

CITY OF ADELAIDE

2017-18 INTEGRATED BUSINESS PLAN



CITY OF
ADELAIDE

ACKNOWLEDGEMENT OF COUNTRY

*The City of Adelaide acknowledges
that we are located on the traditional country
of the Kurna 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 Kurna people living
today.*

LORD MAYOR'S MESSAGE



Welcome to the City of Adelaide Integrated Business Plan for 2017-18.

The Integrated Business Plan is closely linked with the City of Adelaide Strategic Plan 2016-2020. Funding has been allocated to projects and initiatives that support Council to achieve its strategic objectives to be a Smart, Green, Liveable and Creative city.

The good news for ratepayers is for the third year in a row, Council has determined to put a freeze on the rate in the dollar, with the intent of keeping costs low for our community.

Council continues to support city transformation investments by allocating **\$16.8 million** towards initiatives such as the City Bikeways, Gawler Place redevelopment and the Market to Riverbank Laneways Link. In addition, Council is contributing **\$2.5 million** in 2017-18, bringing the total to \$5.0 million invested, towards the East End stop and streetscape upgrades along North Terrace as part of the State Government's light rail extension from King William Street to East Terrace.

Council is committed to developing Adelaide's reputation as a Smart City and to using Smart Technology to enhance the city experience. The Integrated Business Plan allocates **\$3.1 million** for the second year of initiatives, creating a Smart City through growing a smart, liveable and sustainable city with enhanced customer experience enabled by the smart technology of a Smart Organisation.

Council is committed to ensuring we deliver on 'the essentials', high-quality services and investing in infrastructure in a cost-effective manner. In 2017-18, Council will invest **\$33.8 million** in city infrastructure ensuring Adelaide remains one of the world's most liveable cities.

The Adelaide Park Lands are the jewel in the crown for the City of Adelaide. In 2017-18, Council will invest a total of **\$14.8 million** in Park Lands projects and maintenance, including **\$4.7 million** to improve community facilities with play spaces, lighting, landscaping and accessibility.

Council will allocate **\$500,000** to the Central Market Arcade Redevelopment master plan to ensure we appropriately capitalise on this once in a lifetime opportunity to grow and enhance the iconic Market District offering.

The City of Adelaide's great liveability is created not just through world class infrastructure, but also our recreation options, cultural celebrations and community collaborations. In 2017-18, Council is investing a total of **\$7.3 million** in grants, sponsorships, incentives and support to our strategic partners. Council's investment in a number of strategic incentive programs return strong investment dividends for the City, such as **\$1.4 million** Climate Change Action initiatives fund and **\$1.3 million** for built heritage management grants.

The City of Adelaide has an ongoing commitment to growth, and building our city's residential population is vital to this outcome. Council is exploring incentives and other measures to stimulate investment in new residential dwellings.

Investment attraction and supporting our businesses to grow are essential for the future prosperity of the City of Adelaide with investments of **\$1.1 million** towards business growth and innovation opportunities.

Council has delivered a strong and sustainable Integrated Business Plan which will support the continued economic growth of the City of Adelaide. We all have an important role to play in enhancing Adelaide's reputation as a world-class liveable and prosperous city and we look forward to your support and collaboration to further strengthen Adelaide's future.

A handwritten signature in blue ink, reading 'Martin Haese'.

Martin Haese
LORD MAYOR

YOUR COUNCIL

Lord Mayor

Martin Haese

Deputy Lord Mayor

Megan Hender (until 30/6/17)

Sandy Verschoor (from 1/7/17)

Area Councillors

Anne Moran

Sandy Wilkinson

Natasha Malani

Sandy Verschoor (DLM from 1/7/17)

North Ward

Susan Clearihan

Phillip Martin

Central Ward

Houssam Abiad

Megan Hender (DLM until 30/6/17)

David Slama

South Ward

Alex Antic

Priscilla Corbell



(Front L-R) Natasha Malani, Anne Moran, Sandy Wilkinson, Martin Haese (Lord Mayor),
Megan Hender, Sandy Verschoor, Susan Clearihan
(Back L-R) Phillip Martin, Priscilla Corbell, Houssam Abiad, David Slama, Alex Antic

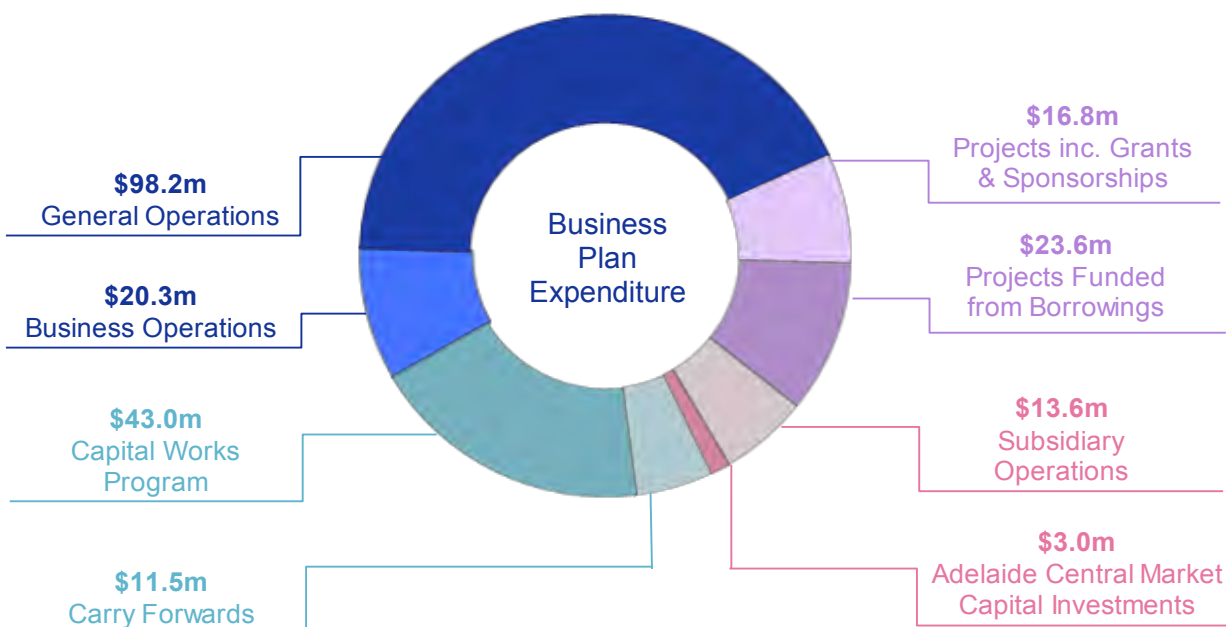
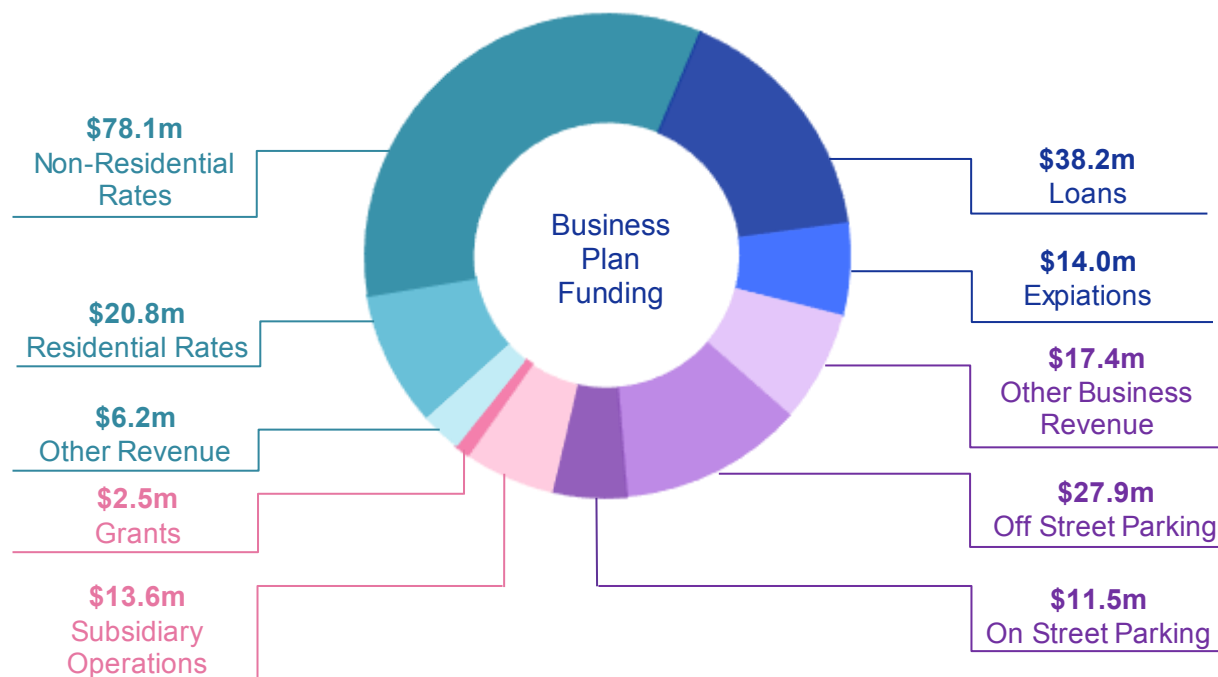
CONTENTS

Budget Overview	6
How This Plan Was Prepared	8
City Data & Trends and Challenges & Influences	9
Current Economic Environment	10
Highlights for 2017-18	11
2017-18 Key Projects	13
City of Adelaide 2016-20 Strategic Plan	15
Smart	18
Green	22
Liveable	26
Creative	30
Capital Works Program	36
Main Streets	37
Residential Streets	39
Laneways	41
City Landscape	43
Street Furniture	45
City Works	47
Park Lands	49
Buildings	51
Plant and Fleet	53
Information Management	54
City Transformation Investments	55
Analysis of Capital Expenditure	56
Long Term Financial Plan	59
Funding the Business Plan	62
Financing the Budget	63
Analysis of the 2017-18 Budget	66
Statutory Financial Statements	69
Infrastructure and Asset Management Practices	75
Fees and Charges	76
Borrowings	77
Rating Structure	78

BUDGET OVERVIEW

Total funding for 2017-18 of \$230.2m is made up of the following:

- Total Rates \$98.9m
- Commercial Businesses \$45.3m
- Other \$86.0m



Our expenditure focusses on the prioritisation of core community and civic services as well as delivery of projects and, maintenance and renewal of assets.



HOW THIS PLAN WAS PREPARED

This document is the key annual operational and financial planning document of the City of Adelaide. It describes what services and projects the City of Adelaide plans to provide in the upcoming financial year, and how it plans to allocate its budget.

It has been developed in the context of delivering Council's long term strategic direction as set out in the Strategic Management Plan documents. These documents are required by the *Local Government Act 1999* and include the:

- City of Adelaide 2016-20 Strategic Plan; and
- Asset Management Plans.

These plans outline the City of Adelaide's objectives over a four-year period. The Strategic Plan provides a vision for the City - ***Adelaide is a welcoming and dynamic city full of rich and diverse experiences***. They show how Council intends to achieve its vision through sustainable growth and seeking to balance the City of Adelaide's responsibility to provide quality and value in local government services for ratepayers, with its wider responsibilities under the *City of Adelaide Act 1998* in managing the City and the Park Lands on behalf of residents of the City and all city users.

The development of the Strategic Plan was informed by extensive community engagement (more than 2,000 people) through Picture Adelaide 2040, employing a broad mix of traditional and innovative consultation methods.

The Strategic Plan and Integrated Business Plan are directly aligned. The Integrated Business Plan is presented under the four themes identified in the Strategic Plan: **Smart**, **Green**, **Liveable** and **Creative**.

This year's Integrated Business Plan is the result of a rigorous process of review and challenge to every aspect of Council's projected revenue and expenditure with a strong focus on efficiency and alignment to the 2016-20 Strategic Plan. It has incorporated significant challenging of resources required to deliver on our objectives and a high level of interrogation of business needs across the organisation.

A number of reviews have been undertaken across the organisation to ensure we are structured and resourced appropriately to deliver on the Strategic Plan. Further reviews will be undertaken as part of a rolling program to evaluate our service delivery, efficiency and effectiveness.

Combined savings and efficiencies identified during the 2017-18 budget cycle exceed \$3 million, which has created capacity to absorb significant incremental cost pressures in areas such as energy prices and technology costs.

In developing the Infrastructure Program, major opportunities were identified to align upcoming asset renewals to more holistic streetscape improvements. A multi-year investment has been proposed to create a rolling program of city improvements balanced with essential renewals. Where required, projects have been accelerated for delivery in the 2017-18 year with a strong focus on community value.

The projects that help to deliver our strategic plan have been prioritised with a focus on strategic plan alignment, business criticality and capacity to deliver.

A strong commercial approach has been applied in the development of the commercial businesses budget. This approach will deliver supplementary revenue streams from existing assets, whilst addressing key business risks.

CITY DATA AND TRENDS

What we know about the City – data and trends, the current economic climate and the challenges and influences faced moving forward.

23,615

Residents in the City

311,000*

Daily visitor population

\$18.67bn

City of Adelaide Gross Regional Product (2016)

2.0%

Residential growth from 2015 to 2016

51%

visiting

18.53%

Share of Gross State Product

115,250

People employed by businesses in Adelaide and North Adelaide

33%

working

16%

studying

* N.B. These figures refer to the number of people that are in the City on an 'average' day and is based on the latest data available during the drafting of the 2017-18 Integrated Business Plan. These latest figures have exceeded the original 'goals' set in the objectives on pages 15 and 16. This is mainly due to more people from metropolitan Adelaide visiting the City more frequently in 2016 compared to previous years as reported in council surveys.

CHALLENGES AND INFLUENCES

In developing this draft Integrated Business Plan, consideration has been given to the following factors:

- The desire to be the world's first **Carbon Neutral City** and the need for environmental sustainability in areas such as recycling, waste reduction and reduced energy use;
- **Changing demographics**, including an ageing population and a more mobile population with people regularly moving between cities around Australia and the world;
- Increasing **cultural diversity** of those who live in and use the City;
- A rapid increase in the **use of technology** and the internet in everyday activities;
- Continuing to build on the relative strength of the **international education and tourism market**;
- The desire for increases in and changes to **residential and business development** as expressed in the State Government Economic Priorities and the 30 Year Plan for Greater Adelaide;
- **Major State Government projects** such as the New Royal Adelaide Hospital and western health precinct, the proposed developments on the old Royal Adelaide Hospital site, activation of the Riverbank/Festival Centre/Adelaide Oval precinct and transit initiatives requiring new public realm works and ongoing maintenance;
- Increasing **use of the Park Lands** as one of the state's major assets; and
- Increasing requirements for **Council to undertake responsibilities** that are defined by the State Government.

CURRENT ECONOMIC ENVIRONMENT

Australia's stability and sound governance frameworks have underpinned its economic resilience. In South Australia the main political issue for business has been the debate about energy security and reliance on renewables. This is expected to continue as the South Australian economy moves from a reliance on manufacturing to a more knowledge intensive economy.

Consumer confidence decreased in October 2016 while business confidence continued to grow, although levels remain low by historical standards. It is anticipated that this reflects the beginning of an upward trend when the results are considered on a year-by-year basis. In the City of Adelaide, business confidence is reflected in the number of business establishments present in the City increasing by 2.8% from 5,055 in 2014 to 5,196 in 2016.

In the December 2016 quarter, South Australia recorded an increase in retail sales. Retail is a major part of the tourism market and on a national level spending by domestic and international tourists contributed to around 43% of the overall growth seen in retail spending last year. According to the data released by Tourism Research Australia in March 2017, the number of International Visitors that visited the City of Adelaide increased from 295,161 in 2015 to 307,827 in 2016. Over this same period, the number of visitor nights in Adelaide has decreased showing the probable impact of more international visitors visiting regional South Australia and the potential impact of the emergence of disruptive accommodation models such as Airbnb.

Over the past two years, although the number of businesses has increased, the number of people employed has decreased from 122,700 to 115,250. In March 2017, South Australia's unemployment rose to 7%. According to the Department of Employment, unemployment among residents in the City of Adelaide has also increased in the period December 2015 to December

2016 from 9.1% to 9.5%. Although unemployment figures at Local Government level tend to be more volatile, it is still an indication that the creation of jobs will remain a key issue during 2017-2018.

Significant residential development activity has occurred during 2016 with two large projects completed in the first half of the year, 'Vision' on Morphett Street and 'Vue' on King William Street, a total of 395 new apartments. A further 6 projects commenced construction during the year and will yield a further 467 apartments accommodating over 700 new residents in the City once completed during 2018. An additional four large scale projects received approval at the end of 2016, totalling 702 apartments and 272 student beds demonstrating continued confidence in the City residential property market. The supply is now at the highest it has been in City with over 3,597 apartments and 1,207 student beds either approved or under construction.

