

# 2018-19 INTEGRATED BUSINESS PLAN





## ACKNOWLEDGEMENT OF COUNTRY

The City of Adelaide acknowledges that we are located on the traditional country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land.

We acknowledge that they are of continuing importance to the Kaurna people living today.





## LORD MAYOR'S MESSAGE

Welcome to the City of Adelaide Integrated Business Plan for 2018-19.

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.

We understand the cost of living pressures facing our community. Accordingly, for the fourth year in a row, we are freezing the rate in the dollar.

We continue to support the growth of our city through strategic investment which will promote increased private investment, attract more visitors, grow the residential population and create new jobs.

Having purchased the former Le Cornu site at 88 O'Connell Street, North Adelaide, a key strategic property acquisition, in 2018-19 we will engage with our community during the planning phase for the development of this site.

During 2018-19 we will continue to roll-out the Ten Gigabit Adelaide high-speed data-network infrastructure with partner TPG Telecom. This 21st century infrastructure is an Australian first which creates a strong competitive advantage for local business, and a strong platform to attract new businesses and investment to the City of Adelaide, furthering our reputation as a connected, smart and entrepreneurial city.

We are committed to ensuring we deliver on 'the essentials', high-quality services and investing in infrastructure in a cost-effective manner. In 2018-19 we will invest \$39.4 million in city infrastructure, including \$5.6 million towards main streets projects, \$5.5 million for residential streets and \$2.0 million towards laneway activation, ensuring Adelaide remains one of the world's most liveable cities.

The Adelaide Park Lands are the backyard for a growing number of city residents. In 2018-19 Council will invest a total of \$15.8 million in Park Lands projects and maintenance, including \$5.3 million to improve community facilities with play spaces, lighting, landscaping and accessibility.

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 2018-19 we will invest a total of \$7.6 million in grants, sponsorships, incentives and support to our strategic partners.

We will invest in a number of strategic incentive programs which have returned strong investment dividends for the city such as \$1.4 million for the Climate Change Action initiatives fund, \$1.3 million for Carbon Neutral Adelaide measures including the installation of solar photovoltaics on City of Adelaide owned buildings and \$1.3 million for built heritage management grants.

Investment attraction and supporting our businesses to grow is essential for the future prosperity of the City of Adelaide with a commitment of \$2.1 million towards business growth and innovation opportunities including \$208,000 in support of Renew Adelaide, \$260,000 for international student attraction organisation Study Adelaide, \$274,000 for Entrepreneur Support Initiatives and \$364,000 to Adelaide Convention Bureau to attract more business tourism.

Adelaide has a strong reputation as a creative city and we will continue to support this legacy by investing \$5.1 million, including \$1.9 million for festival and event sponsorship, \$170,000 to support live music, and \$852,000 in the delivery of our Cultural Strategy objectives.

We have delivered a strong and balanced 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.



Martin Haese  
**LORD MAYOR**



# YOUR COUNCIL

## Lord Mayor

Martin Haese

## Deputy Lord Mayor

Cllr Sandy Verschoor

## Area Councillors

Cllr Anne Moran

Cllr Sandy Wilkinson

Cllr Natasha Malani

DLM Cllr Sandy Verschoor

## North Ward

Cllr Susan Clearihan

Cllr Phillip Martin

## Central Ward

Cllr Houssam Abiad

Cllr Megan Hender

Cllr David Slama

## South Ward

Cllr Alex Antic

Cllr Priscilla Corbell-Moore



(Back L-R) Phillip Martin, Priscilla Corbell-Moore, Houssam Abiad, Susan Clearihan, David Slama

(Front L-R) Anne Moran, Natasha Malani, Sandy Wilkinson, Martin Haese, Megan Hender, Alex Antic, Sandy Verschoor







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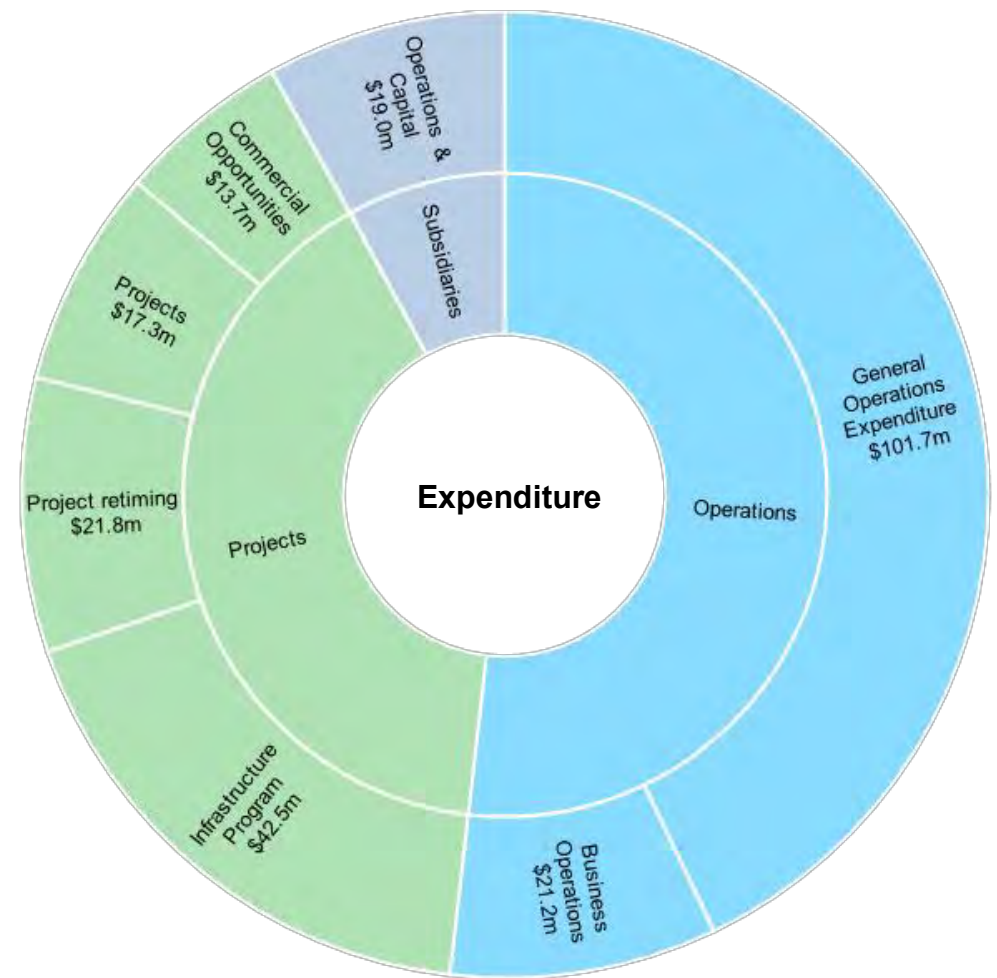


# BUDGET OVERVIEW



Total funding for 2018-19 is \$237.1m consisting of:

- Total Rates \$102.8m
- Commercial Businesses (including Subsidiaries) \$60.8m
- Other \$73.5m



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



# CITY PROFILE

These facts and figures provide a snapshot of the City of Adelaide: our residents, visitors, students and workers.



**313,187**

Daily population estimate



**23,916**

Residents in the city



**59%**

visiting



**1.8%**

Residential growth 2015 to 2016



**21%**

studying



**115,250**

People employed by businesses in Adelaide and North Adelaide



**20%**

working



**\$18.67bn**

Gross Regional Product (2016)



**18.5%**

Share of Gross State Product



# CURRENT ECONOMIC ENVIRONMENT

Developed economies worldwide are currently experiencing low inflation which is allowing economies room to grow. The outlook of the global economy for 2018 is marked by trade tensions and the increasing risk of trade wars amongst the world's major economies (namely United States and China). These have the potential to undermine the positive growth expected for 2018.

For Australia, it is expected that the Reserve Bank will keep interest rates unchanged throughout the year, delaying the risk of rising rates for property owners for some time. Australia is benefiting from some favourable global economic conditions including the growth of China and commodity price increases. It is likely that business investment and net exports will contribute solidly to growth in 2018 (the latter boosted by rising Liquefied Natural Gas (LNG) production capacity) while household consumption will continue to face the headwinds of weak income growth and a slowing property market.

