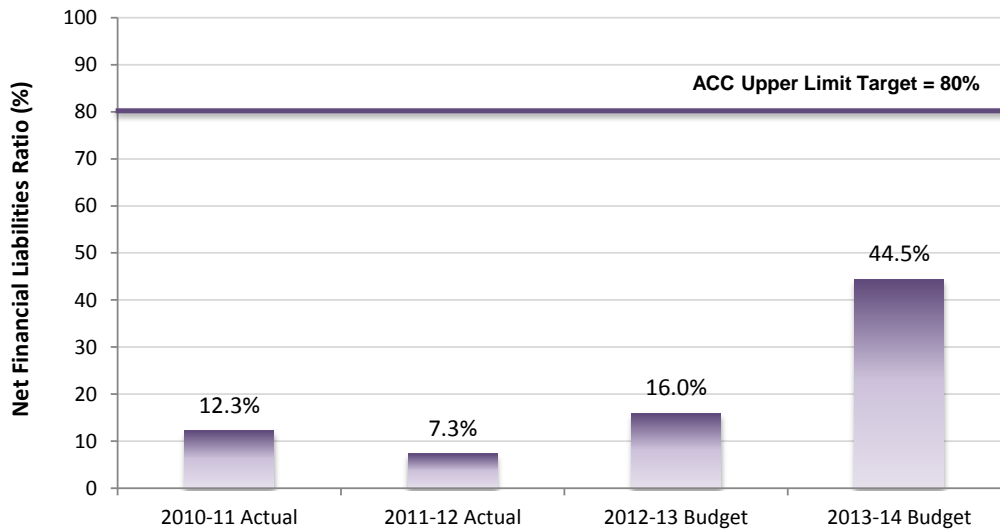
Occasionally, Council's operating surpluses may be impacted by write-off of expenditure on infrastructure owned by a third party (e.g. undergrounding of powerlines). Under accounting definitions, these works do not provide a future benefit to Council, so do not form part of Council's stock of infrastructure assets. For this reason, operating surpluses between financial years are not directly comparable.

Reconciliation of Operating Funding Surplus & Operating Surplus	2013-14 Budget \$'000	2012-13 Budget \$'000	Difference \$'000
Operating Funding Surplus per Funding Overview	14,118	15,294	(1,176)
less: Expenditure incurred on Maintenance of Assets	2,091	2,091	0
add: Capital Income included in Operating Income	787	-	787
Funding Surplus	12,814	13,203	(390)
less: Previous Year's Capital WIP Adjustment	1,000	1,000	-
Operating Surplus per Income Statement	11,814	12,203	(390)

Included in the Capital Works Program is an amount of \$2.091m which does not provide a future economic benefit to the Corporation and therefore does not meet the definition of an asset under Accounting Standards. Some of this relates to expenditure on assets not owned or controlled by the Corporation. Other expenditure relates to tree planting, vegetation trimming, and preliminary scoping as well as maintenance related expenditure.

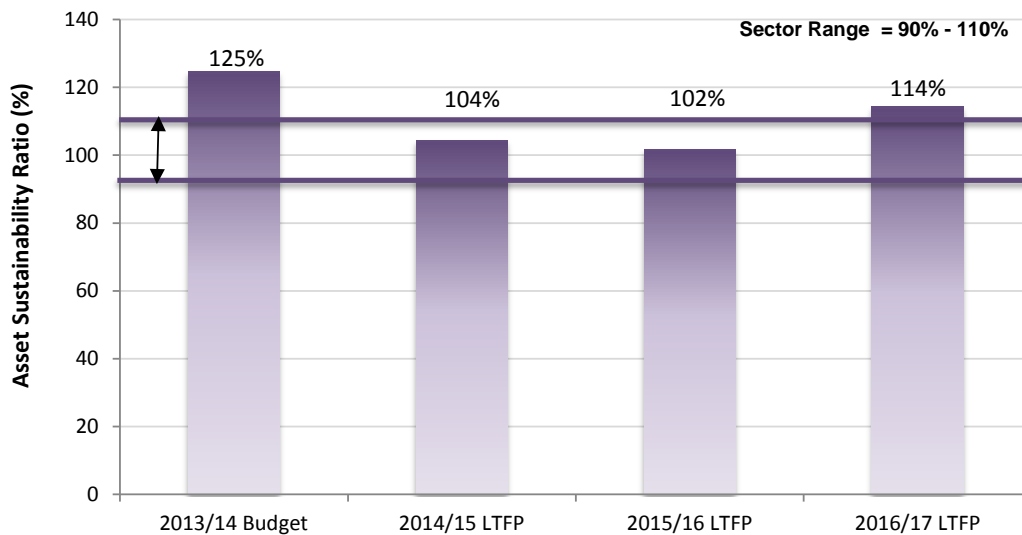
Given that these projects will be managed within the Capital Works Program, the expenditure is included in the Capital Works Program for reporting purposes for the year. However, the statutory financial statements including the Income Statement and Balance Sheet have been adjusted accordingly to correctly record such expenditure as operating.