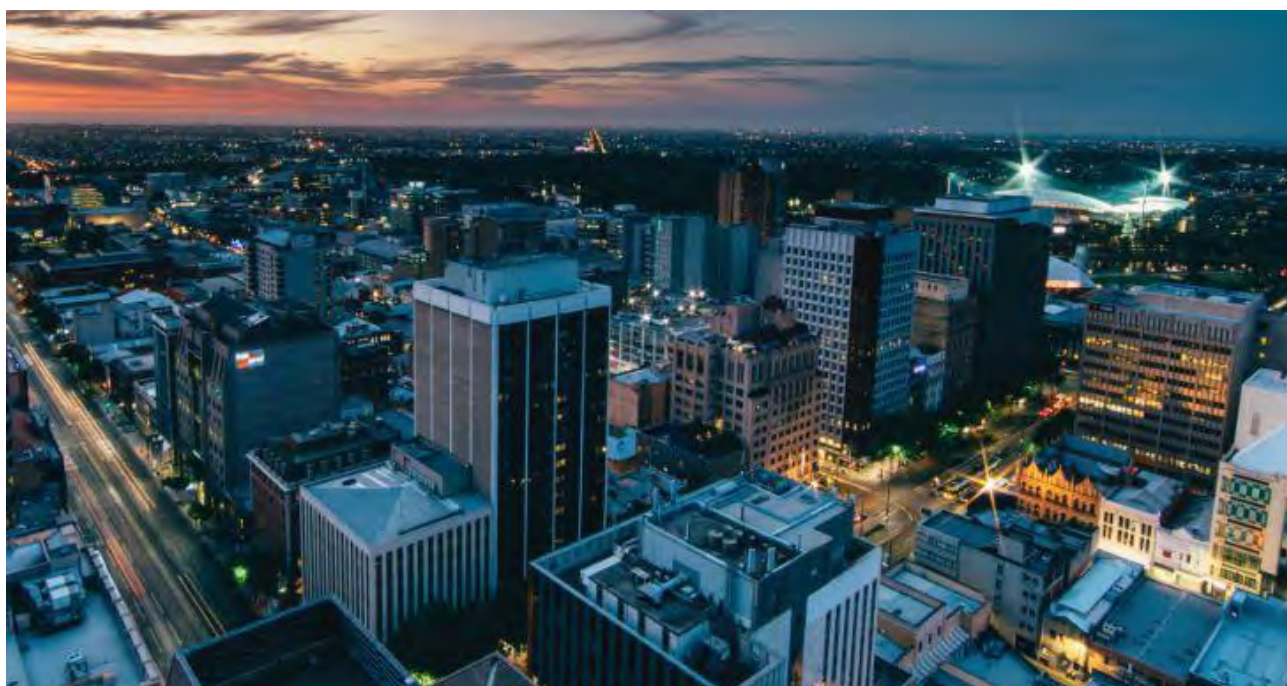
The City has continued to experience growth over the past year. However, the knowledge intensive industry has experienced a decline in the actual number of people employed. City of Adelaide's Smart City agenda and projects such as the establishment of a 10 Gig City Network will help transition the economy by providing the 'future proofed' infrastructure needed to facilitate growth and attract future/new industries to Adelaide.

HIGHLIGHTS FOR 2017-18

With finite resources, pressures to deliver more and changes to expectations of the consumers of the City of Adelaide's services, there is a growing need for the City of Adelaide to deliver services that meet the needs and expectations while reducing pressures on rates revenue. The City of Adelaide has a focus on achieving greater efficiencies while maintaining services to appropriate levels.

Highlights for the year ahead:

- Leveraging growth from **new development activity** in the City to relieve cost of living and cost pressures on City residents and businesses by **freezing the rate in the dollar** for the third consecutive year
- Strong commitment to a significant and sustained funding for **investment in the City's capital works program of \$43 million p.a.** over the next three years
- Continuing Council's investment in the Rundle Mall Master Plan with a **redesign and upgrade of Gawler Place** to be more people-focussed and provide an improved streetscape
- Progressing climate change initiatives to deliver our strategic goal for the City of Adelaide to be the one of the **world's first carbon neutral cities**
- Exploring new and innovative ways to **enhance the visitor experience** through smart technologies and working with partners such as the South Australian Tourism Commission to leverage Adelaide's key markets
- Delivering **community celebrations**, such as Christmas in the City, Adelaide's New Year's Eve and Australia Day in the City, that are open and inclusive and provide a safe and family friendly environment in the City

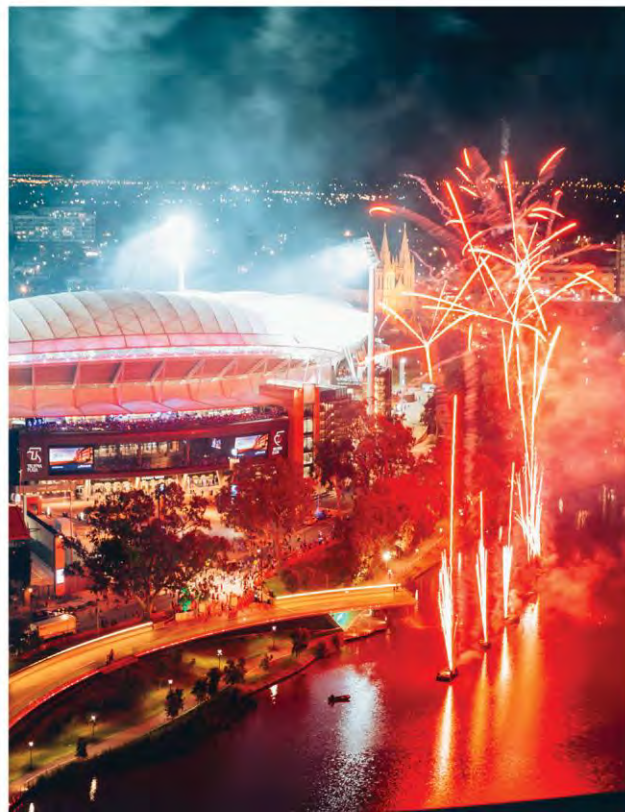


- Creating an exciting and vibrant **connect between the Adelaide Central Market and the Adelaide Riverbank** in partnership with the State Government
- **Working with our Strategic Partners** (such as *Adelaide Convention Bureau, Renew Adelaide, Study Adelaide, Festivals Adelaide* and *Music SA*) to promote Adelaide as a destination to do business, study, visit and perform
- Creating a **Smart City** through growing a smart, liveable and sustainable city with enhanced customer experience, enabled by smart technology (**Smart Organisation**)
- Delivering a collection of **memories and stories shared by Aboriginal Elders and members** of local Aboriginal communities through exhibitions in a variety of locations
- Providing **sponsorship/grant funding support** to assist art, cultural and community groups and organisations to deliver inspiring art, cultural and multicultural activities, events, programs or services
- Delivery of a **well-balanced transport network** to promote a more accessible city whilst working towards reducing the City's carbon emission through projects such as City Bikeways and contribution to the light rail extension
- Supporting owners in the **conservation, upgrade and use of their heritage places** through the Heritage Incentives Scheme and Mainstreet Historic Façade Improvement Scheme
- **Attracting new financial investment** and businesses to establish in the City, and **support existing businesses** to grow their presence in the City and expand into overseas markets
- Further development and promotion of the 'Welcome Adelaide' WeChat platform and provision of support for city businesses to **leverage opportunities from increased visitors from China**
- Progressing the **Central Market Arcade Redevelopment** into a thriving, mixed-use location to grow the market offer with expanded and complementary retail and market activities



2017-18 KEY PROJECTS

We are proud to highlight a number of City of Adelaide's key projects by location on the following map. In addition, our city is also supported by a number of city wide projects, some of which are featured in our **Highlights for 2017-18**.



1. Stage 1 upgrade of Jeffcott Street, including drainage
2. Road resurfacing on Gover Street
3. Streetscape improvements on O'Connell Street
4. Design & commencement of street improvements on Molesworth/Tynte Streets
5. Streetscape upgrade on Boulton Street
6. Streetscape improvements on Melbourne Street

7. ANZAC Day March and events
8. Contribution to the light rail extension from King William Street to East Terrace
9. Major upgrade of Gawler Place
10. Upgrade to Waymouth Street precinct
11. Adelaide Smart City Studio to support creative and technical innovation
12. Reinvigoration of Chinatown
13. Progressing the Central Market Arcade Redevelopment

14. Landscape improvements to the Sir Donald Bradman Drive entrance
15. Streetscape improvements on Sturt Street
16. Whitmore Square Master Plan to guide future development of City Squares
17. Streetscape upgrade on St Helena Place
18. Safety alterations and renewal of BMX track at Kurangga (Park 20)
19. Footpath resurfacing on South Terrace
20. Streetscape improvements on Hutt Street



CITY OF ADELAIDE



2016-20 STRATEGIC PLAN

The City of Adelaide 2016-20 Strategic Plan tells Adelaide's growth story and articulates an agenda for strong growth over the next four years.

OUR VISION

Adelaide is a welcoming and dynamic city full of rich and diverse experiences.

Our vision will be reached by achieving our primary goal, themes, objectives and actions. Our principles will ensure we grow while maintaining and enhancing the many things you already love about Adelaide.



THEME	 SMART	 GREEN
ASPIRATION	<i>A smart city with a globally connected and opportunity rich economy</i>	<i>One of the world's first carbon neutral cities and an international leader in environmental change</i>
OBJECTIVES	By 2020, our City's economy will be growing faster than the Australian economy	City carbon emissions will be reduced by 35% from the 2006-07 baseline by 2020
	Total businesses in the City will grow from 5,000 to over 5,300 and workers on any given day from 89,000 to 94,000 by 2020	Green space and greenery in the built-up areas of the City will have increased by 100,000 square metres by 2020
	Workers in professional and technical services, education, finance, telecommunications, creative and media sectors will have grown from 41,000 to over 49,000 by 2020	By 2020, Aquatic native plants on the Torrens Lake floor will have increased from almost zero to 7,500 square metres
	By 2020, the number of students in the City on any given day of the week will increase from 39,000 to 41,000	A detailed measure of reduction in kerbside and general waste will have been developed and influences our work
		A comprehensive integrated water management measure will have been developed and influences our work

N.B. The figures on pages 15 and 16 are *measurable goals* for the City to help achieve its aspirations for each theme. These 'goals' were set based on a conservative growth rate of the number of daily workers, students and visitors *at the time when the Strategic Plan was being developed*.

OUR PRIMARY GOAL

Strengthen the City economy by growing the number of people living, working, playing, visiting and studying in the City every day

The Strategic Plan consists of four key themes: **Smart**, **Green**, **Liveable** and **Creative**, underpinned by measurable objectives and 110 actions to demonstrate Council's commitment to tangible results. These will be achieved by working closely with our partners and community over the four years of the Plan.

 LIVEABLE	 CREATIVE
<i>A beautiful, diverse city with an enviable lifestyle that is welcoming to people at all stages of life</i>	<i>A multicultural city with a passion to create authentic and internationally renowned experiences</i>
The number of people living in the City will have grown from 23,000 to 28,000 by 2020	Attendance at festivals and events in the City and Park Lands will have grown by 5% by 2020
Adelaide will be listed in the top three most liveable cities in the world by 2020	A detailed measure of the number of people creating and actively participating in arts and cultural activities will have been developed and influences our work
A nation leading wellbeing and resilience measure will be applied and influences our work	Bed nights spent in Adelaide by international and domestic visitors will have grown from 8.1 million to 9 million by 2020
	People who say the City has great places to enjoy events, activities, art and culture will have grown from 8.4 to 9 out of 10 by 2020
	The number of people that are visiting the City each day for shopping, leisure or entertainment will have grown from 111,000 to 117,000 by 2020





Explore the design toolkit

Urban Design

Urban Design provides a range of guidelines for the design of public spaces, including streets, squares, and parks, to ensure they are safe, accessible, and enjoyable for all users.

Street Types

The Street Types Guide defines the design standards for different types of streets, from residential to commercial, to ensure they are safe, accessible, and enjoyable for all users.

Street Design

The Street Design Guide provides a range of guidelines for the design of streets, including streets, squares, and parks, to ensure they are safe, accessible, and enjoyable for all users.

Furniture and Materials

The Furniture and Materials Guide provides a range of guidelines for the design of public spaces, including streets, squares, and parks, to ensure they are safe, accessible, and enjoyable for all users.

SMART

A SMART CITY WITH A GLOBALLY CONNECTED AND OPPORTUNITY RICH ECONOMY

SMART

Annual Objectives

- *By June 2018, work with key stakeholders in mainstreets and districts to develop business plans that will provide greater participation at the local level and appropriate governance models, as well as work on projects such as an O'Connell Street enhancement program*
- *Build upon the growing laneway and entrepreneurial culture in the City by rejuvenating primary laneways and pedestrian connections. Priorities for completion by 2018 will be the Adelaide Railway Station to Adelaide Central Market link and Rundle Mall laneways, including Gawler Place*

Deliverables

- Scope and implement the O'Connell Street enhancement program
- Mainstreets district governance model pilot
- Commence implementation of an approved design for the Gawler Place redevelopment

Council Services

- Target and attract new businesses and investment
- Work with local business groups in mainstreets and districts to develop economic capital and support and grow local sustainable businesses
- Provide diverse car parking solutions
- Provide free access to city-wide WiFi utilising network data to analyse people movements and provide city insights
- Position Adelaide as one of the world's greatest small cities through our Sister City relationships
- Facilitate the growth and competitiveness of the retail sector in the City
- Promote Adelaide as a destination for business and investment, talent, students, visitors and residents in collaboration with the SA Government and other relevant bodies
- Contribute to Council's place led approach via solutions to enhance user experience
- Provide access to public data and information to support innovation and community use
- Support and grow new and existing small to medium businesses through advice, referrals and support to make it easy for businesses to deal with Council through a 'One Stop Shop' for businesses in the City and North Adelaide
- Support entrepreneurs and early stage companies with high growth potential
- Support strategic relationships with the Adelaide Central Market Authority and Rundle Mall Management Authority to maximise economic outcomes for the City

2017-18 Projects (including Grants & Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Adelaide City (Place) Brand	Develop a brand that represents the destination (The City of Adelaide) as an international city/place brand.	150	-
Adelaide Smart City Studio	Provide a focal point for supporting creative and technical innovation.	157	-
Business Growth & Capability Building	Engage with the business community by hosting partner and support seminars, workshops and other events that strengthen sectors and encourage ongoing innovation.	180	-
City Retail Strategy 'Experience Adelaide'	Increase the City's share of the retail sector through business support and engagement activities.	400	-
Efficiency & Service Reviews	A rolling program of customer-focussed reviews of Council's services to improve the efficiency and effectiveness of Council's service delivery.	480	-
Entrepreneur Support Initiatives	Invest in strategic activities that support the activation and development of entrepreneurial ventures in the City and North Adelaide, and cement Adelaide as a great place to start and grow a business.	220	-
International Relations Program	Promote cultural, economic and social connections between Adelaide and international communities through Sister Cities and other partnerships.	421	-
Investment Attraction Program	Attract new financial investment into the City economy, new businesses to establish in the City, and support existing businesses to grow their presence in the City and expand into overseas markets.	300	-
Mainstreet Advancement Grant	Grants pilot to provide funding to eligible groups who identify (and can deliver) projects that achieve greater economic outcomes in their local Mainstreets.	80	-
Mainstreets Development Program Base Funding	Provide base funding to the six Precinct Groups.	160	-
Renew Adelaide	Funding contribution to Renew Adelaide, an external not-for-profit urban renewal organisation that works to revitalise under-used and empty buildings and shopfronts with projects of economic benefit to the community.	204	-
Study Adelaide	Funding contribution to support Study Adelaide to promote Adelaide as a destination for international students.	255	-
	TOTAL	3,007	-





GREEN

**ONE OF THE WORLD'S FIRST
CARBON NEUTRAL CITIES AND
AN INTERNATIONAL LEADER IN
ENVIRONMENTAL CHANGE**

GREEN

Annual Objectives

- *By the end of 2017, develop and implement a waste, recycling and reuse approach for the City that reflects world's best practice and the use of smart technology*
- *By 2020, Council's New Year Eve's event will send zero waste to landfill and by 2018, clear guidelines will be developed for event organisers of larger community events on Council-operated areas to achieve zero waste and carbon neutrality*

Deliverables

- Continue delivery of the Waste Services Transition project
- Develop zero-waste City event guidelines

Council Services

- Lead and encourage corporate social responsibility in the City
- Deliver initiatives to improve the efficiency of Council owned assets and city infrastructure
- Support office tenants and property owners to reduce energy use and carbon emissions from commercial buildings
- Ensure that the Park Lands are managed sustainably and that their importance to the City and community in adapting to climate change is acknowledged and developed
- Provide waste and recycling service improvements for kerbside collection, public places, events and high density developments
- Provide incentives to the community and broaden their capability in adapting to climate change and using natural resources efficiently
- Deliver action plans for Energy Management, Climate Change Adaptation, Water Security, Waste Management, and Biodiversity and Water Quality