The Australian jobs market had a strong 2017 with around 400,000 jobs added over the year and a record run of employment growth, although unemployment remains at relatively elevated levels compared to other Organisation for Economic Co-operation and Development (OECD) countries.

The Australian economy experienced real Gross Domestic Product (GDP) growth of 2.4% in 2017. It was a solid growth result but not at the leading edge for developed country growth.

At the South Australian level, challenges in the energy sector remain and the impact of the closure of the car manufacturing industry is still relevant, however business investment has been improving over the last year. Unemployment has hovered around the 6% mark, but employment growth remains solid benefiting from growth in tourism and education.

Small business confidence has also been improving, reaching levels not seen since 2013 whilst retail spending is also strong and remains higher than the national average. Export growth is at its highest over the last four years, albeit below the national average.

Activity levels in the South Australian construction sector should remain at a healthy level in the short term despite exhibiting some decline over recent months. Population growth will continue to be a concern over the next few years with levels of growth below national averages. A change of government occurred in March 2018 and it is still too early to see the impact that the new State Government will have on the State's economy.

The City of Adelaide has continued to experience growth in the number of residential developments through 2017. Over 1,000 new apartments have been completed and strong activity is set to continue through to at least 2020. This could be stimulated further by our decision to provide eligible purchasers a full rebate of their general council rates for up to five years.

In the commercial property market the vacancy rate in the Adelaide CBD has slightly improved over the last six months with the market experiencing the biggest net absorption in nine years. Commercial vacancy rates in Adelaide are expected to decrease further over the next 12 months as a major injection of supply of new office development is not due on the market until the second half of 2019.

Our Smart City agenda and the transformational Ten Gigabit Adelaide project will also contribute to growth in the sector. The Ten Gigabit network will unleash a wide range of new possibilities for high growth businesses and organisations. This cutting-edge infrastructure, together with a favourable economic environment, position the city in a strong position for accelerated growth.

*ABC News, Australian Bureau of Statistics, Bank SA, City of Adelaide, Deloitte Access Economics, JLL Research, South Australian Centre of Economic Studies.*



# HOW THIS PLAN WAS PREPARED

This Integrated Business Plan is the key annual operational and financial planning document of the City of Adelaide. It describes what services and projects we plan to provide in the upcoming financial year and how we propose to allocate our budget.

It has been developed in the context of delivering our long term strategic direction set out in the Strategic Management Plan documents required under the *Local Government Act 1999*. These include the City of Adelaide 2016-2020 Strategic Plan (the Strategic Plan) and Asset Management Plans.

These plans outline our objectives over a four-year period in order to achieve the Strategic Plan vision for the city – that Adelaide is a welcoming and dynamic city full of rich and diverse experiences. They show how we intend to achieve our vision through sustainable growth and the responsibility to provide quality and value in local government services for ratepayers, with 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 the broader community.

The Integrated Business Plan aligns with the four themes identified in the Strategic Plan: Smart, Green, Liveable and Creative. It is the result of a rigorous process of review and challenge to every aspect of projected revenue and expenditure with a strong focus on efficiency and alignment to the Strategic Plan.

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 to evaluate our service delivery in response to community expectations to ensure efficiency and effectiveness.

Combined savings and efficiencies identified during the 2018-19 budget cycle exceed \$3.5 million in addition to \$3.4 million achieved within the 2017-18 financial year. This has provided the capacity to absorb cost pressures in areas such as energy and technology.

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

In developing our Infrastructure Program major opportunities were identified to align asset renewals with 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 2018-19 year with a strong focus on community value.

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





# CHALLENGES AND INFLUENCES

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

- The desire to pursue **positive and consultative working relationships** with the State Government and identify additional opportunities to work together in strategic partnership
- **Major State Government projects** such as the activation of the Riverbank/ Festival Centre/Adelaide Oval precinct and the proposed development of the old Royal Adelaide Hospital site
- A rapid increase in the **use of technology**, the move towards being a Smart City and the need for dedicated affordable and very **high speed optical fibre network** in the city to attract existing and new businesses
- **Changing demographics** including an ageing population and a more mobile population with people regularly moving between cities around Australia and the world
- A focus on the **ease of movement** within and through the city
- Increasing **cultural diversity** of those who live in and use the city
- 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**
- Increasing **use of the Park Lands** as one of the state's major assets
- The desire to achieve **carbon neutrality** and the need for environmental sustainability in areas such as recycling, waste reduction and reduced energy use.





# HIGHLIGHTS FOR 2018-19

With defined resources there is a growing need to deliver services that meet the needs and expectations of the community 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 fourth consecutive year
- Planning for the **redevelopment of the 88 O'Connell Street site** through stakeholder engagement activities, site activation and project planning to achieve a mixed-use development that enhances the vitality of the O'Connell Street precinct
- Ensuring access to 21st century big data and communications, enabling services for local businesses through **Ten Gigabit Adelaide**, furthering our reputation as a connected, smart, entrepreneurial and intelligent city
- A strong commitment to significant and sustained **investment in the city's Infrastructure with \$39.4 million** allocated for the next financial year
- 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**







- Implementation of initiatives from the **Adelaide Park Lands Management Strategy** with significant focus on opportunities and increased use of the open green space in our city Squares
- **Working with our Strategic Partners** (such as Adelaide Convention Bureau, State Government, Renew Adelaide, Education Adelaide, Festivals Adelaide and Music SA) to promote Adelaide as a destination to do business, study, visit and perform
- Delivering **community celebrations**, such as Christmas, New Year's Eve and Australia Day, that are open and inclusive and provide a safe and family friendly environment in the city
- Providing **sponsorship / grant funding** support to assist art, cultural and community groups and organisations in delivering inspiring art, cultural and multicultural activities, events, programs and services
- Supporting owners in the **conservation, upgrade and use of their heritage places** through the Heritage Incentives Scheme and Façade Improvement Incentive 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
- Installation of **solar photovoltaic systems** on City of Adelaide owned buildings to reinforce Council's commitment in environmental change
- Master planning of the **Central Market Arcade Redevelopment** into a thriving, mixed-use location to grow the market offer with expanded and complementary retail and market activities
- Facilitating connection and collaboration with stakeholders across the city, through the **Cultural Strategy** (and **Live Music Action Plan**), leading to activities that add cultural value to our Smart, Green, Liveable and Creative objectives and supporting Adelaide's reputation as a city of creative culture
- Implementing a new approach to **business waste and recycling services** as well as delivery of best-practice approach for **waste reduction**.

# 2018-19 KEY PROJECTS MAP

We are proud to highlight a number of our key projects by location on the following map. In addition, our city is also supported by many city-wide projects, some of which are featured in our **Highlights for 2018-19**.









# CITY OF ADELAIDE 2016-2020 STRATEGIC PLAN

The City of Adelaide 2016-2020 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.





## 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.





| THEME      |  SMART   |  GREEN                              |  LIVEABLE                  |  CREATIVE  |
|------------|---|--|---|---|
| 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>            | <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>   |
| 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                                       | 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   |
|            | 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      | 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 |
|            | 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 | City of Adelaide residents will have wellbeing above global average   | Bed nights spent in Adelaide by international and domestic visitors will have grown from 8.1 million to 9 million by 2020                                       |
|            | 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       |   | 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                           |
|            |   | A comprehensive integrated water management measure will have been developed and influences our work                 |   | 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                 |



# SMART

A SMART CITY WITH A  
GLOBALLY CONNECTED  
AND OPPORTUNITY RICH  
ECONOMY



## Annual objectives

- Work with key partners to facilitate a 10GB per second capable broadband network across the city and North Adelaide
- 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 Rail Station to Adelaide Central Market (Market to Riverbank link) and Rundle Mall laneways, including Gawler Place
- Work with partners to develop and implement a range of policies, programs and services to support business start-ups, business growth and business sustainability
- Work with our local and global partners through a range of projects and initiatives to build on the city-wide culture of entrepreneurship, start-ups and the commercialisation of research and ideas.

## 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
- Provide access to 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 us through a 'One Stop Shop' for businesses in the city and North Adelaide
- Support entrepreneurs and early stage companies with high growth potential
- Support the Adelaide Central Market Authority and Rundle Mall Management Authority to maximise economic outcomes for the city.