Net Financial Liabilities Ratio



Council's net financial liabilities are expected to be \$72.55m at 30 June 2014. This represents an increase of \$46.8m on the estimated level of net financial liabilities at 30 June 2013 of \$25.75m.

Asset Sustainability Ratio



The above graph shows Council's Asset Sustainability ratio calculated by comparing planned capital expenditure on renewal and replacement of assets against the levels in the IAMP.

The local government financial indicator target recommends that a 3 year rolling average is best used to calculate a council's asset sustainability ratio. The Council's three-years rolling average for 2013-14 to 2015-16 is 110.6%. This is slightly above the range of 90% - 110% recommended for the sector.

Operating Budget

The Budget presented in this report has been developed through a rigorous process of consultation and review with Council officers and Council Members. It is also forward looking in that it fits within Council's long term strategic directions and within a prudent framework which seeks to achieve and maintain financial sustainability. The Operating Budget forecasts an Operating Surplus of \$13.334m after raising rates and charges and other revenue of \$164.362m.

Operating Revenue

The following table summarises the major components of Operating Revenue:

Revenue Types	2013-14 Budget \$'000	2012-13 Budget \$'000	Difference \$'000
Rates Income			
- General	85,348	82,933	2,415
- Other	4,453	4,304	149
Statutory Charges	17,610	17,042	568
User Charges	52,618	53,527	(909)
Grants, Subsidies and Contributions	3,683	3,219	464
Investment Income	275	264	11
Reimbursements	439	400	39
Other	(65)	646	(711)
Operating revenue	164,362	162,335	2,027

Statutory Charges

Statutory charges are fees for regulatory services. They are associated with the granting of a permit or licence or the regulation of an activity and include parking fines, section 7 property information applications, and development and building consent fees. Changes in statutory fees are made in accordance with State Government legislative direction, and result from volume and anticipated CPI changes.

User Charges

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include UPark fees, on-street parking-machine tickets, Adelaide Town Hall venue hire, Recreational Businesses fees, and properties premises hire income.

Operating Grants & Subsidies

Government grants and contributions include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. It excludes amounts specifically received for new and upgraded assets. Overall, total operating grants and subsidies are estimated to be \$3.683m. This represents 2.2% of the Council's estimated total operating revenue.

Investment Income

Investment income relates to interest on bank balances and investments. Given that it is Council's intention to use excess funds to reduce borrowings, there is unlikely to be significant surplus funds to invest. Investment income is budgeted at \$275k.

Reimbursements

Reimbursements are amounts received as payment for work done by the Council acting as an agent for others. This income is difficult to predict and an amount of \$439k has been budgeted.

Other Revenue

Other revenue is revenue not separately classified above and is estimated to be -\$66k.

Operating Expenditure

The following table summarises the major components of Operating Expenditure:

Expenditure Types	2013-14 Budget \$'000	2012-13 Budget \$'000	Difference \$'000
Employee Costs	64,194	59,546	4,648
Materials, Contracts & Other Expenses	61,526	65,966	(4,440)
Finance Charges	2,317	887	1,430
Depreciation	24,511	23,732	779
Operating expenditure	152,548	150,131	2,417

Employee Costs

Employee costs include all labour related expenditure such as wages, salaries, on-costs such as allowances, leave entitlements and employer superannuation. Employee costs are forecast to increase by \$4.648m compared to 2012-13. The dollar increase results from anticipated Enterprise Bargaining increases across the Corporation together with step increases for longer serving staff, where appropriate.