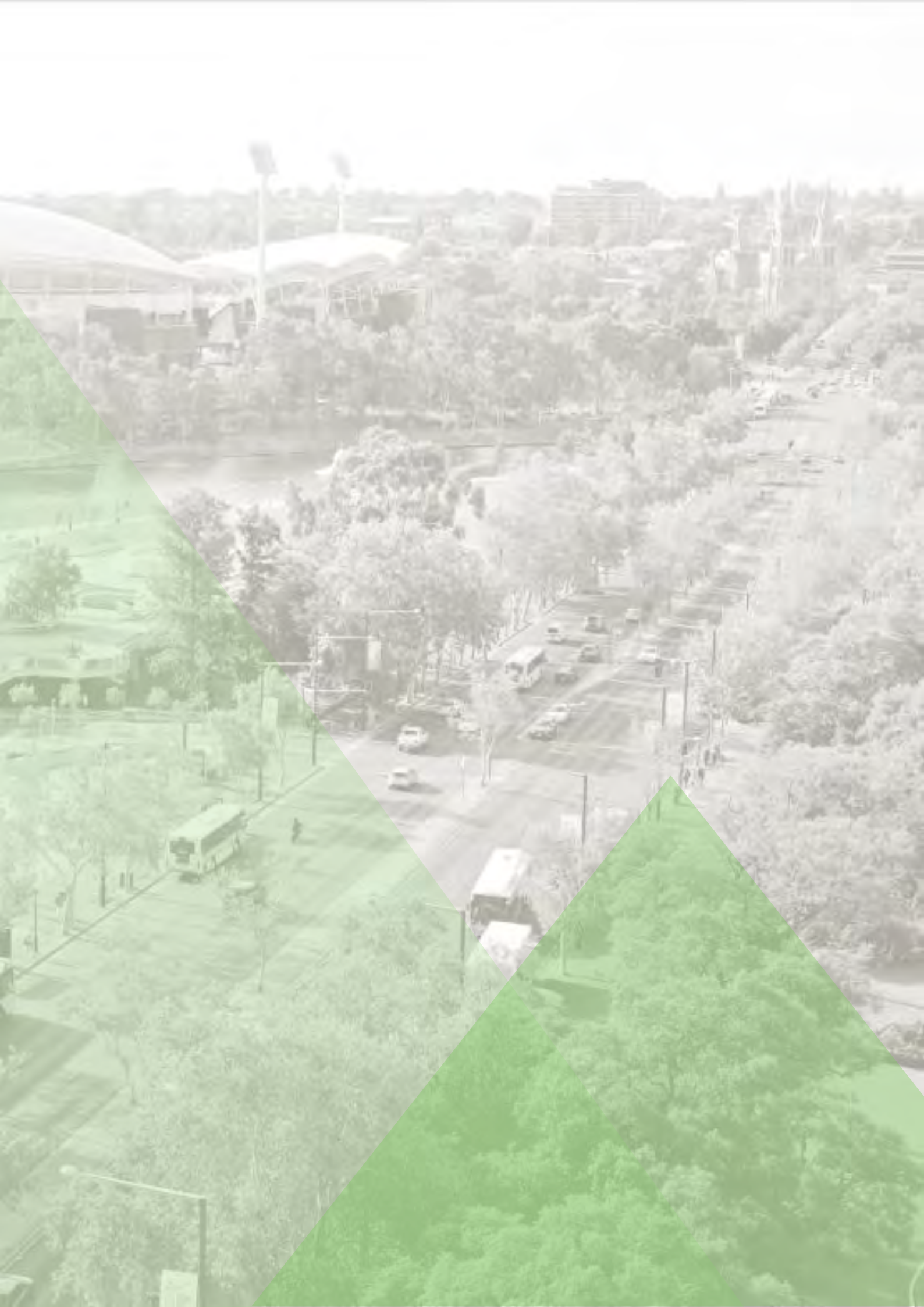
2017-18 Projects (including Grants & Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Brown Hill Keswick Creek Stormwater Management	A collaborative effort between the catchment councils of Adelaide, Burnside, Mitcham, Unley and West Torrens to mitigate serious flood risks and help safeguard properties across the catchment of Brown Hill and Keswick Creeks.	-	776
Climate Change Action Initiatives Fund - Carbon Neutral Adelaide Part 1	Deliver a range of projects, programs and incentives that underpin achievement of Council's targets for carbon neutral operations by 2020, and the City of Adelaide being one of the world's first carbon neutral cities by 2025 or earlier.	1,413	290*
Integrated Biodiversity Management (IBM)	Projects that will deliver on the City of Adelaide's strategic goals such as Biodiversity Management Action Plan, Biodiversity Monitoring Program, Torrens Lake Adaptive Ecosystem Implementation Plan and the Final Stage of the Tainmuntilla Riparian Restoration Project.	424	-
Smart Move Strategic Projects	A number of strategic projects that support the delivery of the Smart Move Interim Action Plan 2016-18.	475	25
Waste & Recycling Transition	Implement the City of Adelaide's new approach to business waste and recycling services and continued transition of high density sites.	1,239	-
Waste Reduction Target Initiatives	Delivery of best practice approach and targets for diversion of waste from landfill in the City's kerbside collection services and zero-waste City event guidelines.	255	-
	TOTAL	3,806	1,091

2017-18 Project Funded by Borrowings

Climate Change Action Initiatives Fund - Carbon Neutral Adelaide Part 2	Deliver projects involving installation of solar photovoltaic systems, energy storage and demand management systems (including smart energy meters) on City of Adelaide owned buildings.	-	723
	TOTAL	-	723

* Carry forwards from 2016-17





LIVEABLE

A BEAUTIFUL, DIVERSE CITY WITH AN ENVIABLE
LIFESTYLE THAT IS WELCOMING TO PEOPLE AT
ALL STAGES OF LIFE

LIVEABLE

Annual Objectives

- *Create world class infrastructure by adopting a three year rolling capital works program for the City and Park Lands to ensure all new and existing infrastructure are delivered and maintained to high quality standards, incorporating technology, heritage, arts and green elements*
- *Work with neighbouring councils and the State Government to enhance the facilities, attraction, landscapes and movement networks in the Park Lands to meet the needs and expectations of growing high density communities living in and near the City*

Deliverables

- Develop an Asset Management Strategy that delivers world class infrastructure and a three year rolling capital works program
- Delivery of Pityarilla (Park 19) enhancements

Council Services

- Work collaboratively with a wide range of stakeholders to deliver improved long term outcomes for the City
- Deliver the 2017-18 Capital Works Program as well as with supporting development initiatives and using partnering to invest in infrastructure
- Facilitate free transport initiatives, where possible in partnership
- Provide transport infrastructure management and maintenance
- Work with State Government and other partners to deliver public transport and intelligent movement projects
- Deliver and implement projects and initiatives to promote cycling culture
- Deliver educational and travel behaviour change initiatives
- Deliver traffic management and road safety initiatives
- Provide planning and policy advice for the management of Adelaide Park Lands
- Enhance and promote the role of the Park Lands in increasing levels of physical activity and wellbeing through sport and recreation opportunities
- Deliver the North Adelaide Golf Course and Adelaide Aquatic Centre business plans
- Promote and foster growth of the residential population in the City, supported by diverse and affordable housing choices for residents and students
- Provide public and residential waste, recycling and green waste services
- Maintain Council assets, including streets, public spaces and Park Lands
- Promote participation, access and inclusion and build neighbourhood capacity and community leadership
- Provide a wide range of community driven programs and activities
- Deliver safety improvements in partnership with State Government
- Provide environmental, health, safety and food inspections
- Work with building owners to ensure 'City Fire Safety Management' procedures are in place for the protection of all occupiers

2017-18 Projects (including Grants & Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Adelaide 2040 Plan	Provide a fully integrated land use, built form, public realm and transport plan for the City with high-level spatial representations of the long-term city vision.	94*	-
Adelaide Community Leaders Sustainability Stream & Strategic Neighbourhood Development Projects	Build the capacity of community members to be 'Green Leaders' to promote active citizenship, neighbourhood connection and grassroots sustainability objectives and deliver <i>Postcards Project, Neighbour Day, Mental Health Week</i> and <i>Youth Week</i> .	40	-
Adelaide Park Lands Management Strategy	Undertake specific packages of research, investigations and/or design work.	121*	-
Built Heritage Management Grants	Support owners in the conservation, upgrade and use of their heritage places through the Heritage Incentives Scheme.	1,268	-
Built Heritage Management Promotions	Support the conservation of the City's built heritage and historic character streetscapes through promotional and education activities.	114	-
Central Market Arcade Redevelopment	Progress investigations and an expression of interest process for the Central Market Arcade Redevelopment supporting a thriving, mixed-use location to grow the market offer with expanded and complementary retail and market activities.	500	-
Community Development Grants	Grants that enable the community and eligible service organisations to work together with the City of Adelaide in delivering community programs, activities and events.	588	-
Free City Connector Enhancements	Smart technology enhancements to the service to encourage increased patronage and make the City and North Adelaide more accessible.	100	-
Free City Connector Operations	Operations of the Free City Connector bus service that links the major tourist, retail, business, educational and residential precincts of the City and North Adelaide.	840	-
History Festival	Major sponsorship/partnership of the only state-wide History Festival in Australia.	22	-
Homeless & Vulnerable People Project	Collaborate with City communities, community groups and homelessness service providers on strategies that address the needs of people experiencing homelessness and other vulnerable people. 100% funded by grant.	0	-
Mainstreet Historic Façade Improvement Scheme	Funding assistance to commercial and mixed-use property owners to help improve the visual appearance of unlisted historic character buildings.	90	-
Master Plan for City Squares: Whitmore Square	Develop a master plan process that can be used to guide the development of City squares, prioritising Whitmore Square by completing a Whitmore Square Master Plan.	200	-
Noise Management Program	Minimise noise conflict between residential and non-residential land users to ensure that the mixed-use vitality of the City and residential amenity are compatible.	81	-
Recreation & Sport Grants	Grants that enable applicants to work in partnership with the City of Adelaide to deliver initiatives that support all people to be active in the City and Park Lands with particular focus on inclusive initiatives.	170	-
	TOTAL	4,228	-

* Carry forwards from 2016-17





CREATIVE

A MULTICULTURAL CITY WITH A PASSION TO
CREATE AUTHENTIC AND INTERNATIONALLY
RENOWNED EXPERIENCES

CREATIVE

Annual Objectives

- *Work with neighbouring councils and the State Government in funding and governance to enhance the role of the Park Lands as a key City asset in supporting artistic and cultural activities*
- *Work in partnership with key stakeholders to attract a winter music festival by June 2018*

Deliverables

- Create a new rose garden in the Park Lands which celebrates Chinese culture
- Continue to support the growth of the Umbrella Winter Music Festival

Council Services

- Work with partners to provide expert advice and promotion of events, activities and experiences
- Partner with the creative arts business, entrepreneurs and community through the City Activation project to enliven the City
- Deliver a range of small, medium and large scale events for the enjoyment of the community
- Facilitate a diverse range of events, exhibitions and cultural experiences at Adelaide Town Hall
- Deliver the Public Art Plan 2014-2019
- Promote the UNESCO Live Music accreditation
- Provide Sponsorship, Art and Cultural grants and deliver and manage activities funded by external grants
- Provide community grants
- Deliver the Tourism & Visitor Information Services Action Plan in partnership with key stakeholders to promote tourism services and initiatives
- Lead city design and spatial planning and be a source of advice on planning, building, design and heritage matters
- Manage the parklets and laneways program
- Deliver the Reconciliation Action Plan including NAIDOC week celebrations

2017-18 Projects (including Grants & Sponsorships)

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Aboriginal Oral History Projects	Deliver a collection of memories and stories shared by Aboriginal Elders and members of local Aboriginal communities through exhibitions in a variety of locations.	30	-
Adelaide Convention Bureau (ACB)	Funding contribution to support ACB to attract business conventions, exhibitions, incentives tourism and other events to Adelaide.	357	-
Adelaide's New Year's Eve	Produce and deliver a high quality and free community NYE celebration in the heart of the City that showcases the physical and artistic assets of the City and state.	285	-
ANZAC Day Service, March & Related Activities	Work in partnership with the ANZAC Day Committee and affiliated organisations to support the delivery of a professional and memorable ANZAC Day event in the City.	31	-
Arts & Cultural Grants	Grants that provide financial support to assist creative practitioners to deliver inspiring art, cultural and multicultural projects.	208	-
Australia Day in The City	Support for the Australia Day in The City parade, concert and fireworks.	168	-
Chinatown Reinvigoration	Develop an enhancement plan with a partnership approach integrating economic, cultural, physical and governance elements to invigorate Chinatown.	80	-
Christmas in The City	Enhance the experience of Christmas in the City through the delivery of new decorations, lighting displays, events, retail activations and promotions, and provision of a Christmas grant to the six Precinct Groups for Christmas activities and decorations.	200	400 266*
City Activation	Provide a platform for City businesses and the community to trial and test initiatives, aimed at increasing visitation and economic growth in the City.	705 80*	-
City of Adelaide Lighting Master Plan	Enable future lighting initiatives to be co-ordinated and complementary and enable future years of planning and projects to be set to provide cohesiveness of outcome.	150	-
City of Adelaide Prize	Deliver as part of the yearly Institute of Architects Awards to projects that deliver exceptional contribution to the City with a focus on public realm benefit.	35	-
Creative Social Ventures Incubator Program	Lead, develop and deliver a unique 90-day program that is a business incubator for creative start-ups and practitioners, offering enterprise training and mentoring to aspiring entrepreneurs in the visual, performing arts and creative industries.	40	-
Festival & Event Sponsorship Program	Financial support to eligible groups and organisations to assist in the staging of a diverse range of events and activities within the City.	1,813	-

Project Name	Description	Project Net Budget (\$'000s)	Capital Net Budget (\$'000s)
Festivals Adelaide	A three-year strategic partnership with Festivals Adelaide to support the growth of Adelaide's premier arts and cultural festivals and promote Adelaide as Australia's best festival city.	61	-
Implementation of Reconciliation Action Plan Park Lands Initiatives	Implement initiatives from the Stretch Reconciliation Action Plan such as <i>Place of Reflection</i> (for members of the Stolen Generation and their families).	100	-
Live Music Action Plan	The City of Adelaide, in its role as UNESCO City of Music Executive, will work as a leader, connector and collaborator to grow new sustainable opportunities for the City community to experience live music.	55	-
Live Music Strategic Partnership with Music SA	A three-year strategic partnership with Music SA to promote and strengthen the live music industry and by supporting the regulatory environment for live music businesses to thrive.	10	-
NAIDOC Week Celebrations	Delivery of the Lord Mayor Civic Reception to demonstrate Council's commitment to reconciliation, celebrated with the flag raising ceremony, awards, live entertainment and a morning tea at Adelaide Town Hall.	21	-
Queen's Baton Relay	Work in partnership with the Gold Coast 2018 Commonwealth Games Corporation to facilitate the delivery of the Queen's Baton Relay and celebratory event on Sunday 18 February 2018.	90*	-
Public Art Capital Projects	Delivery of a range of public art capital projects that will contribute to surprise, delight and attraction of people and the development of Adelaide as the premier international arts market.	-	105 98*
Tourism Growth	Deliver initiatives that will contribute to the visitor experience in the City and explore new innovative ways to enhance their experience through smart technologies.	180	-
Welcome China Program	Further development and promotion of the 'Welcome Adelaide' WeChat platform launched in December 2016 and providing support for city businesses to leverage opportunities from increased visitors from China.	120	-
	TOTAL	4,819	869

* Carry forwards from 2016-17





CAPITAL WORKS PROGRAM

The 2017-18 Integrated Business Plan illustrates the innovative and strategic approach which we have developed for the planning and delivery of our capital works.

This has been developed in a manner which is consistent with the aim of the City of Adelaide Strategic Plan 2016-2020 to create world-class infrastructure and a greener, more liveable city.