## 2018-19 Projects (including Grants and Sponsorships)

| Project Name                                | Description   | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|---|---|------------------------------|------------------------------|
| Adelaide Living                             | Adelaide Living is a quarterly print lifestyle magazine that is distributed free within the City of Adelaide. Allocated funding supports the continued production of the magazine and the introduction of a more sophisticated online version of the magazine.                    | 99                           | -                            |
| Brand Marketing & Campaign Execution        | Develop and promote the City of Adelaide corporation brand and showcase the smart, liveable, green and cultural advantages of Adelaide via appropriate marketing channels including print, web, social, email and display.  | 150                          | -                            |
| Business Activation & Support Program       | Aims to increase business sustainability and growth.  | 150                          | -                            |
| Business Engagement Program                 | Engage with the business community by hosting partner and support seminars, workshops and other events that strengthen sectors and encourage ongoing innovation.  | 205                          | -                            |
| Business Systems Roadmap                    | The Roadmap is how we deliver on the blueprint. It provides our Risk Management framework, our priorities and the structure for further programs of work.   | 150                          | -                            |
| Customer Centric Services                   | Progress the strategic objective to have all Council forms able to be submitted online by 2018 and all development applications able to be submitted online by 2020.  | 800                          | -                            |
| Study Adelaide (Education Adelaide) Funding | Funding contribution to support Study Adelaide to promote Adelaide as a destination for international students.   | 260                          | -                            |
| E-Planning                                  | Planning portal system to enable all development applications to be submitted online - stage 2 progressive rollout.   | -                            | 72*                          |
| Efficiency & Service Reviews                | A rolling program of customer-focused reviews of Council's services to improve the efficiency and effectiveness of Council's service delivery.  | 480<br>120*                  | -                            |
| Enterprise Architecture (EA)                | EA is our integration mechanism for providing timely and accurate information to the services we provide our customers. Deliver the blueprint for how our IT systems and platforms need to be organised, integrated and implemented in order to achieve our strategic objectives. | 250                          | -                            |

\* Carry forwards from 2017-18



## 2018-19 Projects (including Grants and Sponsorships)

| Project Name                             | Description  | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|--|--|------------------------------|------------------------------|
| 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.                 | 274                          | -                            |
| International Relations (Sister Cities)  | Promote cultural, economic and social connections between Adelaide and international communities through Sister Cities and other partnerships.   | 492                          | -                            |
| Investment Attraction                    | 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.                    | 260                          | -                            |
| 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          | Provide base funding to the six Precinct Groups.   | 244                          | -                            |
| Market Segmentation & Consumer Profiling | Produce a new marketing strategic plan that is based on contemporary market research.  | 60                           | -                            |
| Renew Adelaide Funding                   | 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. | 208                          | -                            |
| Retail Strategy                          | Increase the city's share of the retail sector through business support and engagement activities.   | 400                          | -                            |
| Vogue Festival                           | Funding for the activation and promotion of Vogue Festival 2018 in the East End.   | 65                           | -                            |
| <b>TOTAL</b>                             |  | <b>4,747</b>                 | <b>72</b>                    |

\* Carry forwards from 2017-18



A man wearing a straw hat, sunglasses, and a striped shirt is pushing a green lawnmower and watering plants in a city garden bed. The garden bed is filled with various green plants and yellow flowers. In the background, there are trees, a street with cars, and a brick building. A large green triangle is overlaid on the right side of the image, containing the text.

# GREEN

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



# GREEN

## Annual objectives

- Improve energy performance and use of renewable energy in Council and privately-owned buildings, including consideration of solar heating, solar energy generation and battery storage
- Continue to convert all Council-owned and maintained public lighting to LED lights and smart lighting wherever possible
- Achieve adoption of sustainable commercial practices through incentives, purchasing approaches, waste services and regulation
- Work with partners to reduce mains water use through water sensitive urban design and increasing the use of recycled and reused water.

## 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.

## 2018-19 Projects (including Grants and Sponsorships)

| Project Name                           | Description  | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|--|--|------------------------------|------------------------------|
| Carbon Neutral Adelaide: Solar PV      | Deliver projects involving installation of solar photovoltaic systems and demand management systems on City of Adelaide owned buildings.   | -                            | 1,321 520*                   |
| Climate Change Action Initiatives Fund | Deliver a range of projects, programs and incentives that underpin achievement of Council's targets for carbon neutral operations and the City of Adelaide being a carbon neutral city by 2025 or earlier.   | 1,401                        | -                            |
| Integrated Biodiversity Management     | 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. | 102*                         | -                            |
| Smart Move Strategy                    | Strategic projects that support the delivery of the Smart Move Interim Action Plan 2016-18.  | 325 130*                     | 25                           |
| 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.   | 153                          | -                            |
| Waste Services Transition              | Implement the City of Adelaide's new approach to business waste and recycling services and continued transition of high density sites.   | 1,110*                       | -                            |
| <b>TOTAL</b>                           |  | <b>3,221</b>                 | <b>1,866</b>                 |

\* Carry forwards from 2017-18









# LIVEABLE

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



## Annual objectives

- Promote and protect Adelaide's built character and heritage through our operations, incentives, policies and direct investment, while continuing to advocate to Federal and State governments to ensure the ongoing protection of our built heritage
- Develop and celebrate strong and resilient city communities that are welcoming and encourage people of all ages, cultures and means to participate in city life, including through volunteer opportunities
- Work with the State Government, community leaders and community organisations to support vulnerable members of the community
- Work with neighbouring councils and the State Government to enhance the facilities, attractions, 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.

## Services

- Deliver the 2018-19 Infrastructure Program supporting development initiatives and using partnering to invest in infrastructure
- Facilitate transport initiatives, where possible partnership with others
- 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
- Ensure the ongoing operation of the North Adelaide Golf Course and Adelaide Aquatic Centre
- Provide advice, policy and programs in relation to safety, social planning and neighbourhood development
- 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
- Promote participation, access and inclusion and build neighbourhood capacity and community leadership
- Continue to deliver community safety improvements in partnership with State Government
- Continue to 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.
- Provide advice in relation to development assessment and planning policy.

## 2018-19 Projects (including Grants and Sponsorships)

| Project Name   | Description  | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|--|--|------------------------------|------------------------------|
| 2018 Council Elections   | Management of the Council elections process.   | 231                          | -                            |
| Adelaide Leaders & Community-led Neighbourhood Development                           | 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 Design Manual Technical Specifications & Construction Standards             | Development of standard footpath pavement designs, technical specifications and construction standards for consistent and efficient delivery of projects in accordance with the Adelaide Design Manual.  | 90                           | -                            |
| Adelaide Park Lands Management Strategy Implementation: Hindmarsh Square Master Plan | Preparation of a master plan for Hindmarsh Square which explores opportunities to increase the useable open green space, improve safety for pedestrians and cyclists at intersections, and rationalise car parking whilst maintaining supply.                  | 200                          | -                            |
| Adelaide Park Lands Management Strategy Implementation: Park Lands Parking Study     | In line with the directions of the Adelaide Park Lands Management Strategy, the Park Lands Parking Study will review existing car parking (supply, type and occupancy) within and adjacent to the Park Lands.  | 60                           | -                            |
| Asset Management   | Scope and deliver an integrated Asset Management System to support the renewal and maintenance of the city's infrastructure.   | 800                          | -                            |
| Built Heritage Management Grants   | Support owners in the conservation, upgrade and use of their heritage places through the Heritage Incentives Scheme.   | 1,291                        | -                            |
| Built Heritage Management Promotions   | Support the conservation of the city's built heritage and historic character streetscapes through promotional and education activities.  | 148                          | -                            |
| Central Market Arcade Investigation - Redevelopment Options                          | 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                          | -                            |