Materials, Contracts & Other Expenses

Materials cover payments for physical goods. This includes purchase of consumables, water and energy. Contractual Services involve payments for the external provision of services. This may include indirectly provided labour and materials or sub-contractors which are part of a contract. Other expenses relate to expenses not separately classified above. Overall, materials, contractual services and other expenses are expected to reduce by \$4.44m in 2013-14. This includes a forecast efficiency of \$1.2m.

Finance Charges

Borrowing costs relate to interest charged by financial institutions on funds borrowed.

Budgeted finance charges have factored in the timing of Strategic Property Portfolio receipts, predicted cash flow and the estimated balance of borrowings at the beginning of the financial year.

Depreciation

Depreciation is an accounting measure which records the consumption of the Council's infrastructure, property, plant and equipment. The increase of \$779k in depreciation expenses reflects the combined effect of a full year's impact of depreciable assets created by capital expenditure on new and upgraded assets, the budgeted sale of existing assets, as well as the ongoing impact of regularly revaluing infrastructure assets on a 'fair value' basis.

Balance Sheet Analysis

This section analyses the estimated balance sheet movements between 30 June 2013 and 30 June 2014 and discusses the level of the Council's net financial liabilities – being the key measure of the Council's financial position.

Balance Sheet Analysis	2013-14 Budget \$'000	2012-13 Budget \$'000	2011-12 Actual \$'000
Current assets	12,967	12,966	25,565
Non-current Assets	1,377,548	1,299,396	1,275,109
Total Assets	1,390,515	1,312,362	1,300,674
Current Liabilities	32,122	32,782	32,122
Non-current Liabilities	53,026	5,564	4,828
Total Liabilities	85,148	38,346	36,951
Equity	1,305,367	1,274,016	1,263,723

Analysis of Budgeted Balance Sheet

Current assets balances are not expected to change significantly.

Non-Current Assets

The increase in non-current assets in 2013-14 essentially reflects the combined effect of all capital expenditure, the depreciation of existing assets, the book value of assets sold and the ongoing revaluation of infrastructure assets on a 'fair value' basis.

Current Liabilities

Current liabilities balances are not expected to change significantly.

Non-Current Liabilities

The budgeted \$47.462m increase in non-current liabilities in 2013-14 is attributable to the net financing transactions and will result in an increase in borrowings of this amount.

Equity

The budgeted net increase in equity of \$32.871m in 2013-14 results from the budgeted net surplus for the year.

Net Financial Liabilities

Net Financial Liabilities	2013-14 Budget \$'000	2012-13 Budget \$'000	2011-12 Actual \$'000
Net Financial Liabilities at 1 July	25,750	11,754	18,729
Plus / (less): Net Borrowing / (Lending) for financial year	46,800	13,996	(6,975)
Equals: Net Financial Liabilities at 30 June	72,550	25,750	11,754

A financial target for Council is to ensure that the accumulated stock of net financial liabilities does not exceed 80% of total own source revenue in any year. The estimated level of net financial liabilities at 30 June 2014 is \$72.55m which represents 45.7% of the Council's expected own source revenue in 2013-14.

Funding Overview

PROPOSED FUNDING OVERVIEW 2013-14 BUDGET	Proposed Full Year Budget 2013-14 (\$000s)	Revised Full Year Budget 2012-13 (\$000s)	Movement
Business Operations			
Revenue	64,436	65,606	(1,170)
Less Expenditure	(44,713)	(45,920)	1,207
	19,723	19,686	37
Less Depreciation	(6,794)	(7,474)	680
Net Business Operations	12,928	12,212	716
Operating			
General Rates	85,348	82,933	2,415
Other Revenue	43,219	40,999	2,220
Less Expenditure (includes \$1.2m operating efficiency)	(92,380)	(87,439)	(4,941)
Less Depreciation	(17,717)	(16,258)	(1,459)
Net Operating	18,471	20,235	(1,764)
Treasury Management			
Revenue	275	360	(85)
Less Expenditure	(2,548)	(1,208)	(1,340)
Net Treasury Management	(2,274)	(848)	(1,426)
Add Depreciation	24,511	23,732	779
FUNDING AVAILABLE FOR PROJECTS	53,636	55,331	(1,695)
Less Depreciation	(24,511)	(23,732)	(779)
OPERATING FUNDING SURPLUS BEFORE PROJECTS	29,125	31,599	(2,474)
Projects			
Revenue	3,809	4,257	(448)
Less Expenditure	(18,816)	(20,562)	1,746
Net Projects	(15,007)	(16,305)	1,298
OPERATING FUNDING SURPLUS / (DEFICIT)	14,118	15,294	(1,176)
Capital Works Program			
Revenue	20,322	5,959	14,363
Less Expenditure	(105,752)	(58,982)	(46,770)
Net Capital Program	(85,430)	(53,023)	(32,407)
Less Depreciation	24,511	23,732	779
Net Capital Works Program	(60,919)	(29,291)	(31,628)
NET LENDING / (BORROWING) RESULT FOR THE FINANCIAL YEAR	(46,800)	(13,997)	(32,804)
Funding transactions associated with accommodating the above net lending / (borrowing) result for the financial year are as follows:			
Borrowings including Roll Overs	29,843	17,030	12,812
Funding of carry forwards	29,857	0	29,856
Redraw of Prior Year Payments		0	0
Principal Repayments	(12,239)	(3,694)	(8,545)
Internal Funding			0
Working Capital and Provision Movements	(660)	660	(1,320)
Net Funding Transactions	46,800	13,997	32,803
NET FINANCIAL LIABILITIES AS AT 30 JUNE	72,550	25,750	46,800