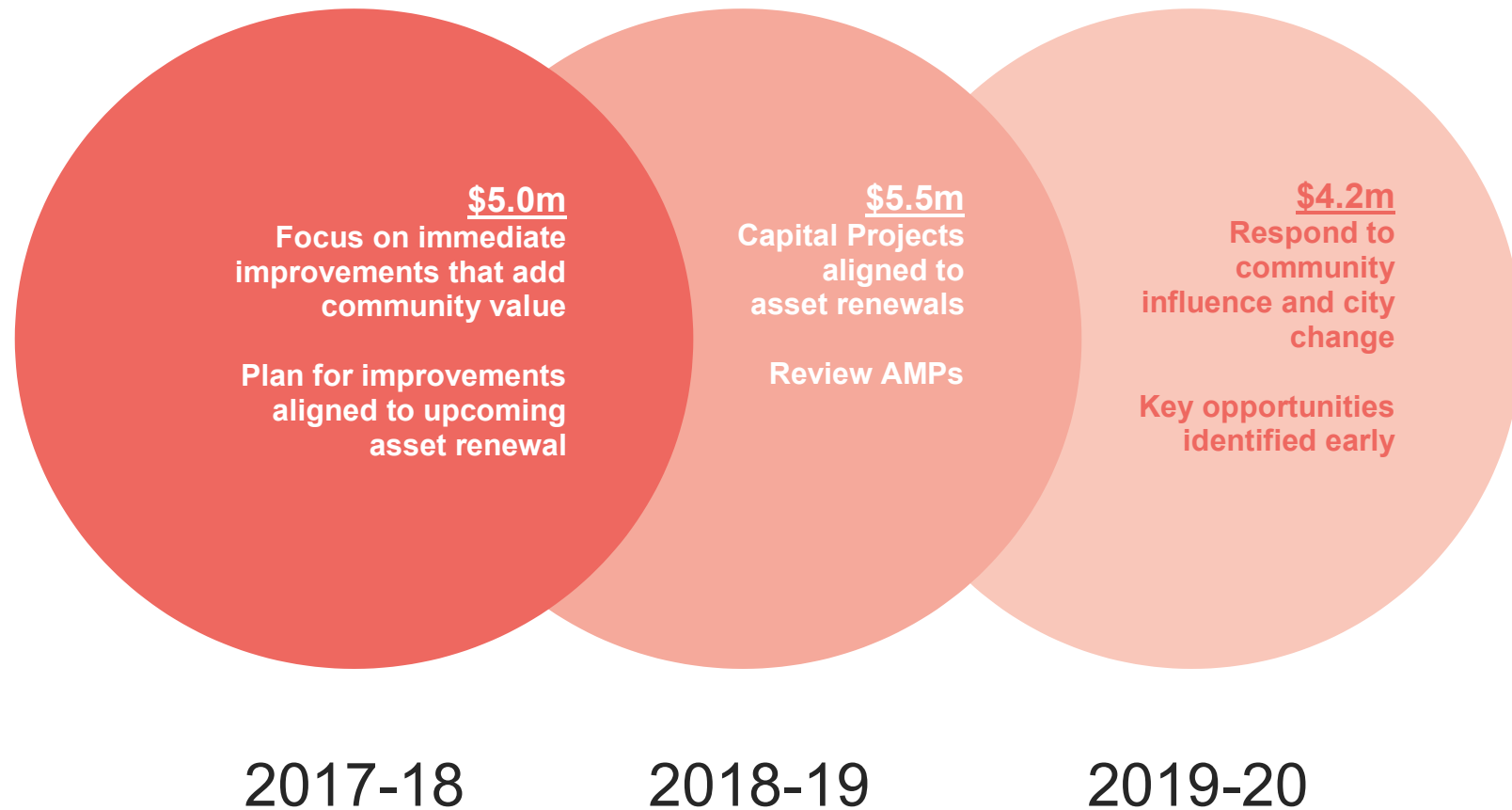
The plan focusses our works and projects on our Streets (Main Streets, Residential Streets and Laneways), our City Landscapes (greening city streets through median plantings, planter boxes and verges), Park Lands (community facilities, paths and plantings in the Park Lands), City Works (ongoing renewal program for streets, bridges and other city infrastructure), Buildings and Street Furniture (including Adelaide Town Hall, heritage buildings, public toilets, and signage).

This revised methodology focusses on an integrated approach to the planning and delivery of our projects including multi-year investments where appropriate, to create a forward program of projects as well as accelerating projects for delivery with a strong focus on city quality and experience.

\$'m	2017-18	2018-19	2019-20
	Budget	Plan	Plan
Main Streets	(5.0)	(5.5)	(4.2)
Residential Streets	(3.9)	(4.5)	(3.0)
Laneways	(1.7)	(1.5)	(2.0)
City Landscape	(1.6)	(0.5)	(0.5)
Street Furniture	(0.5)	(0.4)	(0.5)
City Works:			
Transport	(8.9)	(4.8)	(8.1)
Traffic Signal	(1.5)	(0.9)	(1.6)
Bridges	(0.8)	(0.8)	(0.3)
Lighting & Electrical	(1.8)	(2.9)	(2.5)
Water Infrastructure	(0.4)	(0.6)	(1.1)
Urban Elements	(0.4)	(0.7)	(0.9)
Park Lands Assets	(1.2)	(1.0)	(0.5)
Asset Management Services	(0.7)	(0.5)	(0.4)
Total City Works	(15.7)	(12.2)	(15.3)
Park Lands	(2.5)	(4.7)	(1.9)
Buildings	(2.8)	(4.2)	(5.8)
Infrastructure Program	(33.8)	(33.5)	(33.3)
Plant & Fleet	(1.4)	(1.7)	(1.9)
Information Management	(1.5)	(1.5)	(1.5)
Infrastructure Program + Other Asset Renewals	(36.7)	(36.7)	(36.7)
Capital Works Program Management	(6.3)	(6.3)	(6.3)
Total 3 Year Capital Work Program	(43.0)	(43.0)	(43.0)

* Excludes carry forwards from 2016-17

MAIN STREETS



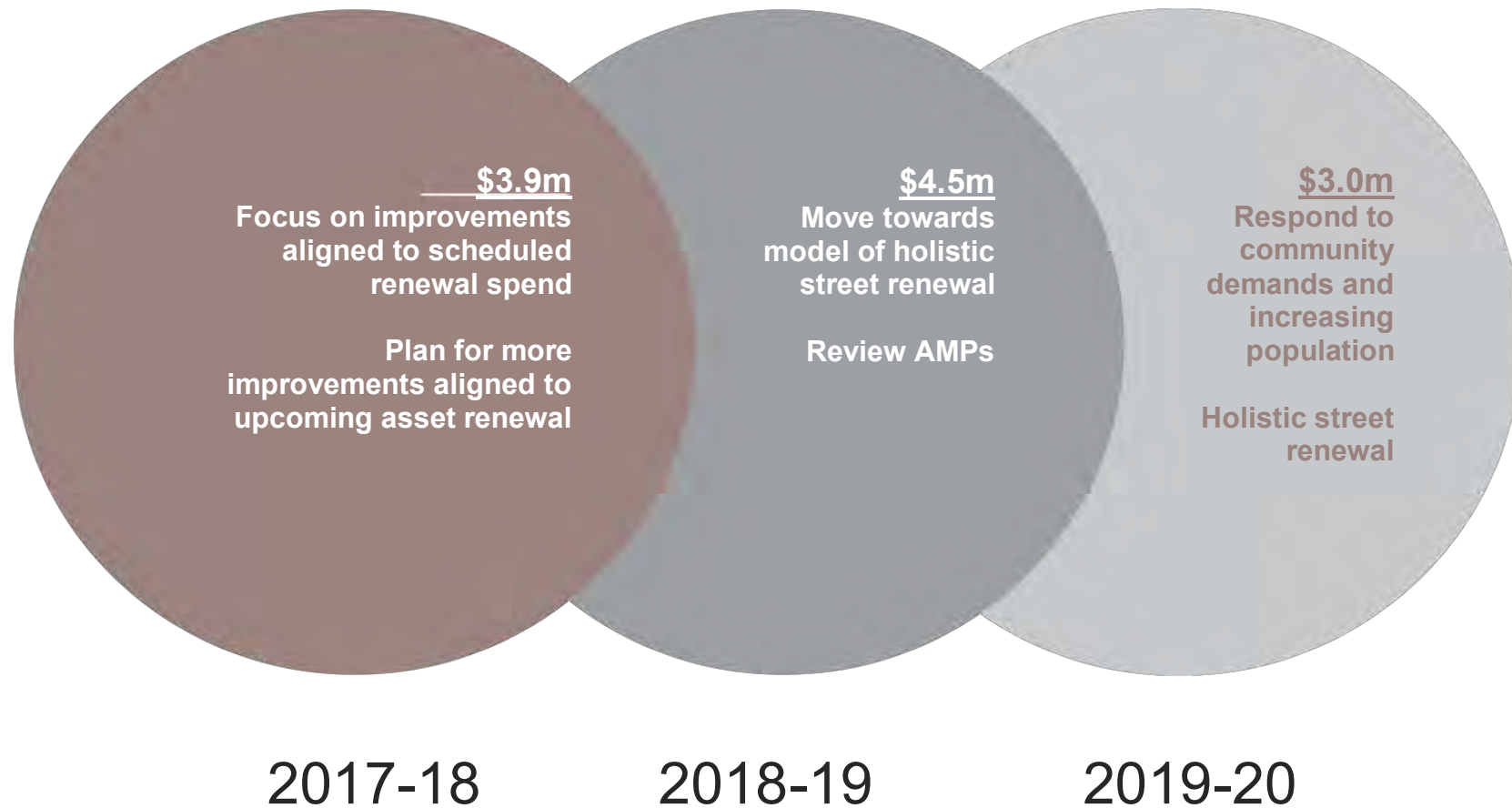
MAIN STREETS

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Waymouth Street Stage 2	725 796*	✗	✓	Delivery of Waymouth Street footpath upgrade between Waymouth Place and just past Anster Street (northern side only). Wider footpaths for better pedestrian amenity and outdoor dining, additional new trees.
Gouger Street	518	✓	✓	Program of minor improvements to many of the city's retail streets; includes practical improvements such as greening (additional trees where possible, planter boxes), decluttering, street build-outs (protuberances), lighting, access and mobility improvements, and other opportunities to beautify streets and improve public realm. Melbourne Street project includes funding for roadway renewal, and Gouger Street includes PLEC undergrounding design funding.
Melbourne Street	829	✓	✓	
O'Connell Street	518	✓	✓	
Hutt Street	518	✓	✓	
Decorative Lighting Program	320	✓	✓	Provide decorative lighting along Frome Road by up-lighting existing large plane trees. Designs explored for other decorative lighting approaches for future years (ongoing program proposed).
East End Lighting	170	✓	✓	Design and installation of lighting to enhance the retail and dining precinct of the East End (Rundle Street).
Pirie Street	50	✓	✗	Design concepts for Pirie Street (Gawler Place to Hindmarsh Square, both sides). Full ADM upgrade design, plan for new trees.
Jeffcott Street Stage 1	1,307	✓	✗	Stage 1 will focus on capital works between Barton Terrace West and Buxton Street to address drainage and flooding issues. This work will prioritise conserving and enhancing the street's character (trees and bluestone kerbing).
Prospect Road	25	✓	✗	Designs for on-road bike lanes and/or upgrades to shared use path, potential for new median with landscaping and street trees, possible WSUD returning storm water to Park Lands.
South Terrace Bikeway and Park Lands	40	✓	✗	Designs for 950 metres of shared use path and minor landscape improvements between Sir Lewis Cohen Avenue and Anzac Highway.
Hindley Street West	254*	✗	✓	Completion of the Hindley Street West Upgrade.

* Carry forwards from 2016-17

RESIDENTIAL STREETS

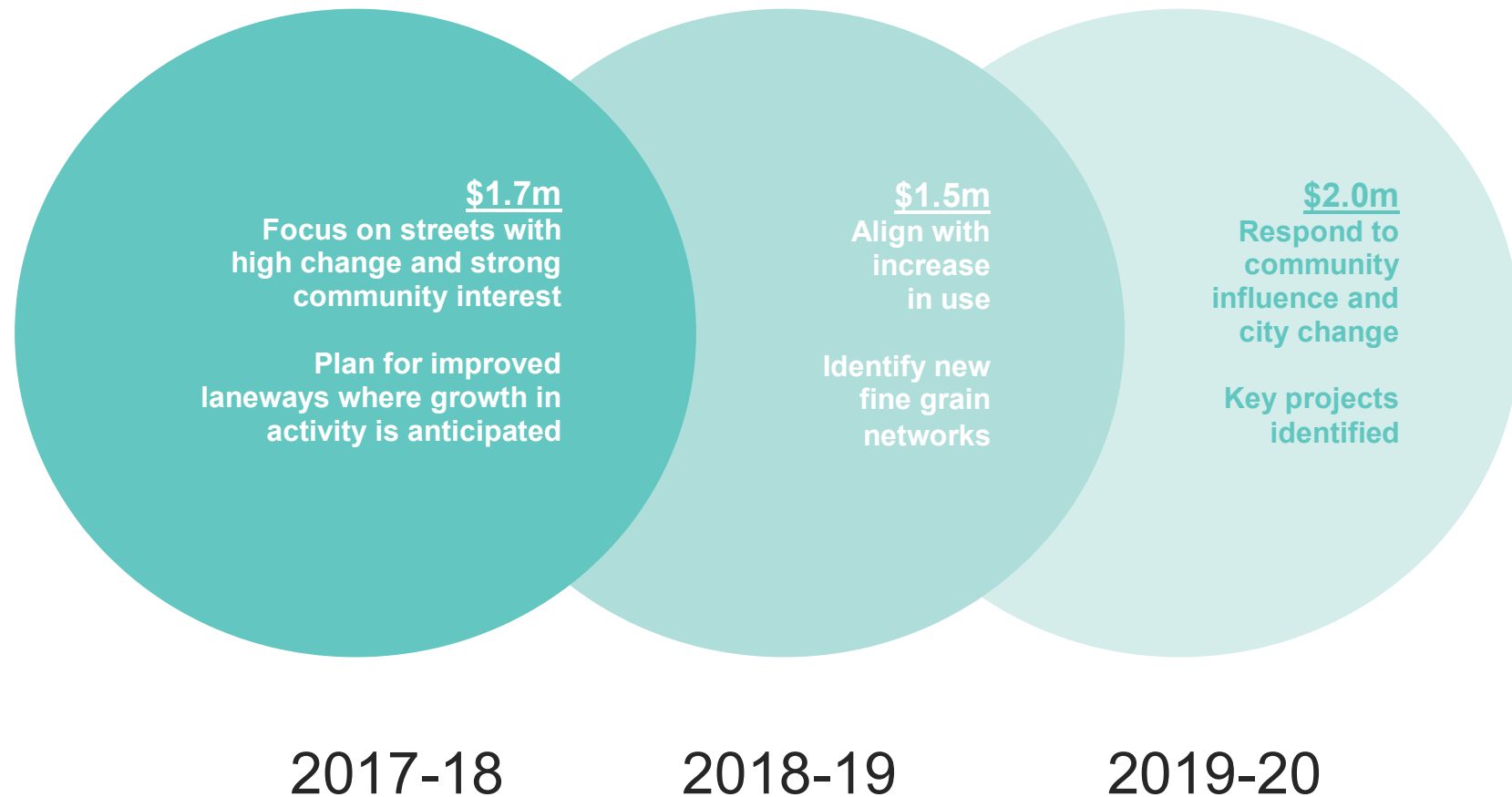


RESIDENTIAL STREETS

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Boulton Street Stage 1	207	✓	✓	Possible undergrounding of power lines and general street improvements including street tree planting. Works proposed to be split across two years (also \$200k proposed for 2018-19).
St Helena Place	830	✓	✓	Streetscape upgrade includes possible undergrounding of power lines, target of 5-10 new street trees.
Sturt Street	1,224	✓	✓	Streetscape improvements (e.g. landscaping) aligned to roadway renewal.
City West Quietway (Lowe, Blenheim and Gray Streets)	683	✓	✓	Next stage of construction of City West Quietway and designs for Gray Street. Improved facilities for people walking and riding bikes including new pedestrian refuges on Gouger Street and new trees/landscaped garden areas. Approximately 10 new street trees.
Street Tree Planting	784	✓	✓	Up to 200 new trees in streets where most needed (e.g. low canopy cover, high numbers of residents). External funding of \$750k anticipated. Will be guided by Green City Plan once approved.
Wright Court and Field Street	110	✓	✓	Improve the amenity of the 'H' shaped precinct of Wright Court and Field Street.
Molesworth/Tynte Streets	50	✓	✓	A design project to align with renewal works the following year. Project will explore general street improvements, low-level greening/landscaping and locations for up to 20 new trees, with works commencing in the 2017-18 year.
Wright Street	50	✓	✗	A design project to align with renewal works the following year. Will identify streetscape improvements, locations for new trees, better crossing points to access Central Market (linked to Market District Plan engagement and outcomes) and other improvements.