## 2018-19 Projects (including Grants and Sponsorships)

| Project Name   | Description   | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|--|---|------------------------------|------------------------------|
| Central Market U-Park Right Hand Turn                | Creation of a right hand turn from Grote Street into Central Markets.   | -                            | 10*                          |
| Chinese International Student Wellbeing              | Partnership with South Australian Health and Medical Research Institute to focus on better understanding and developing a wellbeing 'intervention' for Chinese international students living in Adelaide.   | 13*                          |                              |
| 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.   | 477                          | -                            |
| Developing Meaning and Purpose in Adelaide Residents | Partnership with South Australian Health and Medical Research Institute to investigate the use of technology to enhance residents' connection to their life meaning and purpose.  | 20*                          |                              |
| Don Dunstan Foundation Strategic Partnership         | Partnership with the Don Dunstan Foundation to deliver Adelaide Zero Project and Social Capital Residencies.  | 111                          | -                            |
| Façade Improvement Incentive Scheme                  | Funding assistance to commercial and mixed-use property owners to help improve the visual appearance of unlisted historic character buildings.  | 100                          | -                            |
| Free City Connector                                  | Operation of the Free City Connector bus service that links the major tourist, retail, business, educational and residential precincts of the city and North Adelaide.  | 880                          | -                            |
| Gawler Place UPark                                   | Remedial works on Gawler Place car park and building façade.  | -                            | 5,067                        |
| Geospatial Information System (GIS)                  | Geospatially aware information is an integral integration point across all Council services and is critical to modern, world class infrastructure. GIS is an essential tool in delivering our Customer Centric Services and modern Asset Management capabilities. | 600                          | -                            |
| History Festival                                     | Major sponsorship/partnership of the only state-wide History Festival in Australia.   | 23                           | -                            |

\* Carry forwards from 2017-18

## 2018-19 Projects (including Grants and Sponsorships)

| Project Name                                      | Description   | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|---|---|------------------------------|------------------------------|
| Noise Management                                  | Minimise noise conflict between residential and non-residential land users to ensure the mixed-use vitality of the city and residential amenity are compatible.   | 63                           | -                            |
| Recreation & Sports 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.                 | 175                          | -                            |
| Rundle Mall Wayfinding and People Counting - RMMA | Installation of Wayfinding within Rundle Mall precinct.   | -                            | 50*                          |
| Social Infrastructure Audit                       | Social infrastructure is a key component of a liveable, green, creative and smart city. This two stage project will establish a clear, shared strategic direction that guides the City of Adelaide's social infrastructure provision. | 20                           | -                            |
| <b>TOTAL</b>                                      |   | <b>5,842</b>                 | <b>5,127</b>                 |

\* Carry forwards from 2017-18





# 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
- Continue to develop, build and upgrade infrastructure that supports events and is sensitive to the environment within key event spaces in the city and Park Lands
- Work with partners to deliver our UNESCO Live Music projects to attract more opportunities for live music venues
- Surprise, delight and attract people by continuing to encourage and support dynamic and changing urban public spaces, heritage, art, laneways, streets, facilities and activities.

## 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
- Continue to 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
- Continue to deliver the Public Art Plan 2014-2019
- Continue to promote the UNESCO Live Music accreditation
- Continue to deliver the Live Music Action Plan 2017-2020
- Support the ongoing operations of the city's libraries and community centres
- Delivery of a range of programs, projects and activities that support the live music sector
- 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
- Deliver the Stretch Reconciliation Action Plan including NAIDOC week celebrations.



## 2018-19 Projects (including Grants and Sponsorships)

| Project Name  | Description  | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|---|--|------------------------------|------------------------------|
| Adelaide Convention Bureau (ACB) Funding  | Funding contribution to support ACB to attract business conventions, exhibitions, incentives tourism and other events to Adelaide.   | 364                          | -                            |
| 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.  | 334                          | -                            |
| Adelaide Park Lands Management Strategy Implementation - Elder Park Master Plan | This premium events space requires a master plan to support and integrate adjacent enhancements to the Adelaide Festival Centre, tram extension and other improvements associated with the Riverbank Precinct. Renewal SA and the Riverbank Authority will be important stakeholders in the project. | 75                           | -                            |
| 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.   | 36                           | -                            |
| 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. Budget includes road closure expenses for both ANZAC and Remembrance Days.  | 62                           | -                            |
| Arts & Cultural Grants  | Grants that provide financial support to assist creative practitioners to deliver inspiring art, cultural and multicultural projects and enterprises.  | 247                          | -                            |
| Australia Day Sponsorship   | Support for the Australia Day in the city parade, concert and fireworks.   | 171                          | -                            |
| 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<br>289*                  |
| 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.  | 480<br>100*                  | -                            |
| 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.   | 100*                         | -                            |

\* Carry forwards from 2017-18

## 2018-19 Projects (including Grants and Sponsorships)

| Project Name   | Description   | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|--|---|------------------------------|------------------------------|
| Creative Entrepreneurs Program (Social Ventures Incubator) | 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<br>10*                    | -                            |
| 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.  | 1,894<br>25*                 | -                            |
| Festivals Adelaide Initiative                              | 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.  | 62                           | -                            |
| Homeless & Vulnerable People Project                       | Collaboration with city communities, community groups and homelessness service providers on strategies that address the needs of people experiencing homelessness and other vulnerable people. 100% grant funded.   | -                            | -                            |
| Live Music Strategic Partnership with Music SA             | A three-year strategic partnership with Music SA to promote and strengthen the live music industry and support 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. Delivery of NAIDOC in the MALL to celebrate Aboriginal and Torres Strait Islander cultures in the Rundle Mall with City of Adelaide's language snakes, children's activities and live entertainment. | 45                           | -                            |
| Public Art   | Delivery of a range of public art capital projects that will contribute to surprise, delight and attract people and the development of Adelaide in the premier international arts market.   | -                            | 208                          |
| Umbrella Winter Festival                                   | Partner with Music SA to deliver the Umbrella: Winter City Sounds Festival in city venues, places and Park Lands in July each year.   | 40                           | -                            |
| Terrance Plowright Sculpture                               | Contemporary sculpture to be placed in the public realm in partnership with the Art Gallery of SA.  | -                            | 150*                         |

\* Carry forwards from 2017-18



## 2018-19 Projects (including Grants and Sponsorships)

| Project Name          | Description   | Project Net Budget (\$'000s) | Capital Net Budget (\$'000s) |
|-----------------------|---|------------------------------|------------------------------|
| Visitor 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.                                      | 181                          | -                            |
| Welcome China Program | Further development and promotion of the 'Welcome Adelaide' WeChat platform launched in December 2016 and provide support for city businesses to leverage opportunities from increased visitors from China. | 65                           | -                            |
| <b>TOTAL</b>          | <b>TOTAL</b>  | <b>4,541</b>                 | <b>1,047</b>                 |

# INFRASTRUCTURE PROGRAM

The 2018-19 Integrated Business Plan demonstrates the innovative and strategic approach we are using in the planning and delivery of our capital works.

Our program supports our Strategic Plan 2016-2020 goals to create world-class infrastructure and a greener, more liveable city. We are continuing to align our 'whole of street' approach with our routine renewal works, creating positive change for residents and businesses through our everyday projects.

The program continues the 2017-18 focus on our Streets (Main Streets, Residential Streets and Laneways), our City Landscapes (greening city streets through median plantings, planter boxes and verges), improving our Park Lands (community facilities, paths and plantings in the Park Lands), our City Works (ongoing renewal program for streets, bridges and other city infrastructure), and our Buildings and Street Furniture (including our car parks, heritage buildings, public toilets, and signage).