Statutory Financial Statements

Budgeted Statement of Comprehensive Income

for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
INCOME		
Rates	89,801	87,237
Statutory charges	17,610	17,042
User charges	52,618	53,527
Grants, subsidies and contributions	3,683	3,219
Investment income	275	264
Reimbursements	439	400
Other revenues	(65)	646
Total Revenues	164,362	162,335
EXPENSES		
Employee costs	64,194	59,546
Materials, contracts & other expenses	61,526	65,966
Finance costs	2,317	887
Depreciation, amortisation & impairment	24,511	23,732
Total Expenses	152,548	150,131
OPERATING SURPLUS / (DEFICIT)	11,814	12,205
Asset disposal & fair value adjustments	19,510	(1,913)
Amounts received specifically for new or upgraded assets	25	-
NET SURPLUS / (DEFICIT)	31,349	10,292
transferred to Equity Statement		
TOTAL COMPREHENSIVE INCOME	31,349	10,292

Budgeted Balance Sheet

for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	5,217	5,217
Trade & other receivables	7,378	7,378
Inventories	370	370
	<u>12,966</u>	<u>12,966</u>
Non-current Assets held for Sale	-	-
Total Current Assets	<u>12,966</u>	<u>12,966</u>
Non-current Assets		
Assets held for Sale	16,040	16,040
Equity accounted investments in Council businesses	109	109
Investment Property	3,159	3,159
Infrastructure, Property, Plant & Equipment	1,358,238	1,280,088
Other Non-current Assets	-	-
Total Non-current Assets	<u>1,377,548</u>	<u>1,299,398</u>
Total Assets	<u>1,390,514</u>	<u>1,312,364</u>
LIABILITIES		
Current Liabilities		
Trade & Other Payables	17,641	18,301
Borrowings	4,228	4,228
Provisions	10,253	10,253
	<u>32,122</u>	<u>32,782</u>
Liabilities relating to Non-current Assets held for Sale	-	-
Total Current Liabilities	<u>32,122</u>	<u>32,782</u>
Non-current Liabilities		
Borrowings	50,949	3,487
Provisions	2,077	2,077
Total Non-current Liabilities	<u>53,026</u>	<u>5,564</u>
Total Liabilities	<u>85,148</u>	<u>38,346</u>
NET ASSETS	<u>1,305,367</u>	<u>1,274,016</u>
EQUITY		
Accumulated Surplus	865,773	834,424
Asset Revaluation Reserve	439,592	439,592
Other Reserves	-	-
TOTAL EQUITY	<u>1,305,367</u>	<u>1,274,016</u>

Budgeted Statement of Changes in Equity

for the year ended 30 June 2014

	Accumulated Surplus \$'000s	Asset Revaluation Reserve \$'000s	TOTAL EQUITY \$'000s
2014			
Balance at end of previous reporting period	834,424	439,592	1,274,016
Net Surplus for Year	31,349	-	31,349
Balance at end of period	865,773	439,592	1,305,367
2013			
Balance at end of previous reporting period	824,132	439,592	1,263,724
Net Surplus for Year	10,292	-	10,292
Balance at end of period	834,424	439,592	1,274,016