LANEWAYS



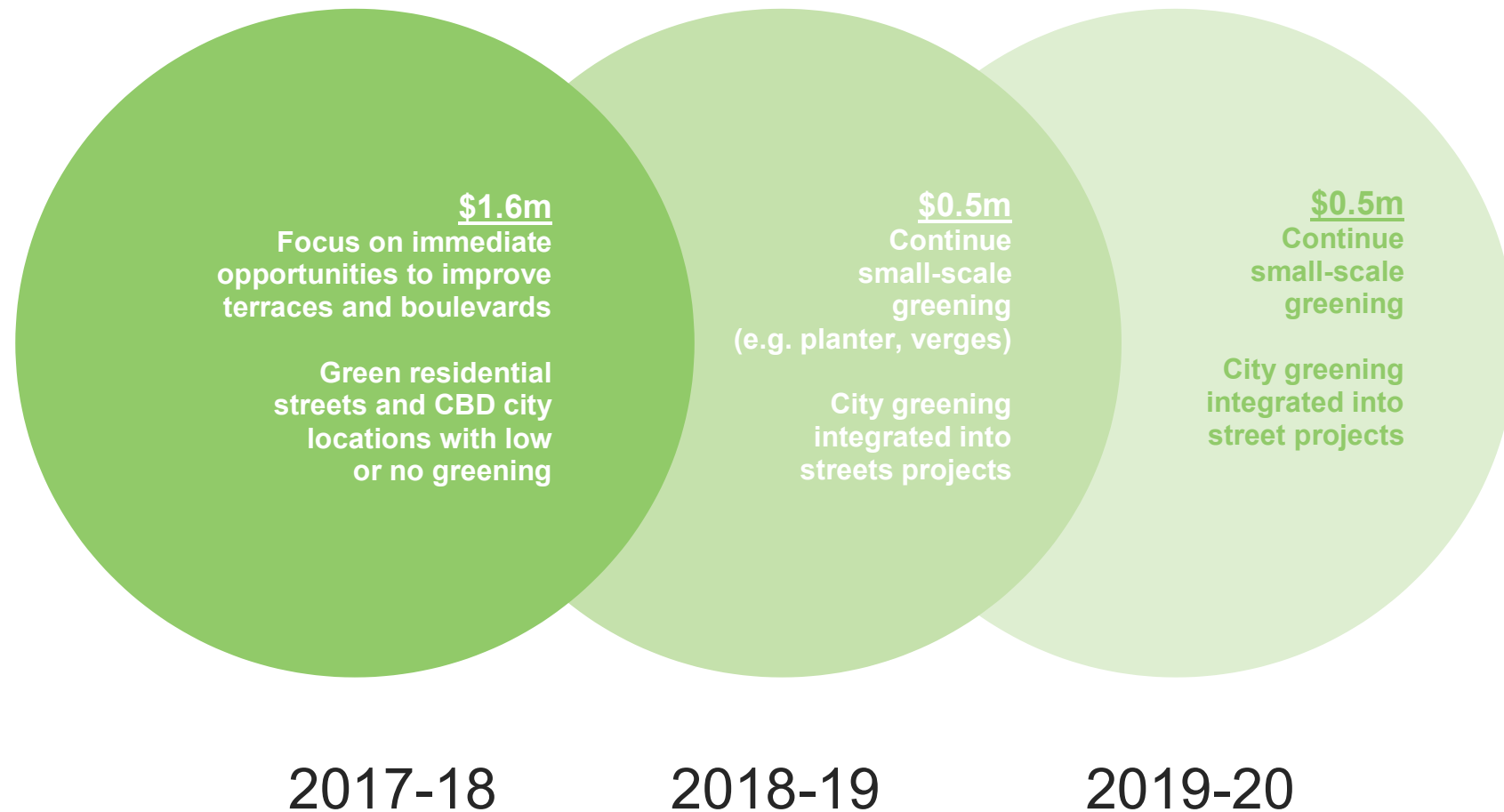
LANEWAYS

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Gresham Street	700	✓	✓	Design and construction for the upgrade of Gresham Street between Hindley Street and North Terrace. The project will consider design and delivery in 2017-18 including pavement upgrades, kerb removal (where feasible), new greening (including street trees and planter boxes), lighting and street furniture. Partnership funding from State Government (Renewal SA) will be sought.
Peel Street	190	✓	✓	Design and construction for minor works to improve Peel Street between Currie Street and Hindley Street. The project will complement the changing use of the street, for design and delivery in 2017-18 including removal of concrete bollards, new street furniture and potentially new planter boxes. Partnership funding from State Government (Renewal SA) will be sought.
Union Street	220	✓	✗	Design for the upgrade Union Street between Grenfell Street and Rundle Street. The project will consider design concepts in 2017-18 (for delivery in 2018-19) including increased outdoor dining areas (to complement new building activation), new greening (including new street trees and planter boxes), new lighting, new street furniture and new paving.
George Street	120	✓	✗	Design for the upgrade of George Street between Hindley Street and North Terrace. The project will consider design concepts in 2017-18 (for delivery in 2018-19) including increased outdoor dining areas (to complement new building activation), new greening (including new street trees and planter boxes), new lighting, new street furniture and new paving. Partnership funding from UniSA and potentially the State Government will be sought.
Chesser, Coromandel and French Streets	240	✓	✗	Design for the upgrades of Chesser, Coromandel and French Streets, located between Grenfell Street and Pirie Street. The project will consider design concepts in 2017-18 (for delivery in 2018-19 and 2019-20), including designs for the arbours, increased outdoor dining, removal of kerbs (where feasible), new paving, new greening (street trees and planter boxes) and new street furniture.
Laneway Upgrade Design Program: Austin Street, Anster Street and Waymouth Place, Moonta Street, Market Street and Rundle Mall	230	✓	✗	Design funding for due diligence, investigation and high level concept design in relation to future laneway upgrades and potential funding partnerships. Focussed on areas where there is strong community interest or a identified potential funding partner. Includes development of forward plan for the upgrades of the Rundle Mall laneways. Moonta Street design will be supported by the Chinatown Reinvigoration project in the 2017-18 Integrated Business Plan.
Gresham Place	100*	✗	✓	Final delivery of the Gresham Place Upgrade, construction commenced in 2016-2017.

* Carry forwards from 2016-17

CITY LANDSCAPE

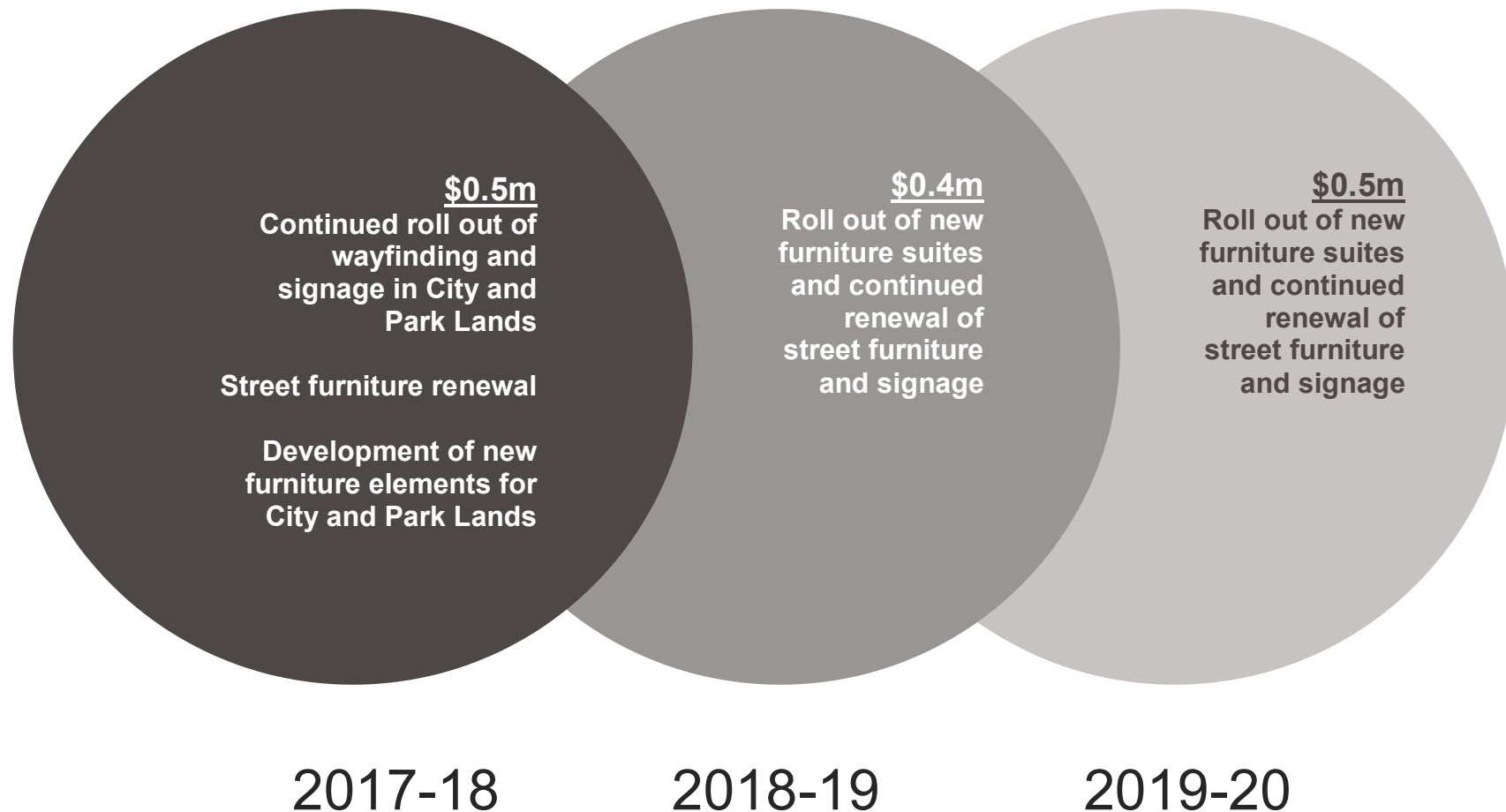


CITY LANDSCAPE

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
West Terrace Median	280	✓	✓	Continuation of central median of West Terrace landscaping from Currie Street to North Terrace. Includes new trees.
East Terrace Median	93	✗	✓	Replacement of planting and irrigation at the end of Angas Street.
King William Street Median	405	✗	✓	King William Street central median landscaping replanting as basic renewal works (between Gresham Place and Pirie Street).
Bundeys Road	311	✓	✓	Landscaping of central median and verges to improve presentation. Links to new Park 9 Playspace investment.
Nature Strips and Verges	156	✗	✓	This program provides verge gardens rather than rubble or improves existing verge gardens. Usually aligned to road renewal but community-driven and responds to resident requests and interest.
Planter Box Program	353	✗	✓	Fabrication/purchase of planter boxes (up to approx. 150 depending on design), includes planting refresh twice a year or as required, includes maintenance for one year. Design to be approved by Council in June 2017 as part of the Adelaide Design Manual furniture suite.

STREET FURNITURE

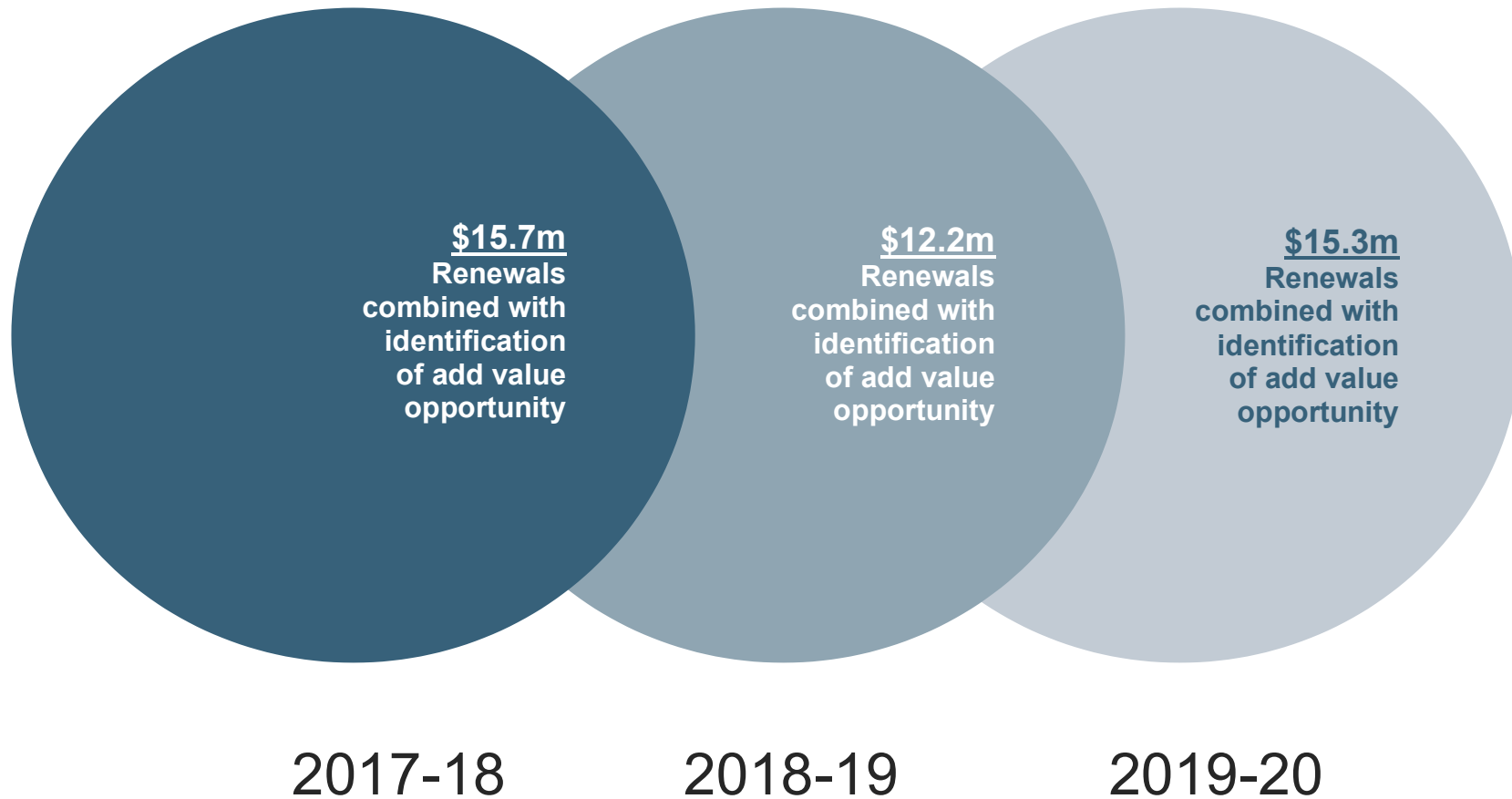


STREET FURNITURE

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Wayfinding and Signage	206	✓	✓	Continuing rollout of new wayfinding signage suite to replace current signage. Also includes new interpretive signage in the Park Lands (for cultural/heritage and sustainability), braille signs, directional signs for dog parks/toilets etc. Through this program, we also work with partners to improve signage city-wide (e.g. successful Renewal SA collaboration for Riverbank) and explore integration of smart technology.
Street Furniture	257	✓	✓	Design of new street furniture (suite for Park Lands) as part of the ADM palette with intent to test in a Park Lands area, and roll out an approved new design in a similar gradual model to the wayfinding. Includes capacity for design for other furniture elements identified by Council, e.g. a suite of wooden bollards.