We are continuing an integrated approach to the planning and delivery of our projects to ensure the highest possible quality streetscapes which welcomes people to the city and encourages them to stay longer and enjoy our city.

| Capital Works Program \$'m                    | 2018-19 Program | 2018-19 Program with carry forwards |
|---|-----------------|-------------------------------------|
| <b>Streets</b>                                |                 |                                     |
| Main Streets                                  | 5.6             | 7.5                                 |
| Residential Streets                           | 5.5             | 6.7                                 |
| Laneways                                      | 2.0             | 2.4                                 |
|   | 13.1            | 16.6                                |
| <b>City Landscapes</b>                        |                 |                                     |
| City Landscape                                | 1.1             | 1.1                                 |
| Street Furniture                              | 0.5             | 0.5                                 |
| Park Lands                                    | 2.2             | 2.2                                 |
|   | 3.8             | 3.8                                 |
| <b>City Works</b>                             |                 |                                     |
| Roads, Footpaths and Kerbs                    | 5.4             | 5.4                                 |
| Traffic Signals                               | 1.2             | 1.8                                 |
| Bridges                                       | 1.2             | 1.2                                 |
| Lighting & Electrical                         | 1.8             | 2.1                                 |
| Water Infrastructure                          | 1.2             | 1.3                                 |
| Urban Elements                                | 0.8             | 0.8                                 |
| Park Land Renewals                            | 0.7             | 0.7                                 |
| Asset Management Services                     | 0.6             | 0.6                                 |
| Design Services                               | 0.7             | 0.7                                 |
|   | 13.6            | 14.5                                |
| <b>Buildings</b>                              | 2.5             | 2.7                                 |
| Capital Works Program Management              | 6.4             | 6.4                                 |
| <b>Infrastructure Program</b>                 | <b>39.4</b>     | <b>43.9</b>                         |
| Plant and Fleet                               | 1.5             | 1.5                                 |
| Information Communication Technology Renewals | 1.6             | 1.6                                 |
| <b>Total</b>                                  | <b>42.5</b>     | <b>47.0</b>                         |



# MAIN STREETS

| Project Name                                    | Design | Construct | \$'000s       | Description   |
|---|--------|-----------|---------------|---|
| Main Street Improvement Program                 | ✓      | ✓         | 440           | Ongoing program for improving main streets, including a review of Hutt Street and opportunities for traffic calming. May include greening, minor infrastructure design and delivery.  |
| Hindley Street                                  | ✓      |           | 450           | Engagement and concept planning / design options for Hindley Street between Morphett and King William Street. Includes movement planning, heritage and retail overlay. Capital funding will be identified in 2019-20 and 2020-21 and partner funding will be sought.  |
| Grote Street (Morphett to West Terrace)         | ✓      |           | -             | Design project aligns to anticipated \$3.3m asset renewal requirement in 2019-20.   |
| Hutt Street                                     | ✓      |           | -             | Design project aligns to anticipated \$1.0m asset renewal requirement in 2019-20.   |
| Gawler Place Stage 2                            | ✓      |           | -             | Design investigation to align to future asset renewal requirement.  |
| Angas Street (King William to Pulteney)         | ✓      |           | -             | Design project responds to new Calvary Hospital frontage, new developments and minor ad-hoc programmed renewal projects.  |
| Pirie Street (Gawler Place to Hindmarsh Square) |        | ✓         | 870<br>60*    | Construction project to upgrade street. Design complete in 2017-18. Aligns to \$500,000 renewal required in 2018-19 and 2019-20 (renewal allocation is included in the cost shown).   |
| Jeffcott Street Stage 2                         | ✓      | ✓         | 2,000<br>500* | Continue works to address drainage and flooding issues, prioritising conserving and enhancing the street's character (trees and bluestone kerbing). This project will deliver the streetscape capital works designed in 2017-18. Further design will focus on the section between Buxton Street and Montefiore Hill in 2018-19, with delivery of that stage anticipated in 2019-20. |
| Undergrounding Program: Jeffcott Street         |        | ✓         | 1,450         | Contribution to undergrounding power lines in Jeffcott Street (co-funded with additional PLEC funding of \$2.9m).   |
| Decorative Lighting Program                     |        | ✓         | 360           | Program for creative and decorative lighting projects, such as bud/festoon lighting and building lighting. Projects to be determined through Lighting Master Plan and to support East End Creative Lighting Plan.   |

\* Carry forwards from 2017-18

## MAIN STREETS

| Project Name     | Design | Construct | \$'000s      | Description   |
|------------------|--------|-----------|--------------|---|
| Gouger Street    |        | ✓         | 150*         | 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 |        | ✓         | 365*         |   |
| O'Connell Street |        | ✓         | 400*         |   |
| Hutt Street      |        | ✓         | 400*         |   |
| <b>Total</b>     |        |           | <b>7,445</b> |   |

\* Carry forwards from 2017-18



## RESIDENTIAL STREETS

| Project Name                                 | Design | Construct | \$'000s      | Description   |
|--|--------|-----------|--------------|---|
| Residential Streets Improvement Program      | ✓      | ✓         | 800          | Funding allocation for exploring and delivering small-scale residential streetscape improvements for residential streets including Wakefield Street, Surflen Street, Ada Street, and Stephens Street. May include greening, minor infrastructure design and delivery. |
| Archer Street                                |        | ✓         | 410          | Construction project that aligns \$150,000 of additional greening and \$260,000 of scheduled roadway renewal (included within identified cost).   |
| Vincent Street & Vincent Place               |        | ✓         | 500          | Construction project to provide improvements to Vincent Street and Vincent Place. Designs complete in 2017-18.  |
| Wright Street, Wright Court & Field Street   |        | ✓         | 1,400<br>50* | Construction project to provide improvements to Wright Street, Wright Court and Field Street that aligns to \$600,000 of scheduled road and kerbing in 2019-20. Designs to be completed in 2017-18 with project to be staged.   |
| Gray Street (North Terrace to Currie Street) | ✓      |           | -            | Design project to improve street for people walking and riding bikes, linking to the new Royal Adelaide Hospital integrating greening and wider footpaths. Partner funding will be sought.  |
| Gray Street (Currie to Wymouth Street)       |        | ✓         | 700          | Construction project to improve street by integrating greening, undergrounding and wider footpaths. Coordinated and co-funded with new student development in Gray Street. Design complete in 2017-18.  |
| Molesworth & Tynte Street                    |        | ✓         | 1,680        | Greening improvements aligned to roadway renewal (renewal of \$1.121m included in identified cost). Design complete in 2017-18.   |
| Boulton Street Stage 1                       |        | ✓         | 150*         | Possible undergrounding of power lines and general street improvements including street tree planting. Works proposed to be split across two years.   |
| St Helena Place                              |        | ✓         | 400*         | Streetscape upgrade includes possible undergrounding of power lines, target of 5-10 new street trees.   |
| Sturt Street                                 |        | ✓         | 600*         | Streetscape improvements (e.g. landscaping) aligned to roadway renewal.   |
| <b>Total</b>                                 |        |           | <b>6,690</b> |   |

\* Carry forwards from 2017-18

# LANEWAYS

| Project Name  | Design | Construct | \$'000s      | Description  |
|---|--------|-----------|--------------|--|
| Market Street, Austin Street, Anster Street & Gilbert Place | ✓      |           | -            | Design project to provide concepts for Market Street, Austin Street, Anster Street, Rosina/ Solomon/Burnett Streets and Gilbert Place based on 2017-18 investigative work, community requests and opportunity for co-funding upgrades.   |
| Synagogue Place   | ✓      |           | -            | Design project to improve Synagogue Place adjacent to new developments.  |
| Paxton's Walk & Vaughan Place                               | ✓      |           | -            | Design project to improve connection between North Terrace and Rundle Street via Paxton's Walk, complementing new tram stop.   |
| Chesser, Coromandel & French Streets - Green Arbours        | ✓      |           | 150          | Continuation of 2017-18 streetscape concepts design and structural arbour design, with staged capital works/fabrication in future years. Potential to partner with new street stakeholders and link to emerging Pirie Street dining precinct.  |
| Moonta Street   | ✓      | ✓         | 350          | Design and early implementation of priority works based on concepts from the Chinatown Reinvigoration Plan.  |
| Union Street  |        | ✓         | 1,500<br>80* | Upgrade of Union Street to improve quality of the streetscape and amenity. Design complete in 2017-18.   |
| Gresham Street  |        | ✓         | 350*         | Design and construction for the upgrade of Gresham Street between Hindley Street and North Terrace. The project will consider design and delivery 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. |
| <b>Total</b>  |        |           | <b>2,430</b> |  |