Budgeted Cash Flow Statement

for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Operating receipts	164,088	162,071
Investment receipts	275	264
<u>Payments</u>		
Operating payments to suppliers & employees	(125,380)	(123,853)
Finance payments	(2,317)	(887)
Net Cash provided by (or used in) Operating Activities	36,665	37,596
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Grants specifically for new or upgraded assets	25	-
Sale of replaced assets	-	270
Sale of surplus assets	19,510	5,689
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(30,718)	(28,053)
Expenditure on new/upgraded assets	(72,943)	(28,838)
Net Cash provided by (or used in) Investing Activities	(84,126)	(50,932)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds from Borrowings	59,699	17,030
<u>Payments</u>		
Repayments of Borrowings	(12,239)	(3,693)
Net Cash provided by (or used in) Financing Activities	47,461	13,337
Net Increase (Decrease) in cash held	-	1
Cash & cash equivalents at beginning of period	4,683	4,682
Cash & cash equivalents at end of period	4,683	4,683

Budgeted Uniform Presentation of Finances

for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
Operating Revenues	164,362	162,335
less Operating Expenses	(152,548)	(150,130)
Operating Surplus / (Deficit) before Capital Amounts	11,814	12,205
add Capital Program Write-Off from Previous Years	1,000	1,000
Funding surplus	12,814	13,205
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	30,718	28,053
less Depreciation, Amortisation and Impairment	(24,511)	(23,732)
less Proceeds from Sale of Replaced Assets	-	(270)
	6,207	4,051
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	72,943	28,839
less Amounts received specifically for New and Upgraded Assets	(25)	-
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	(19,510)	(5,689)
	53,407	23,150
Net Lending / (Borrowing) for Financial Year	(46,800)	(13,997)
Net Financial Liabilities at beginning of year	(25,750)	(11,753)
less / (add) net gain / loss joint ventures & associates	-	-
Net Financial Liabilities at end of year	(72,550)	(25,750)

Budgets excluding Depreciation

Council Program	2013-14 Operating Budget			2013-14 Capital Budget		
	Expenditure \$'000s	Revenue \$'000s	Net Cost \$'000s	Expenditure \$'000s	Revenue \$'000s	Net Cost \$'000s
City of Great Places						
City Planning	5,230	376	4,855			0
Public Realm	24,806	1,637	23,168			0
City Design	2,264	974	1,291			0
Total - City of Great Places	32,300	2,987	29,314	0	0	0
Accessible City						
Accessible City	3,714	211	3,503	2,608		2,608
City Parking & Business Services	32,215	50,938	(18,723)			0
Total - Accessible City	35,929	51,149	(15,219)	2,608	0	2,608
Creative City						
Vibrant City	6,160	1,511	4,650	1,535		1,535
Total - Creative City	6,160	1,511	4,650	1,535	0	1,535
Liveable City						
Active City	8,945	8,450	495	4,050		4,050
City Community	6,365	707	5,657	2,350		2,350
City Safety & Customer Services	4,704	1,675	3,029	100		100
Total - Liveable City	20,014	10,833	9,181	6,500	0	6,500
Prosperous City						
City Growth and Investment	6,526	3,542	2,983			0
Total - Prosperous City	6,526	3,542	2,983	0	0	0
Environmentally Sustainable City						
Sustainable City	1,681	0	1,681	60		60
Total - Environmentally Sustainable City	1,681	0	1,681	60	0	60
Council Programs Total	102,611	70,021	32,590	10,703	0	10,703
Corporate Program	2013-14 Operating Budget			2013-14 Capital Budget		
	Expenditure \$'000s	Revenue \$'000s	Net Cost \$'000s	Expenditure \$'000s	Revenue \$'000s	Net Cost \$'000s
Finance & Risk	9,714	93,653	(83,939)			0
Marketing & Creative Services	2,552	97	2,455			0
Infrastructure Management	10,097	384	9,712	30,057	812	29,245
People & Culture	2,990	51	2,939			0
Information & Communication Technology	6,230	531	5,699	4,050		4,050
City & Corporate Governance	4,398	0	4,398			0
Office of Major Projects & Initiatives	1,714	185	1,529	47,700		47,700
Strategic Property Management & Development	13,156	30,374	(17,218)	13,242	19,510	(6,268)
Media Relations	632	0	632			0
Capital Works	1,584	1,791	(207)			0
Strategy & Innovation	1,340	0	1,340			0
Office of the General Managers	2,640	0	2,640			0
Council Programs Total	57,047	127,066	(70,019)	95,049	20,322	74,727
Efficiency Target	(1,200)		(1,200)			0
Corporation Total	158,458	197,087	(38,629)	105,752	20,322	85,430