CITY WORKS



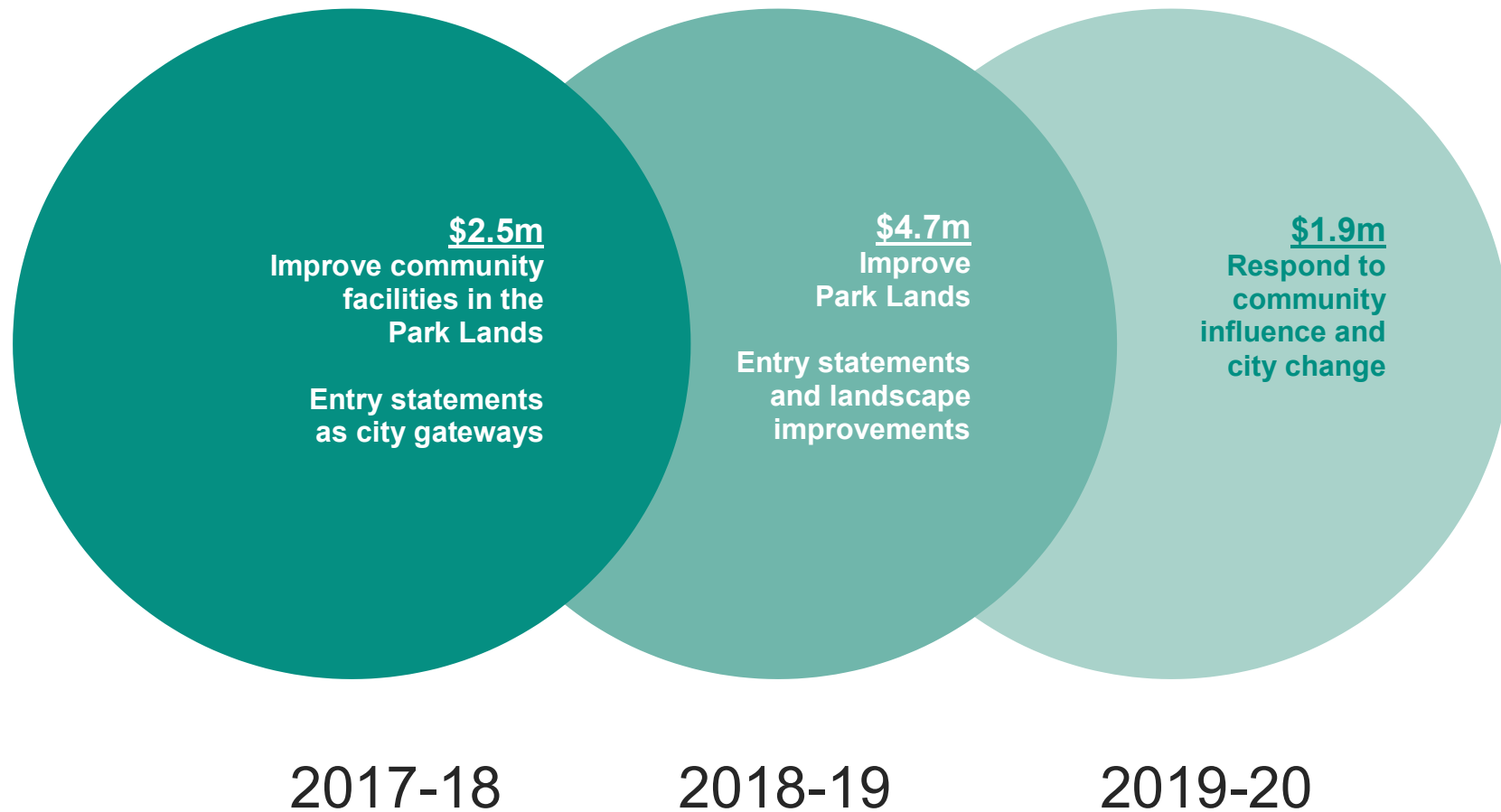
CITY WORKS

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Street Renewal	8,914 484*	✓	✓	Ongoing renewal program: roadway-only locations; footpath-only locations; and combined roadway, kerb and footpath renewals in various locations. Design program for future roadway, footpath, kerb and water table projects.
Traffic Signals and Black Spot Projects	1,518 50*	✓	✓	Installation of patriot loops aligned with the road renewal program and lantern changes to LEDs. Black spot funding allocation (for the Morphett/Gouger intersection, subject to an additional \$170k funding bid), pedestrian push-button improvements, traffic signal and CCTV improvements at multiple locations.
Bridge Renewal	775	✓	✓	Renewal of Albert Bridge, Victoria Bridge, Weir 3, and University Footbridge. Design for 2018-19 works including Morphett Street Bridge renewal planning.
Lighting and Electrical	1,750 250*	✗	✓	Renewal of: Electrical cable and switchgear, CCTV, distribution and electrical assets. Street lighting HID to LED conversion, safety lighting renewal and street lighting renewal in various locations.
Water Infrastructure Projects	425 775*	✓	✓	Bio-retention project (Peacock Road), gross pollutant traps (Frome Road, Wita Wirra), Torrens Lake and Weir renewal, East Terrace drainage improvements, creek rehabilitation and River Torrens bank stabilisation.
Park Lands Renewals and Urban Elements	1,585 415*	✗	✓	Renewals in Park 19 Courts (lighting upgrade), renewal of parking ticket machines, statue and artwork refurbishment, irrigation renewal, South Park Lands Creek renewal.
Asset Management Services	720	✗	✓	Asset management services, including condition audits.
Torrens Linear Trail	275*	✗	✓	Safety improvements to the Linear Trail.

* Carry forwards from 2016-17

PARK LANDS



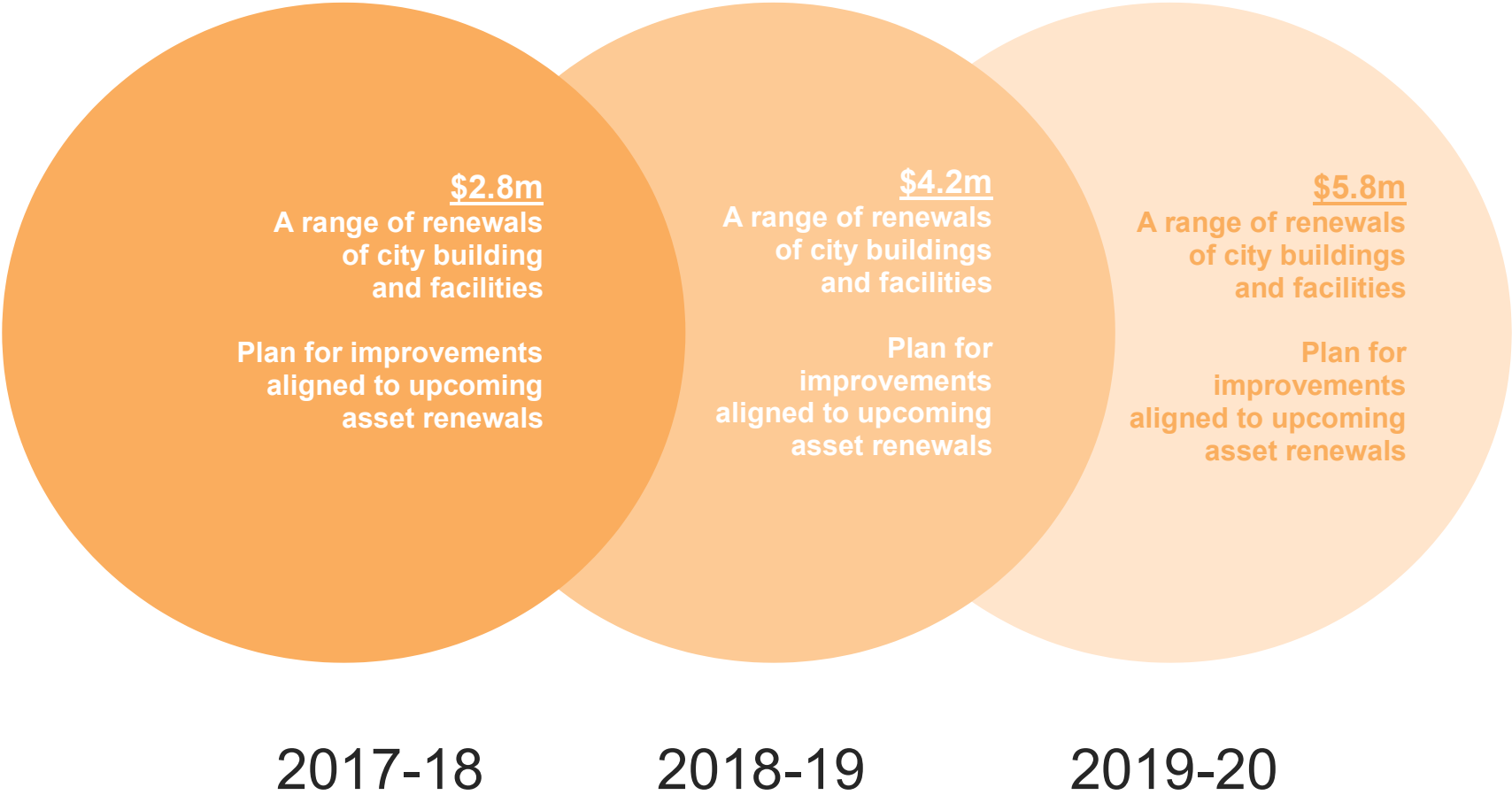
PARK LANDS

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Park 15 Playspace Stage 2	337	✗	✓	Playground renewal including the upgrade of footpaths for DDA compliance, new equipment, nature play, landscaping, new furniture and additional active recreation opportunities such as table tennis and basketball/netball hoops.
Park 20 BMX and Tennis Courts	176	✗	✓	Safety alterations and planned renewal of BMX track, and formation of radio controlled vehicle circuit and push track with possible tennis court upgrade.
Park 25 Access Road	830	✗	✓	Delivery of new or upgraded access road in Narnungga (Park 25).
Western Entry Statement	950	✓	✓	Delivery of landscape improvements on Sir Donald Bradman Drive to enhance entry experience and city presentation.
Park Lands Landscaping	95	✓	✓	Landscape renewals: Park 6 community oval, Lundy Gardens, Himeji Gardens, Heritage rose garden.
Park 24 Access Improvements	30	✓	✗	Proposed improved access to Park 24 to allow activation and recreational use.
Park 22 and 23 Netball Courts	15	✓	✗	Investigations for future re-use of netball courts.
Pathway of Honour	10	✓	✗	The Pathway runs behind Government House and improvement aligns to renewal. This design project will explore options from a simple garden bed upgrade to a more substantial renewal to complement the Anzac Memorial Walk. Partner funding currently being investigated.
Path from North Adelaide Station to Mills Terrace	20	✓	✗	Designs for the improvement/upgrade of the path connecting Mills Terrace through the Park Lands to the North Adelaide Train Station.
Veale Gardens Master Plan	45	✓	✗	A master plan to explore use of the space following demolition of the conservatory, with intent to re-invigorate use of the park and cycling routes.
Victoria Square Access and Inclusion Works	150*	✗	✓	Access and inclusion enhancements to Victoria Square.

* Carry forwards from 2016-17

BUILDINGS



BUILDINGS

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Town Hall Works	580 220*	✓	✓	Planned works to the Town Hall façades, bell tower, chimneys and other interior works including the commercial kitchen.
UPark Renewals	280 700*	✓	✓	Planned structural improvements to Rundle UPark, designs for future works to the Topham UPark building (may complement the Market to Riverbank upgrade works), and design and scoping works for improvement works to the Wyatt Street UPark facade.
Heritage Buildings Program	100 30*	✓	✓	Continuing Victoria Park Heritage Buildings projects and North Adelaide Library/ Post Office.
CCTV Network Renewals	370	✓	✓	Prioritised asset renewals (moving from analogue to digital) Phase Three.
Eagle Chambers Renewals	220	✓	✓	Re-levelling of uneven floor to Level 1 and minor renewal items.
Colonel Light Centre Renewals	240	✓	✓	Planned renewals including coating to precast facades, general identified renewals, Levels 7 and 8 LED/ceiling replacements.
Pavilion on the Park Roofing Works	300	✓	✓	Pavilion on the Park Restaurant roof works and stormwater management.
Public Toilets	750 540*	✓	✓	Victoria Park sports fields changing rooms and toilets, new toilets for Park 19 in connection with Marshmallow Park and new toilets for Park 15 playspace.
Building Management System	50*	x	✓	Upgrade to the Building Management System at various sites.

* Carry forwards from 2016-17

PLANT AND FLEET

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Plant and Fleet	1,068	✕	✓	Replacement of major plant, light fleet and minor equipment.
Library Books	0	✕	✓	Renewal of Library Books to ensure the collections responsive and relevant to the information needs of the customers.
UPark Payment Solutions	365	✕	✓	Upgrade credit card readers at all UPark payment stations.

INFORMATION MANAGEMENT

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
Corporate PC and Desktop Replacement	705	x	✓	Ongoing program to maintain and upgrade the corporate desktop equipment fleet consisting of PCs, laptops and other desktop equipment (monitors, peripherals). PCs and laptops are replaced every 4 years on a rotating basis and peripherals are replaced when obsolete.
Network Connectivity and Security	300	x	✓	Ongoing program to maintain and upgrade the corporate data network consisting of fibre optic connections, networking equipment (switches) and network security protection systems.
Printer and Photocopier Replacement	54	x	✓	Ongoing program to maintain and replace the corporate fleet of 35 multi-function devices (MFDs) and printer equipment. MFDs are replaced every 7 years as per the suppliers' obsolescence requirement.
Server Replacement	387	x	✓	Ongoing program to maintain and upgrade data centre and disaster recovery equipment consisting of servers, data storage equipment, power supply, backup devices. Equipment is replaced on a 5-year cycle, extended with warranty extension where cost effective.
Corporate Applications	42	x	✓	Ongoing program to maintain and upgrade corporate software applications including replacement when the corporate software becomes obsolete or unsupported.
Telecommunications System Upgrade	33	x	✓	Ongoing program to maintain and upgrade the corporate telephone systems including desktop telephone handsets.

CITY TRANSFORMATION INVESTMENTS

City Transformation Investments were previously approved by Council as multi-year projects.

Figures are quoted as Net Cost

Project Name	\$'000s	Design	Deliver	Description
City Bikeways Project	5,000 700*	✓	✓	This project will introduce two continuous and separated bikeways through the City of Adelaide, one from north to south and the other from east to west.
Gawler Place Redevelopment	6,000 1,500*	✓	✓	Upgrade of Gawler Place between North Terrace and Grenfell Street.
Kintore Avenue Memorial Walk	500	x	✓	To provide a focal point for remembrance and reflection on the sacrifice made by Australian Defence Forces in WW1, and to provide interpretive material that will assist in educating future generations on a significant time in our country's history.
Light Rail Extension	2,500	✓	✓	Contribution to the public realm upgrade and East End Tram Stop as part of the South Australian Government's light rail extension from King William Street to East Terrace.
Market to Riverbank Link Upgrade	5,800 675*	✓	✓	A joint project by City of Adelaide and the State Government (through Renewal SA) to create an exciting and vibrant connect between the Adelaide Central Market and the Adelaide Riverbank.
Pityarilla (Park 19) Activity Hub	0	x	✓	The Activity Hub is aiming to create an exemplary, community park, providing a variety of recreational and play opportunities serviced by high quality facilities and amenities. Funded by the Government of South Australia.
Smart City	2,650 2,271*	x	✓	Smart City is a key outcome of Council's objective to enhance the City experience - putting people at the centre of everything and growing a smart, liveable and sustainable city with a strong sense of connectedness enabled by smart technology.
Smart Organisation	450 285*	x	✓	A Smart Organisation supports a Smart City, allowing us to interact and collaborate with community, partners and key stakeholders to transform the way we work together to provide a great experience for city users.

* Carry forwards from 2016-17

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	2017-18 Budget \$'000	2016-17 Forecast \$'000
Gross Expenditure on Renewal / Replacement of Assets	36,335	44,550
Gross Expenditure on Renewal / Replacement of Subsidiary Assets	2,479	2,691
Depreciation	(41,084)	(38,291)
Proceeds from Sale of Replaced Assets	(320)	(913)
Amounts received specifically for Renewal / Replacement of Assets	(540)	(539)
EQUALS: Net Outlays on Existing Assets *	(3,130)	7,498

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

Council's AMP 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; and
- Transparent process for evaluating and prioritising capital projects.

Net Outlays on New and Upgraded Assets

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

Net Outlay on New and Upgraded Assets	2017-18 Budget \$'000	2016-17 Forecast \$'000
Gross Expenditure on New / Upgraded Assets	60,723	19,416
Gross Expenditure on New / Upgraded Subsidiary Assets	568	-
Proceeds from Sale of Surplus Assets	-	-
Amounts received specifically for New / Upgraded Assets	(17,075)	(2,250)
EQUALS: Net Outlays on New and Upgraded Assets *	44,216	17,166

* Includes Carry forwards from 2016-17

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





LONG TERM FINANCIAL PLAN

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

Key inputs and influences on the Long Term Financial Plan include:

- An assessment of the City of Adelaide's current financial position and achieving longer term financial sustainability;
- Alignment with the Strategic Plan;
- City of Adelaide's Governance Principles;
- Alignment with the City of Adelaide 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; and
- Alignment with Asset Management Plans.

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

- Rates valuation growth, on average, is assumed in line with forecast inflation, excluding new development;
- Other revenue and expenditure growth, in general is assumed in line with forecast inflation;
- Statutory charges reflect dollar increments or percentage increases as specified by statute;
- Salaries and wages are forecast based on current and expected enterprise agreement outcomes; and
- Capital expenditure is in line with the City of Adelaide targets, with the 3 Year Infrastructure Program.

The following page shows the City of Adelaide's Long Term Financial Plan.