\* Carry forwards from 2017-18



## CITY LANDSCAPES

| Project Name                         | Design | Construct | \$'000s      | Description  |
|--------------------------------------|--------|-----------|--------------|--|
| Hurtle Square Landscape Improvements | ✓      | ✓         | 75           | Undertake landscaping improvements to Hurtle Square.   |
| Wakefield Street                     | ✓      | ✓         | 50           | Continued median improvement from Victoria Square to Pulteney Street to improve Wakefield Street greening and presentation.  |
| Planter Box Program                  |        | ✓         | 350          | Planter Box rollout and renewal in multiple city locations, focusing on improving city presentation in key streets and creating new culinary & seasonal displays (e.g. Christmas). |
| Nature Strips & Verges               |        | ✓         | 150<br>10*   | Continuing program of improving nature strips and verges, including annual prize. Aligns to road renewal and community requests.   |
| East Terrace Medians                 |        | ✓         | 85           | Continuation of improvement works to East Terrace medians. Designs complete in 2017-18.  |
| Bundeys Road                         | ✓      | ✓         | 350          | Landscape the central median and verges to improve presentation. Links to the new Park 9 Playspace.  |
| <b>Total</b>                         |        |           | <b>1,070</b> |  |

## STREET FURNITURE

| Project Name         | Design | Construct | \$'000s    | Description  |
|----------------------|--------|-----------|------------|--|
| Wayfinding & Signage | ✓      | ✓         | 280        | New urban and Park Lands wayfinding projects (partner funding from RSA anticipated), renewal of existing wayfinding plinths and signage to new Park Lands suite. |
| Street Furniture     |        | ✓         | 220        | Commence rollout of new Park Lands furniture suite, designs developed in 2017-18. Also funds rollout of city urban furniture.                                    |
| <b>Total</b>         |        |           | <b>500</b> |  |

\* Carry forward from 2017-18

## PARK LANDS

| Project Name  | Design | Construct | \$'000s      | Description  |
|---|--------|-----------|--------------|--|
| South Park Lands Creek Rehabilitation Works               |        | ✓         | 550          | Continuing project to restore the condition of the creek, increase biodiversity and assist in reducing flooding impact in the south Park Lands.  |
| Light Horse Memorial Improvements                         | ✓      |           | -            | Design project to improve the presentation of the Light Horse Memorial on East Terrace.  |
| Victoria Square   | ✓      |           | -            | Design project to investigate connections between Victoria Square and Central Market Arcade and review delivered elements of the Victoria Square Master Plan in response to major developments (e.g. GPO) and to explore providing improved shading to encourage use and events. |
| War Memorial Drive  | ✓      |           | -            | Design for improvements to War Memorial Drive, aligned to proposed asset renewal spend of \$400,000 in 2019-20.  |
| Town Clerk's Walk   | ✓      |           | -            | Design project to improve and enhance heritage and character value of the Town Clerk's Walk, aligned to asset renewal.   |
| South Terrace Shared Use Path & Park Lands Frontage       |        | ✓         | 880          | Construction of a shared use path between Sir Lewis Cohen Avenue and the Park Lands along the Anzac Highway, linking into the Park Lands Trail. Design completed in 2017-18.   |
| North Park Lands Shared Use Path                          | ✓      | ✓         | 210          | Design and construction project to connect a DPTI-funded shared use path along Fitzroy Terrace to Adelaide Aquatic Centre and Barton Terrace.  |
| Park 24 Access Improvements                               | ✓      |           | -            | Design of entry road to improve access and pick-up/drop-off for Adelaide High School to align to construction of Comets building in 2019-20. Concept plans completed in 2017-18.   |
| Place of Reflection                                       |        | ✓         | 150          | Project to create a landscaped area for reflection with seating and artwork in Rymill Park, co-funded (\$100,000) through Stolen Generation Reparations Fund. Design and artwork undertaken in 2017-18.  |
| Path From The Old North Adelaide Station to Mills Terrace |        | ✓         | 200          | Construction project to formalise path to Mills Terrace through Park Lands. Design completed in 2017-18.   |
| Whitmore Square Improvements                              | ✓      | ✓         | 200          | Delivery of quick wins identified by the Whitmore Square Master Plan (completed in 2017-18), with further improvements staged in future years.   |
| <b>Total</b>  |        |           | <b>2,190</b> |  |



# CITY WORKS

| Project Name                            | Design | Construct | \$'000s       | Description   |
|---|--------|-----------|---------------|---|
| Road, Footpath, Kerb Water Table Design | ✓      |           | 340           | Design budget for engineering services to deliver road renewal program.   |
| Road Renewal                            |        | ✓         | 1,686         | Program of roadway renewal (excludes broader streetscape improvements).   |
| Kerb & Footpath Renewals                |        | ✓         | 3,335         | Program of kerb and footpath renewals including Hindmarsh Square, Beaumont Road and Princess Street.  |
| Traffic Signals & Black Spot Projects   |        | ✓         | 1,191<br>600* | Renewal program for Patriot loops \$80,000; Lanterns \$450,000; Black Spot: \$422,000 (total co-funded value \$1.262m); crossing push-button replacement: \$89,000 and SCATS CCTV \$150,000.  |
| Bridge Renewal                          |        | ✓         | 1,200         | Morphett Street Bridge renewal \$700,000. Adelaide Bridge structural works \$500,000 (in line with a three-year structural maintenance program).  |
| Lighting and Electrical                 |        | ✓         | 1,850<br>276* | Includes main street LED works to implement LED conversion following fitting/lighting selection post current tender. \$300,000 toward Park Lands lighting. Electrical cabling and switchgear, CCTV, distribution and electrical assets.   |
| Water Infrastructure                    |        | ✓         | 1,260         | \$650,000 for Brown Hill Keswick Creek (transferred from Operating Projects, project design reviewed and may require staging), \$430,000 for Torrens Lake submerged earth retaining structures, \$70,000 for Torrens Lake Weir and \$110,000 for minor water projects.  |
| Park Lands Renewal                      |        | ✓         | 765           | Renewal program including Irrigation upgrades (Bonython Park, Light Sq, Victoria Sq, Park 6 Oval, Parks 16, 21 and 27), garden beds & perennials (Veale Gardens, Himeji Gardens, Heritage Rose Gardens (Park 12), Brougham Gardens (Pilgrim Church), landscape upgrades (Rymill and Rundle Parks), Pathway of Honour renewal works. |
| Urban Elements                          |        | ✓         | 740           | Program of renewal of city elements (e.g. retaining walls, ticket machines, electric vehicle charging points).  |
| Asset Management Services               |        | ✓         | 600           | Funding for investigation, audit and assessments of city assets in line with Asset Management Plans.  |
| Design Services                         | ✓      |           | 650           | Funding for lighting, engineering (surveying) and movement assessment for streetscape design projects undertaken internally (\$450,000). Includes funding to support Park Lands design projects including Park 24 access improvements and other Park Lands planning/ design projects.   |
| <b>Total</b>                            |        |           | <b>14,493</b> |   |

\* Carry forwards from 2017-18

# BUILDINGS

| Project Name   | Design | Construct | \$'000s      | Description   |
|--|--------|-----------|--------------|---|
| Adelaide Aquatic Centre Renewal                                |        | ✓         | 40           | Ongoing program of minor renewals.  |
| Adelaide Central Bus Station                                   |        | ✓         | 200          | Structural repairs to Grote Street building.  |
| CCTV Network Renewal   |        | ✓         | 500          | Ongoing program of building (internal) CCTV renewals.   |
| CLC Building Compliance Works                                  |        | ✓         | 200          | Works to address lighting and ceiling elements.   |
| Upgrade Rundle Street East Toilets                             |        | ✓         | 435          | Refurbishment of Rundle Street East public toilets as part of rolling program of public convenience refurbishment.  |
| Upgrade Accessibility of James Place Public Toilets            | ✓      | ✓         | 300          | Undertake upgrade of James Place toilets as a 'Changing Places' project to provide facilities for those with severe disabilities. State Government co-funding of an additional \$100,000 is currently being finalised.                      |
| Bell Tower Safety Access & Refurbishments (Adelaide Town Hall) |        | ✓         | 250          | Bell tower access improvements and bell and clock refurbishment.  |
| Civic Area Management Plan                                     |        | ✓         | 60           | Implementation of recommendations regarding conservation and stabilisation.   |
| Adelaide Bowling Club  |        | ✓         | 365          | Works to improve the Adelaide Bowling Club to support improved facilities (including provision for female change rooms) for the 2020 Championships. Funds are also being sought by the Club from the State Government for additional works. |
| Integrated Water Management                                    |        | ✓         | 95           | Installation of up to 25 smart water meters at City of Adelaide owned properties.   |
| Heritage Buildings Program (Victoria Park)                     |        | ✓         | 100          | Project to refurbish seating and heritage entrance gates.   |
| UPark Renewals   |        | ✓         | 150*         | Frome UPark lighting and ventilation.   |
| <b>Total</b>   |        |           | <b>2,695</b> |   |