Full Cost Attribution by Principal Activity including Depreciation

Council Programs	2013-14 Operating Budget						
	Expenditure (Excluding Depreciation) \$'000s	Depreciation \$'000s	Expenditure (Including Depreciation) \$'000s	Attributed Overheads \$'000s	Expenditure Including Attributed Overheads \$'000s	Revenue \$'000s	Net Contribution / (Net Cost) \$'000s
City of Great Places							
City Planning	5,230	1,654	6,885	2,013	8,898	376	(8,523)
Public Realm	24,806	1,667	26,472	(2,126)	24,346	1,637	(22,709)
City Design	2,264	12	2,276	7,579	9,856	974	(8,882)
Total - City of Great Places	32,300	3,333	35,633	7,467	43,100	2,987	(40,114)
Accessible City							
Accessible City	3,714	0	3,714	978	4,692	211	(4,481)
City Parking & Business Services	32,215	308	32,523	10,619	43,142	50,938	7,796
Total - Accessible City	35,929	308	36,237	11,597	47,834	51,149	3,315
Creative City							
Vibrant City	6,160	23	6,183	2,679	8,862	1,511	(7,351)
Total - Creative City	6,160	23	6,183	2,679	8,862	1,511	(7,351)
Liveable City							
Active City	8,945	17	8,962	4,205	13,167	8,450	(4,717)
City Community	6,365	7	6,371	3,107	9,479	707	(8,771)
City Safety & Customer Services	4,704	10	4,714	(730)	3,984	1,675	(2,308)
Total - Liveable City	20,014	34	20,047	6,582	26,630	10,833	(15,797)
Prosperous City							
City Growth and Investment	6,526	0	6,526	1,270	7,795	3,542	(4,253)
Total - Prosperous City	6,526	0	6,526	1,270	7,795	3,542	(4,253)
Environmentally Sustainable City							
Sustainable City	1,681	0	1,681	1,058	2,739	0	(2,739)
Total - Environmentally Sustainable City	1,681	0	1,681	1,058	2,739	0	(2,739)
Council Programs Total	102,611	3,697	106,308	30,652	136,960	70,021	(66,939)
Corporate Programs	2013-14 Operating Budget						
	Expenditure (Excluding Depreciation) \$'000s	Depreciation \$'000s	Expenditure (Including Depreciation) \$'000s	Attributed Overheads \$'000s	Expenditure Including Attributed Overheads \$'000s	Revenue \$'000s	Net Contribution / (Net Cost) \$'000s
Finance, Risk & Procurement	9,714	4	9,718	(9,718)	0	93,653	93,653
Marketing & Creative Services	2,552	7	2,559	(2,559)	0	97	97
Infrastructure Management	10,097	12,252	22,348	4,299	26,648	384	(26,263)
People & Culture	2,990	0	2,990	(2,990)	0	51	51
Information & Communication Technology	6,230	2,050	8,279	(8,279)	0	531	531
City & Corporate Governance	4,398	4	4,402	(4,402)	0	0	0
Office of Major Projects & Initiatives	1,714	0	1,714	(1,714)	0	185	185
Strategic Property Management & Development	13,156	6,477	19,633	929	20,562	30,374	9,812
Media Relations	632	1	633	(633)	0	0	0
Capital Works	1,584	20	1,604	(1,604)	0	1,791	1,791
Strategy & Innovation	1,340	0	1,340	(1,340)	0	0	0
Office of the General Managers	2,640	0	2,640	(2,640)	0	0	0
Corporate Programs Total	57,047	20,814	77,861	(30,652)	47,209	127,066	79,857
Efficiency Target	(1,200)	0	(1,200)	0	(1,200)	0	1,200
Corporation Total	158,458	24,511	182,969	0	182,969	197,087	14,118

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Adelaide City Council
Colonel Light Centre,
25 Pine Street, Adelaide

Monday-Friday, 8:30am-5:30pm

T (08) 8203 7203

F (08) 8203 7575

E city@adelaidecitycouncil.com

June 2013