LONG TERM FINANCIAL PLAN

\$'m	2017-18 Budget	2018-19 Plan	2019-20 Plan	2020-21 Plan	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan
GENERAL OPERATIONS										
General Rates	98.9	102.0	105.4	108.9	112.5	116.2	120.0	124.0	128.1	132.3
Revenue	34.2	34.9	35.7	36.5	37.3	38.2	39.1	40.0	40.9	41.8
Expenditure	(98.2)	(102.6)	(105.1)	(107.6)	(109.8)	(112.1)	(114.3)	(116.5)	(118.8)	(120.9)
General Operations Surplus	34.9	34.3	36.0	37.8	40.0	42.3	44.8	47.5	50.2	53.2
CAPITAL WORKS PROGRAM										
Infrastructure Program	(33.8)	(34.2)	(34.8)	(35.6)	(36.4)	(37.2)	(38.1)	(39.0)	(39.9)	(40.8)
Other Asset Renewals	(2.9)	(3.3)	(3.6)	(3.6)	(3.7)	(3.8)	(3.9)	(4.0)	(4.1)	(4.2)
Capital Works Program Management	(6.3)	(6.4)	(6.5)	(6.6)	(6.8)	(7.0)	(7.2)	(7.4)	(7.6)	(7.8)
Capital Works Program	(43.0)	(43.9)	(44.8)	(45.8)	(46.9)	(48.0)	(49.2)	(50.4)	(51.6)	(52.8)
Projects (inc. Grants & Sponsorships)	(16.8)	(15.3)	(15.7)	(16.1)	(16.5)	(16.9)	(17.3)	(17.7)	(18.1)	(18.5)
Council Operating Surplus (Deficit)	(25.0)	(24.9)	(24.5)	(24.1)	(23.5)	(22.6)	(21.7)	(20.6)	(19.4)	(18.1)
Commercial Businesses Surplus	25.0	25.5	26.1	26.7	27.3	27.9	28.6	29.3	30.0	30.6
Underlying Current Year Funding Surplus (Deficit)	0.0	0.6	1.6	2.6	3.8	5.3	6.9	8.7	10.6	12.5
City Transformation Investments	(22.9)									
2017-18 Projects (funded from borrowings)	(0.7)	(0.4)								
Current Annual Funding Surplus (Deficit)	(23.6)	0.2	1.6	2.6	3.8	5.3	6.9	8.7	10.6	12.5
Carry Forwards	(11.5)									
Annual Funding Surplus (Deficit) Excluding Subsidiaries	(35.1)	0.2	1.6	2.6	3.8	5.3	6.9	8.7	10.6	12.5
Net Cash/Borrowings At End of Year - Excluding Subsidiaries	(34.0)	(33.8)	(32.2)	(29.6)	(25.8)	(20.5)	(13.6)	(4.9)	5.6	18.1
Subsidiary Operations	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Adelaide Central Market Authority Asset Renewal & Capital Program	(2.7)									
Adelaide Central Market Authority Carry Forwards	(0.3)									
Net Cash/Borrowings At End of Year - Including Subsidiaries	(39.1)	(38.9)	(37.3)	(34.7)	(30.7)	(25.4)	(18.4)	(9.7)	1.0	13.7

LONG TERM FINANCIAL PLAN

(UNIFORM PRESENTATION OF FINANCES)

\$'m	2017-18 Budget	2018-19 Plan	2019-20 Plan	2020-21 Plan	2021-22 Plan	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan
Income	191.6	196.0	201.7	207.5	213.4	219.5	225.8	232.3	238.9	245.7
less Expenses	(197.7)	(196.2)	(200.8)	(205.5)	(210.1)	(214.9)	(219.4)	(224.2)	(228.9)	(233.6)
Operating Surplus / (Deficit) before Capital Amounts	(6.1)	(0.2)	0.9	2.0	3.2	4.6	6.4	8.1	10.1	12.1
add Projected related expenditure	9.1	4.0	4.0	4.1	4.2	4.3	4.4	4.5	4.6	4.7
Funding Surplus before Capital Amounts	2.9	3.8	4.9	6.0	7.4	8.9	10.8	12.6	14.7	16.8
less Net Outlays on Existing Assets										
Net Capital Expenditure on Renewal & Replacement of Existing Assets	38.0	29.9	35.6	43.5	44.6	45.6	46.7	47.9	49.0	50.1
less Depreciation, Amortisation and Impairment	(41.1)	(41.9)	(42.8)	(43.7)	(44.8)	(45.8)	(46.8)	(47.9)	(49.0)	(50.1)
Net Outlays on Existing Assets	(3.1)	(12.0)	(7.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)
less Net Outlays on New and Upgraded Assets										
Net Capital Expenditure on New and Upgraded Assets	44.2	15.6	10.5	3.6	3.7	3.7	3.8	3.9	4.0	4.1
Net Outlays on New and Upgraded Assets	44.2	15.6	10.5	3.6	3.7	3.7	3.8	3.9	4.0	4.1
Net Lending / (Borrowing) for Financial Year	(38.2)	0.2	1.6	2.7	3.9	5.3	7.0	8.8	10.7	12.7

FUNDING THE BUSINESS PLAN

Funding for the City of Adelaide's Integrated Business Plan comes from two main sources:

- Funds from Operations (Amount Available for Projects)
- Funds from Borrowing

Funds from Operations represent the net contribution (Revenue less Expenditure) from the City of Adelaide's General Operations and Commercial Businesses.

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

The City of Adelaide's Commercial Businesses include UPark, Adelaide Aquatic Centre, North Adelaide Golf Course, Adelaide Town Hall and Strategic Property Investments.



FINANCING THE BUDGET

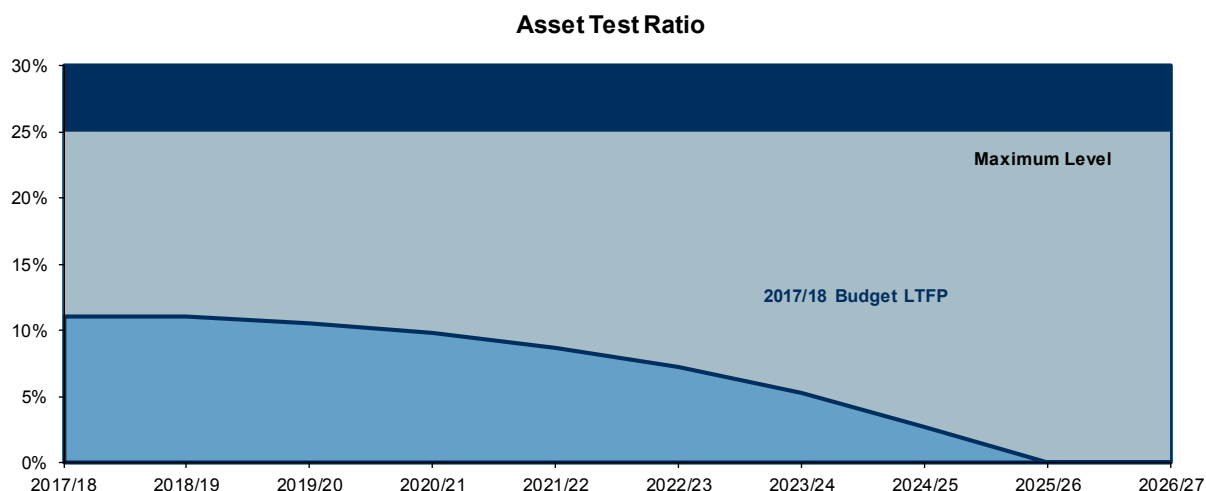
The following tables show the comparison of the 2017-18 Budget Net Lending / (Borrowing) position to prior years.

Net Surplus per Statement of Comprehensive Income	2017-18 Budget \$'000	2016-17 Forecast \$'000
Operating Revenue	191,578	209,100
less: Operating Expenses	197,712	191,915
Operating Surplus / (Deficit)	(6,134)	17,185
add: Net Gain / (Loss) on Disposal or Revaluation of Assets	320	-
add: Amounts Specifically for New or Upgraded Assets	17,075	2,250
add: Physical Resources received free of charge	-	-
Net Surplus / (Deficit) per Income Statement	11,261	19,435

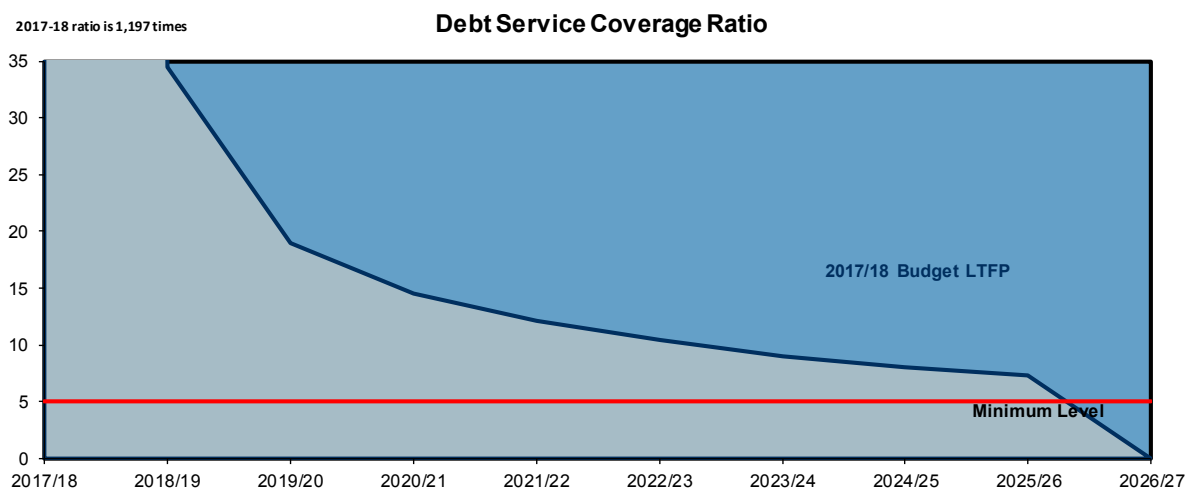
Financing Transactions	2017-18 Budget \$'000	2016-17 Forecast \$'000
Surplus/(Deficit) Current Year	(23,606)	15,905
Surplus/(Deficit) Current Year Subsidiaries	(3,027)	(2,100)
Funding of Carry Forwards	(11,536)	(13,100)
Surplus Cash/(New Borrowings)	(38,169)	705
Repayments	-	-
Working Capital and Provision Movements	-	-
Equals: Net Lending / (Borrowings)	(38,169)	705

Implications for Future Years

For the period covered by the Long Term Financial Plan, the following graphs show the balance of borrowings in accordance with the prudential limits specified in the Treasury and Cash Investment Policy. Based on the current parameters and assumptions, Council remains within the ranges of the prudential limits for the next ten years.

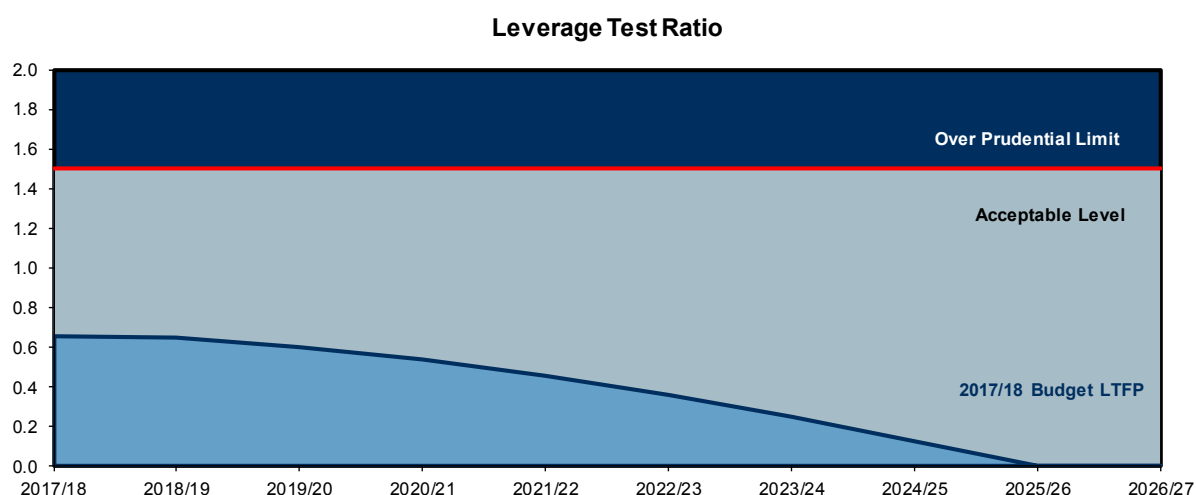


Asset Test Ratio = Total Borrowings / Total Saleable Property Assets
 (Saleable Property Assets = Total Property Assets LESS Landmark Public Buildings and Park Lands)
Maximum 25%



Debt Service Coverage Ratio = (General Operations Surplus + Commercial Businesses Surplus) / Annual Principal and Interest Payments
Minimum 5 times

Over the ten years the surplus generated in each year is utilised to offset borrowings, which drives a decrease in this ratio over time.



Leverage Test Ratio = Total Borrowings / (General Operations Surplus + Commercial Businesses Surplus)
Maximum 1.5 years

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

Year	New Borrowings \$'000	Redraws \$'000	Principal Paid \$'000	Loan Balance @ 30 June \$'000	Interest Paid/(Received) \$'000
2016-17 Forecast	0	0	705	995	(120)
2017-18 Budget	38,169	0	0	39,164	50
2018-19 LTFP	0	0	227	38,937	1,504
2019-20 LTFP	0	0	1,608	37,329	1,666
2020-21 LTFP	0	0	2,643	34,686	1,799
2021-22 LTFP	0	0	3,902	30,784	1,646
2022-23 LTFP	0	0	5,310	25,474	1,427
2023-24 LTFP	0	0	6,990	18,484	1,131
2024-25 LTFP	0	0	8,783	9,700	750
2025-26 LTFP	0	0	9,700	0	277
2026-27 LTFP	0	0	0	0	(292)

ANALYSIS OF THE 2017-18 BUDGET

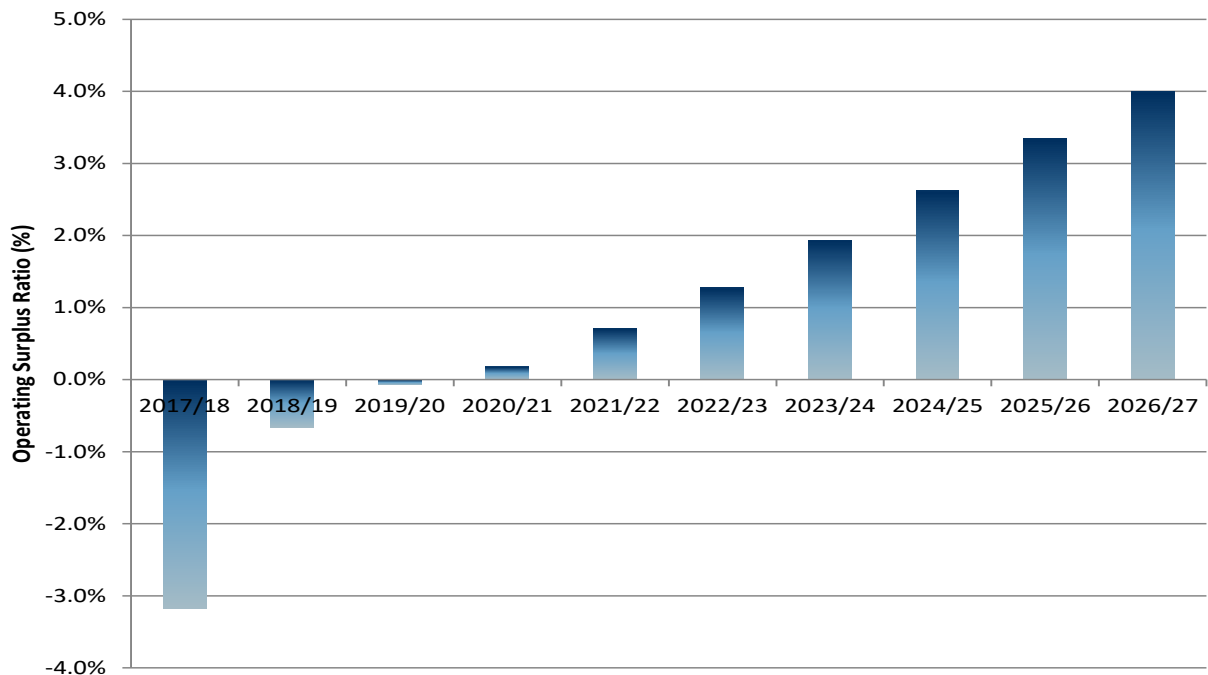
This summary of the Budget provides information about the key indicators of the Council's financial performance and financial position. Analysis on each of the indicators is included in the following section.

The Integrated Business Plan identifies the Council's key actions towards its strategic directions and the specific objectives targeted for 2017-18. 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 is targeted after including general rates (adjusted for discretionary rates rebates). The *Local Government Act* target is to achieve an average operating surplus ratio between 0% and 15% over any five-year period. However, as a capital city council, City of Adelaide has significant responsibilities in improving public realm, and as such considers that an average operating surplus ratio between 0% and 20%, over any five-year period, is a more appropriate target.

Net Lending / (Borrowing)	2017-18 Budget \$'000	2016-17 Forecast \$'000
Operating Surplus/(Deficit)	(6,134)	17,185
Project Related Write Off	9,051	6,893
Funding Surplus	2,917	24,078
Net Outlays on Existing Assets	(37,954)	(44,498)
Net Outlays on New and Upgraded Assets	(44,216)	(17,166)
Depreciation	41,084	38,291
Equals: Net Lending / (Borrowings)	(38,169)	705

The above table shows that Council will generate an Operating Deficit in 2017-18.

Where Council generates an operating surplus, it 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.

Where Council generates an operating deficit, it is funded either by an increase in borrowings or, where possible, previous years' operating surplus that has not been utilised to increase financial assets or reduce debt.