\* Carry forward from 2017-18



# INFORMATION COMMUNICATION TECHNOLOGY RENEWALS

| Project Name                    | \$'000s      | Description  |
|---------------------------------|--------------|--|
| Server Replacement              | 515          | Ongoing program to maintain and upgrade data centre and disaster recovery equipment consisting of servers, data storage equipment, power supply and backup devices. Equipment is replaced on a 5-year cycle, extended with warranty extensions where cost effective.     |
| Network Connectivity & Security | 221          | Ongoing program to maintain and upgrade the corporate data network consisting of fibre optic connections, networking equipment (switches) and network security protection systems.   |
| Telecommunications System       | 30           | Ongoing program to maintain and upgrade the corporate telephone systems including desktop telephone handsets.  |
| PC Replacement                  | 646          | 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. |
| Printer/MFD Replacement         | 58           | Ongoing program to maintain and replace the multi-function devices (MFDs) and printer equipment.   |
| Corporate Applications          | 130          | Ongoing program to maintain and upgrade corporate software applications, including replacement when the corporate software becomes obsolete or unsupported.  |
| <b>Total</b>                    | <b>1,600</b> |  |

# CITY TRANSFORMATION INVESTMENTS

| Project Name   | \$'000s       | Description  |
|--|---------------|--|
| City Bikeways Project  | 2,677*        | 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                                       | 5,950*        | Upgrade of Gawler Place between North Terrace and Grenfell Street.   |
| Market to Riverbank Link Upgrade                                 | 3,400*        | 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.  |
| North Terrace Public Realm Upgrade                               | 1,500*        | 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.  |
| Northern Park Lands Grant  | 0             | Concept plans to support grant application for the Denise Norton Park / Pardipardinyilla (Park 2) East Enhancements. 100% funded by the State Government.  |
| Denise Norton Park / Pardipardinyilla (Park 2) East Enhancements | 0             | Enhancements of Park 2 to meet the recreation and open space needs of the existing and growing communities in the City of Prospect, North Adelaide and surrounds. 100% funded by the State Government.   |
| Gladys Elphick Park / Narnungga (Park 25)                        | 0             | Gladys Elphick Park/Narnungga urban park will be a modern, well designed and user-friendly park in Adelaide that will benefit the local community and users of the New Royal Adelaide Hospital. The facilities will also play a role in attracting more people to the City. 100% funded by the State Government. |
| Smart City   | 755*          | City Parking Experience - progressive rollout of project.  |
| Smart Organisation   | 132*          | Events and venue management system - retiming of works.  |
| <b>Total</b>   | <b>14,414</b> |  |

\* Carry forwards from 2017-18



# 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. We are 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 our ongoing commitment to operate and maintain its asset portfolio efficiently to meet both strategic and legislative requirements and deliver value for the community.

## Infrastructure Program

The Infrastructure Program provides the basis for our capital asset management renewal program developed as part of the Integrated Business Plan process. This program aligns our whole of street approach with our capital asset renewal projects which require completion to ensure our assets meet the required levels of service.

This approach supports our Strategic Plan 2016-2020 goals to create world-class infrastructure and a greener, more liveable city by creating positive change for residents and businesses through our everyday projects.



# 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.

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

| Net Outlay on Existing Assets                                     | 2018-19<br>Budget<br>\$'m | 2017-18<br>Forecast<br>\$'m |
|---|---------------------------|-----------------------------|
| Gross Expenditure on Renewal / Replacement of Assets              | 48.6                      | 48.3                        |
| Gross Expenditure on Renewal / Replacement of Subsidiary Assets   | 4.6                       | 4.0                         |
| Depreciation  | (43.6)                    | (44.5)                      |
| Amounts received specifically for Renewal / Replacement of Assets | (1.6)                     | (1.8)                       |
| <b>EQUALS: Net Outlays on Existing Assets</b>                     | <b>8.0</b>                | <b>6.1</b>                  |

| Net Outlay on New and Upgraded Assets                   | 2018-19<br>Budget<br>\$'m | 2017-18<br>Forecast<br>\$'m |
|---|---------------------------|-----------------------------|
| Gross Expenditure on New / Upgraded Assets              | 42.4                      | 73.3                        |
| Gross Expenditure on New / Upgraded Subsidiary Assets   | -                         | -                           |
| Amounts received specifically for New / Upgraded Assets | (10.5)                    | (17.1)                      |
| <b>EQUALS: Net Outlays on New and Upgraded Assets</b>   | <b>31.9</b>               | <b>56.2</b>                 |

# 2018-19 BUDGET & LONG TERM FINANCIAL PLAN

A Long Term Financial Plan with a 10 year timeline has been developed as part of the City of Adelaide's ongoing financial planning within a strategic framework.

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

- An assessment of our current financial position and financial sustainability
- Alignment with the Strategic Plan
- Governance Principles
- Corporate Programs and internal support strategies
- Service provision and delivery standards
- Revenue and Financing guidelines, including the Rating Policy and Treasury Policy
- Asset Management Plans.

The assumptions and outcomes underpinning the Long Term Financial Plan include:

- 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 forecasts based on current and expected enterprise agreement outcomes
- Interest rates are based on market expectations
- Capital expenditure is in line with the City of Adelaide targets and the 3 Year Infrastructure Program.