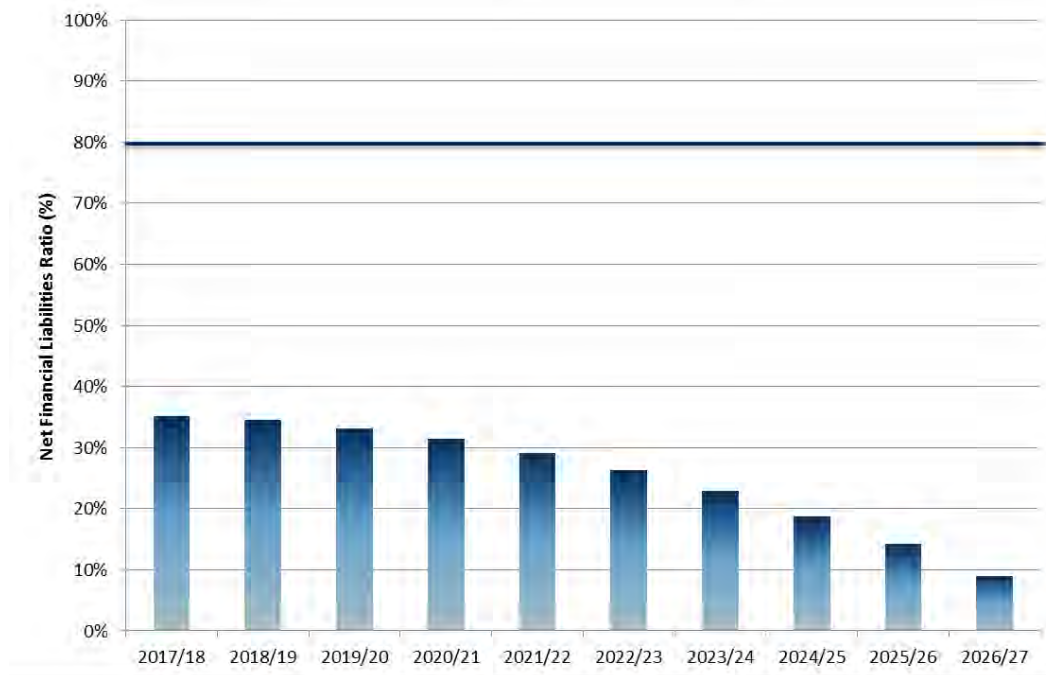
Occasionally, Council's operating surpluses may be impacted by write-off of expenditure on infrastructure owned by a third party (e.g. undergrounding of powerlines). Under accounting definitions, these works do not provide a future benefit to Council, so do not form part of Council's stock of infrastructure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

Reconciliation of Operating Funding Surplus & Operating Surplus	2017-18 Budget \$'000	2016-17 Forecast \$'000
Operating Funding Surplus	2,377	23,505
add: Capital Income included in Operating Income	540	573
Funding Surplus	2,917	24,078
less: Project Related Expenditure	9,051	6,893
Operating Surplus / (Deficit) per Income Statement	(6,134)	17,185

Included in the City Transformation and Capital Works Programs is an amount of expenditure incurred on maintenance of assets which does not deliver a future economic benefit to Council, 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 Council. 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.

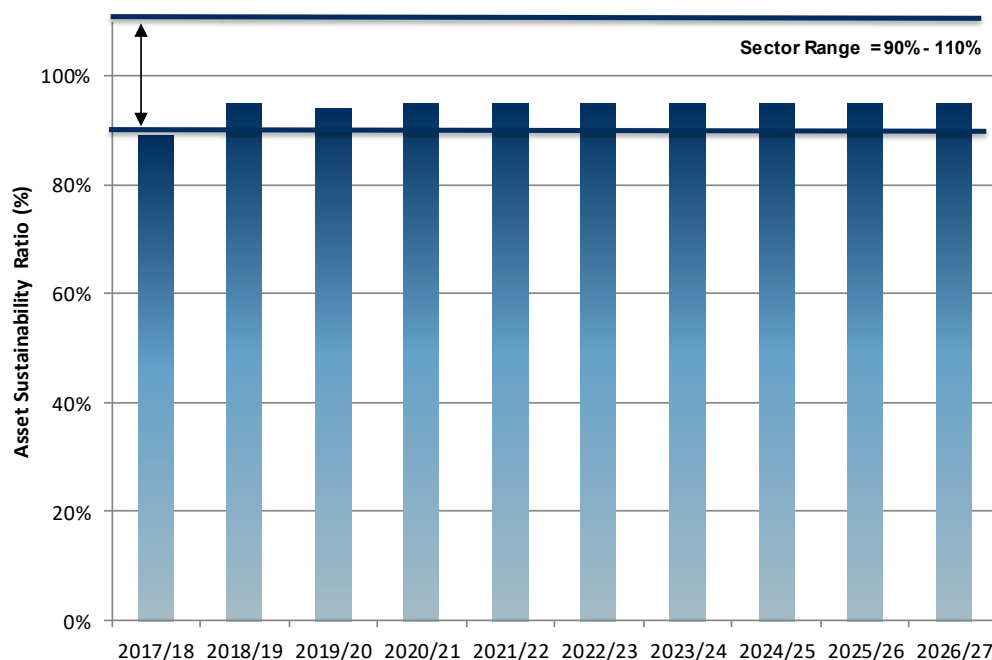
Net Financial Liabilities Ratio



The above graph shows Council's Net Financial Liabilities ratio which represents the significance of the net amount owed compared with operating revenue. The ratio should be greater than 0% but no more than 80% of total operating revenue.

Asset Sustainability Ratio

The below graph shows Council's Asset Sustainability ratio calculated by comparing planned capital expenditure on renewal and replacement of assets against the Infrastructure and Asset Management Plan required expenditure for the same period.



STATUTORY FINANCIAL STATEMENTS

Budgeted Statement of Comprehensive Income

for the year ended 30 June

	Consolidated Budget 2018	Consolidated Forecast 2017
\$ '000		
Income		
Rates Revenues	104,097	101,116
Statutory Charges	16,641	16,707
User Charges	67,382	66,709
Grants, Subsidies and Contributions	2,798	2,651
Investment Income	268	426
Reimbursements	518	21,147
Other Income	(126)	344
Total Income	191,578	209,100
Expenses		
Employee Costs	70,916	71,176
Materials, Contracts & Other Expenses	85,662	82,448
Depreciation, Amortisation & Impairment	41,084	38,291
Finance Costs	50	-
Total Expenses	197,712	191,915
Operating Surplus / (Deficit)	(6,134)	17,185
Asset Disposal & Fair Value Adjustments	320	-
Amounts Received Specifically for New or Upgraded Assets	17,075	2,250
Net Surplus / (Deficit)	11,261	19,435
Total Comprehensive Income	11,261	19,435

Budgeted Financial Position

for the year ended 30 June

	Notes	Consolidated Budget 2018	Consolidated Forecast 2017
\$ '000			
ASSETS			
Current Assets			
Cash and Cash Equivalents		496	300
Trade & Other Receivables		5,723	5,611
Other Financial Assets		355	394
Inventories		521	511
Total Current Assets		7,095	6,816
Non-Current Assets			
Financial Assets		639	710
Equity Accounted Investments in Council Businesses		101	101
Investment Property		2,798	2,743
Infrastructure, Property, Plant & Equipment		1,415,565	1,365,595
Total Non-Current Assets		1,419,102	1,369,149
TOTAL ASSETS		1,426,198	1,375,965
LIABILITIES			
Current Liabilities			
Trade & Other Payables		26,718	26,194
Borrowings		39,163	994
Provisions		12,433	12,189
Total Current Liabilities		78,313	39,377
Non-Current Liabilities			
Provisions		1,791	1,756
Total Non-Current Liabilities		1,791	1,756
TOTAL LIABILITIES		80,104	41,133
Net Assets		1,346,093	1,334,832
EQUITY			
Accumulated Surplus		858,027	846,766
Asset Revaluation Reserves		485,488	485,488
Other Reserves		2,578	2,578
Total Council Equity		1,346,093	1,334,832

Budgeted Statement of Changes in Equity

for the year ended 30 June

Consolidated Budget \$ '000	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018				
Balance at the end of previous reporting period	846,766	485,488	2,578	1,334,832
a. Net Surplus / (Deficit) for Year	11,261	-	-	11,261
Total Comprehensive Income	11,261	-	-	11,261
Balance at the end of period	858,027	485,488	2,578	1,346,093

Consolidated Forecast \$ '000	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2017				
Balance at the end of previous reporting period	827,331	485,488	2,578	1,315,397
a. Net Surplus / (Deficit) for Year	19,435	-	-	19,435
Total Comprehensive Income	19,435	-	-	19,435
Balance at the end of period	846,766	485,488	2,578	1,334,832

Budgeted Cash Flow Statement

for the year ended 30 June

	Consolidated Budget 2018	Consolidated Forecast 2017
\$ '000		
Cash Flows from Operating Activities		
<u>Receipts</u>		
Operating Receipts	194,413	208,673
Investment Receipts	268	426
<u>Payments</u>		
Operating Payments to Suppliers and Employees	(158,283)	(157,800)
Net Cash provided by (or used in) Operating Activities	36,398	51,299
Cash Flows from Investing Activities		
<u>Receipts</u>		
Amounts Received Specifically for New/Upgraded Assets	17,075	2,250
Sale of Replaced Assets	320	1,452
<u>Payments</u>		
Expenditure on Renewal/Replacement of Assets	(55,647)	(40,628)
Expenditure on New/Upgraded Assets	(35,406)	(16,729)
Net Cash provided by (or used in) Investing Activities	(73,658)	(53,655)
Cash Flows from Financing Activities		
<u>Receipts</u>		
Proceeds from Borrowings	38,169	-
<u>Payments</u>		
Repayments of Borrowings	-	(705)
Net Cash provided by (or used in) Financing Activities	37,456	(705)
Net Increase (Decrease) in Cash Held	196	(3,061)
plus: Cash & Cash Equivalents at beginning of period	300	3,361
Cash & Cash Equivalents at end of period	496	300

Budgeted Uniform Presentation of Finances

for the year ended 30 June

	Consolidated Budget 2018	Consolidated Forecast 2017
\$ '000		
Income	191,578	209,100
less Expenses	(197,712)	(191,915)
Operating Surplus / (Deficit)	(6,134)	17,185
add Project Related Expenditure	9,051	6,893
Funding Surplus before Capital Amounts	2,917	24,078
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	38,814	45,950
less Depreciation, Amortisation and Impairment	(41,084)	(38,291)
less Proceeds from Sale of Replaced Assets	(320)	(913)
less Amounts Received Specifically for Existing Assets	(540)	(539)
Subtotal	(3,130)	6,207
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	61,291	19,416
less Amounts Received Specifically for New and Upgraded Assets	(17,075)	(2,250)
Subtotal	44,216	17,166
Net Lending / (Borrowing) for Financial Year	(38,169)	705



INFRASTRUCTURE AND ASSET MANAGEMENT PRACTICES

The City of Adelaide owns and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for city users. The City of Adelaide is committed to having Asset Management Plans in place for all infrastructure assets to ensure it continues to provide effective and comprehensive management of its asset portfolios.

The development of these Asset Management Plans indicate the City of Adelaide's ongoing commitment to operate and maintain its asset portfolio efficiently to meet both strategic and legislative requirements and deliver value for the community.

Capital Projects

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

The City of Adelaide's generated operating surplus is applied to meet capital expenditure requirements in relation to the Capital Projects 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 the City of Adelaide'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.

Infrastructure Program

The Infrastructure Program provides the basis for the City of Adelaide's capital asset management renewal program developed as part of the Integrated Business Plan process. This program is a rolling 3 Year Program, and details capital asset renewal projects which require completion to ensure the City of Adelaide's assets meet the required levels of service.

FEES AND CHARGES

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

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

Council previously resolved that the City of Adelaide's fees and charges must be reviewed each year, in conjunction with the development of the Integrated Business Plan. A comprehensive 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 the City of Adelaide's directions articulated through existing policy or plans; and
- Are consistent with the City of Adelaide's Strategic Financial Parameters.

Fees and charges are consistently and fairly determined, in recognition of the City of Adelaide's policy direction, ratepayers' expectations and relevant legislation.

Fee 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 2017-18 were reviewed by Council in June 2017.

Once gazetted, statutory fees (set by the State Government) will be updated and included in the Fees and Charges Schedule available for public inspection from July 2017.

BORROWINGS

Borrowing is undertaken in accordance with the City of Adelaide's Treasury and Cash Investment Policy (available online at cityofadelaide.com.au) which underpins the City of Adelaide's decision making in the funding of the City of Adelaide'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 the City of Adelaide's expenditure. As such, this Treasury and Cash Investment Policy links closely to the City of Adelaide's overall strategic management plans in the context of:

- Strategic planning for the future of the City of Adelaide, covering short, medium and long term spending and investment issues;
- Current and estimated future revenues and the ability to increase the revenue stream through 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; and
- Any other strategic imperative that is linked to revenue and expenditure capacities.

Implications for Future Years

In developing the Long Term Financial Plan and Integrated Business Plan, borrowings have been considered in relation to the budget principles and the maximum borrowing indicators as defined by the City of Adelaide's prudential limits specified in the Treasury and Cash Investment Policy. All borrowing terms and conditions will be in accordance with the Treasury and Cash Investment Policy and all costs have been taken into account in the City of Adelaide's Long Term Financial Plan.

Borrowings at the end of 2016-17 will be impacted upon by the amount of capital expenditure carried forward to the 2017-18 financial year. This will directly impact the 2017-18 opening balance of borrowings.



RATING STRUCTURE

Strategic Context

In formulating the proposed rates for the 2017-18 financial year, the City of Adelaide has considered the amount of revenue required to fund the delivery of the services and projects set out in the Integrated Business Plan. The City of Adelaide has also considered its other sources of revenue, the broader economic environment and the distribution of rate contributions between various categories of ratepayers.

Rates Modelling

The City of Adelaide rates are determined by multiplying the applicable rate in the dollar by the valuation of rateable land in the Council area. Property valuations for the purpose of calculating rates payable are prepared on the basis of 'Annual Value'.

For 2017-18, growth from new developments and other capital improvements undertaken during 2016-17 will increase the total rateable value of land in the Council area. In addition, a full revaluation of all land in the Council area has been undertaken. A preliminary review of the updated valuation records indicates the total Annual Value of rateable properties has increased by approximately 6.5%.

Rating Structure

The City of Adelaide's 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 City of Adelaide's Rating Policy.
- The City of Adelaide is committed to maintaining a transparent and equitable rating system. Accordingly, the City of Adelaide undertakes to manage the rating policy to ensure the greatest level of equity for ratepayers by maintaining a non-punitive rating structure.
- It has been determined that implementation of a significant minimum rate would represent a regressive taxation structure and contradict the identified guiding taxation principles.
- The City of Adelaide will continue its practice of identifying and valuing all land in the City of Adelaide area. Once identified, each separate occupation of land will be assessed for rateability.
- A Differential General Rate will be applied to all rateable land in accordance with Section 147 of the *Local Government Act 1999*. Differentiation factors previously endorsed by Council are 'Residential' and 'Non-Residential' land uses.
- The application of a Differential General Rate is generally intended to alter the amount payable for particular land uses and approximate the benefit principle. For 2017-18, and consistent with prior year, it is expected non-residential rates will represent approximately 80% of general rates revenue.

Your Rates in 2017-18

Council has determined to freeze the general rate in the dollar for 2017-18 at the same levels as 2016-17 for both Residential and Non-Residential ratepayers. The general rate liability for individual property owners should be expected to increase or decrease in line with movements in the property valuation.

To assist in cases where an individual property valuation has increased significantly, Council will provide a 'Special Discretionary Rate Rebate' in 2017-18 to all land uses to ensure any increase in general rates payable for comparable properties is no more than 10.0%. The 'Special Discretionary Rate Rebate' will not be applicable to properties where the valuation has increased as a result of new development, additions or alterations.

The City of Adelaide offers monthly, quarterly and annual payment options for Council Rates. Quarterly instalments will be due in September 2017, December 2017, March 2018 and June 2018.

Valuation Method

Land in the City of Adelaide area is valued according to the 'Annual Value' 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;
- Annual Value has been used for many years and is understood by the majority of the City's ratepayers;
- The availability of a significant volume of annual market rental information makes the Annual Value method more efficient to administer;
- The method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation.

Ratepayers may lodge an objection to the attributed land use and/or the Annual Value of their property in accordance with the *Local Government Act 1999*.

Where a ratepayer does not feel that a valuation or rating issue has been dealt with satisfactorily in accordance with the City of Adelaide's Rating Policy, an established grievance procedure is available. This includes 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 and Mount Lofty Ranges Natural Resources Management Board (NRM 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 2017-18, the separate rate will generate approximately \$3.7 million.
- The NRM Levy is a state tax which the City of Adelaide is obliged, by virtue of the *Natural Resources Management Act 2004*, to impose and collect. The proceeds are paid to the NRM Board. The NRM Business and Operational Plan 2016-17 to 2018-19 indicates that the community contribution is to increase by 6.0% in 2017-18. The contribution from the City of Adelaide is estimated to be over \$1.5 million in 2017-18.

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 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.

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

The City of Adelaide 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 the City of Adelaide's Rates Officer as soon as they can. Ratepayers with good recent payment history who commit to a formal written payment arrangement for rates will not be liable for fines during the agreed payment period, provided they contact the City of Adelaide prior to the rates falling into arrears. In the event of default, penalties will apply in accordance with Section 181(8) of the *Local Government Act 1999*.

The City of Adelaide will apply relevant provisions of the *Local Government Act 1999* to offer a discretionary City of Adelaide funded remission of rates to eligible ratepayers: pensioners and low income beneficiaries (maximum of \$100) and self-funded retirees (maximum of \$50).

The City of Adelaide will apply those provisions of the *Local Government Act 1999* that allow 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*.



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