# LONG TERM FINANCIAL PLAN

| \$'m  | 2017-18<br>Forecast | 2018-19<br>Budget | 2019-20<br>Plan | 2020-21<br>Plan | 2021-22<br>Plan | 2022-23<br>Plan | 2023-24<br>Plan | 2024-25<br>Plan | 2025-26<br>Plan | 2026-27<br>Plan | 2027-28<br>Plan |
|---|---------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>General Operations</b>   |                     |                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General Rates   | 98.8                | 102.8             | 106.2           | 109.7           | 113.3           | 117.0           | 120.9           | 124.9           | 129.0           | 133.3           | 137.7           |
| Revenue   | 33.5                | 32.9              | 32.9            | 33.7            | 34.5            | 35.3            | 36.1            | 36.9            | 37.7            | 38.6            | 39.5            |
| Expenditure   | (99.0)              | (101.7)           | (104.4)         | (106.7)         | (109.0)         | (111.5)         | (113.9)         | (116.4)         | (119.0)         | (121.6)         | (123.3)         |
| <b>General Operations Surplus</b>   | <b>33.4</b>         | <b>34.1</b>       | <b>34.7</b>     | <b>36.7</b>     | <b>38.8</b>     | <b>40.8</b>     | <b>43.1</b>     | <b>45.4</b>     | <b>47.7</b>     | <b>50.3</b>     | <b>53.9</b>     |
| <b>Commercial Businesses</b>  |                     |                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Revenue   | 43.4                | 46.8              | 48.2            | 47.3            | 48.4            | 49.5            | 50.6            | 51.8            | 53.0            | 54.2            | 55.4            |
| Expenditure   | (19.6)              | (21.2)            | (21.5)          | (22.0)          | (22.5)          | (23.0)          | (23.5)          | (24.0)          | (24.6)          | (25.2)          | (25.8)          |
| <b>Commercial Businesses Surplus</b>  | <b>23.8</b>         | <b>25.7</b>       | <b>26.7</b>     | <b>25.3</b>     | <b>25.9</b>     | <b>26.5</b>     | <b>27.1</b>     | <b>27.8</b>     | <b>28.4</b>     | <b>29.0</b>     | <b>29.6</b>     |
| <b>Amount available for Projects</b>  | <b>57.1</b>         | <b>59.8</b>       | <b>61.4</b>     | <b>62.0</b>     | <b>64.7</b>     | <b>67.3</b>     | <b>70.2</b>     | <b>73.2</b>     | <b>76.1</b>     | <b>79.3</b>     | <b>83.5</b>     |
| <b>Projects (inc. Grants &amp; Sponsorships)</b>                                      | <b>(16.0)</b>       | <b>(17.3)</b>     | <b>(15.7)</b>   | <b>(16.1)</b>   | <b>(16.5)</b>   | <b>(16.9)</b>   | <b>(17.3)</b>   | <b>(17.7)</b>   | <b>(18.1)</b>   | <b>(18.5)</b>   | <b>(18.9)</b>   |
| <b>Capital Works Program</b>  |                     |                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Infrastructure Program  | (35.2)              | (39.4)            | (41.3)          | (42.2)          | (43.2)          | (44.2)          | (45.3)          | (46.4)          | (47.5)          | (48.6)          | (49.7)          |
| Other Asset Renewals  | (2.8)               | (3.1)             | (3.6)           | (3.7)           | (3.7)           | (3.8)           | (3.9)           | (4.0)           | (4.1)           | (4.2)           | (4.3)           |
| <b>Capital Works Program</b>  | <b>(38.0)</b>       | <b>(42.5)</b>     | <b>(44.9)</b>   | <b>(45.9)</b>   | <b>(46.9)</b>   | <b>(48.0)</b>   | <b>(49.2)</b>   | <b>(50.4)</b>   | <b>(51.6)</b>   | <b>(52.8)</b>   | <b>(54.0)</b>   |
| <b>Underlying Current Year Funding Surplus (Deficit)</b>                              | <b>3.1</b>          | <b>0.0</b>        | <b>0.8</b>      | <b>0.0</b>      | <b>1.2</b>      | <b>2.4</b>      | <b>3.7</b>      | <b>5.1</b>      | <b>6.4</b>      | <b>8.0</b>      | <b>10.7</b>     |
| City Transformation Investments   | (2.9)               | 0.0               | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| Commercial Opportunities  | (39.9)              | (13.7)            | 30.0            | (0.2)           | 0.1             | 0.4             | 0.4             | 0.5             | 0.5             | 0.6             | 0.6             |
| <b>Current Annual Funding Surplus (Deficit)</b>                                       | <b>(39.7)</b>       | <b>(13.7)</b>     | <b>30.8</b>     | <b>(0.2)</b>    | <b>1.3</b>      | <b>2.8</b>      | <b>4.2</b>      | <b>5.6</b>      | <b>7.0</b>      | <b>8.6</b>      | <b>11.2</b>     |
| Project retiming  | (22.6)              | (21.8)            | (5.6)           | -               | -               | -               | -               | -               | -               | -               | -               |
| <b>Annual Funding Surplus (Deficit) Excluding Subsidiaries</b>                        | <b>(62.3)</b>       | <b>(35.5)</b>     | <b>25.2</b>     | <b>(0.2)</b>    | <b>1.3</b>      | <b>2.8</b>      | <b>4.2</b>      | <b>5.6</b>      | <b>7.0</b>      | <b>8.6</b>      | <b>11.2</b>     |
| <b>Cumulative Funding Surplus/(Deficit) At End of Year - Excluding Subsidiaries</b>   | <b>(47.7)</b>       | <b>(83.1)</b>     | <b>(57.9)</b>   | <b>(58.1)</b>   | <b>(56.7)</b>   | <b>(53.9)</b>   | <b>(49.7)</b>   | <b>(44.1)</b>   | <b>(37.2)</b>   | <b>(28.6)</b>   | <b>(17.3)</b>   |
| Subsidiaries  | (4.5)               | (5.0)             | (1.6)           |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Cumulative Funding Surplus/(Deficit) At End of Year - Including Subsidiaries *</b> | <b>(52.5)</b>       | <b>(93.0)</b>     | <b>(69.4)</b>   | <b>(69.6)</b>   | <b>(68.3)</b>   | <b>(65.4)</b>   | <b>(61.2)</b>   | <b>(55.6)</b>   | <b>(48.7)</b>   | <b>(40.1)</b>   | <b>(28.8)</b>   |

\* The level of borrowings associated with this cumulative funding position is estimated to be below this level and within Council's current Prudential Borrowing Limits due to the timing of cash flows and retiming of projects through the quarterly revised forecast process.

# LONG TERM FINANCIAL PLAN (UNIFORM PRESENTATION OF FINANCES)

| \$'m  | 2017-18<br>Forecast | 2018-19<br>Budget | 2019-20<br>Plan | 2020-21<br>Plan | 2021-22<br>Plan | 2022-23<br>Plan | 2023-24<br>Plan | 2024-25<br>Plan | 2025-26<br>Plan | 2026-27<br>Plan | 2027-28<br>Plan |
|---|---------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Income  | 189.7               | 197.2             | 202.0           | 206.0           | 212.0           | 218.1           | 224.3           | 230.7           | 237.3           | 244.1           | 251.0           |
| less Expenses   | (203.6)             | (206.1)           | (204.7)         | (208.3)         | (212.8)         | (217.6)         | (222.3)         | (227.3)         | (232.6)         | (237.8)         | (242.2)         |
| <b>Operating Surplus / (Deficit) before Capital Amounts</b>         | <b>(14.0)</b>       | <b>(8.9)</b>      | <b>(2.7)</b>    | <b>(2.3)</b>    | <b>(0.8)</b>    | <b>0.6</b>      | <b>2.0</b>      | <b>3.4</b>      | <b>4.8</b>      | <b>6.3</b>      | <b>8.8</b>      |
| <i>add</i> Projected related expenditure                            | 9.1                 | 8.3               | 5.0             | 4.1             | 4.2             | 4.3             | 4.4             | 4.6             | 4.7             | 4.8             | 4.9             |
| <b>Funding Surplus before Capital Amounts</b>                       | <b>(4.8)</b>        | <b>(0.6)</b>      | <b>2.3</b>      | <b>1.8</b>      | <b>3.4</b>      | <b>4.9</b>      | <b>6.4</b>      | <b>7.9</b>      | <b>9.4</b>      | <b>11.1</b>     | <b>13.7</b>     |
| <b>less Net Outlays on Existing Assets</b>                          |                     |                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Net Capital Expenditure on Renewal & Replacement of Existing Assets | 52.3                | 53.2              | 46.5            | 45.9            | 46.9            | 48.0            | 49.2            | 50.4            | 51.6            | 52.8            | 54.0            |
| less Depreciation, Amortisation and Impairment                      | (44.5)              | (43.6)            | (44.6)          | (45.6)          | (46.7)          | (47.8)          | (48.9)          | (50.0)          | (51.1)          | (52.3)          | (53.5)          |
| less Amounts received specifically for Existing Assets              | (1.8)               | (1.6)             |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Net Outlays on Existing Assets</b>                               | <b>6.1</b>          | <b>8.0</b>        | <b>1.9</b>      | <b>0.2</b>      | <b>0.2</b>      | <b>0.3</b>      | <b>0.3</b>      | <b>0.4</b>      | <b>0.5</b>      | <b>0.5</b>      | <b>0.5</b>      |
| <b>less Net Outlays on New and Upgraded Assets</b>                  |                     |                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Net Capital Expenditure on New and Upgraded Assets                  | 73.3                | 42.4              | 11.3            | 1.8             | 1.8             | 1.9             | 1.9             | 1.9             | 2.0             | 2.0             | 2.0             |
| less Amounts received specifically for New and Upgraded Assets      | (17.1)              | (10.5)            | (10.0)          |                 |                 |                 |                 |                 |                 |                 |                 |
| less Proceeds from Sale   |                     |                   | (24.5)          |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Net Outlays on New and Upgraded Assets</b>                       | <b>56.2</b>         | <b>31.9</b>       | <b>(23.6)</b>   | <b>1.8</b>      | <b>1.8</b>      | <b>1.9</b>      | <b>1.9</b>      | <b>1.9</b>      | <b>2.0</b>      | <b>2.0</b>      | <b>2.0</b>      |
| <b>Net Lending / (Borrowing) for Financial Year</b>                 | <b>(67.1)</b>       | <b>(40.5)</b>     | <b>23.6</b>     | <b>(0.2)</b>    | <b>1.3</b>      | <b>2.8</b>      | <b>4.2</b>      | <b>5.6</b>      | <b>7.0</b>      | <b>8.6</b>      | <b>11.2</b>     |

# FUNDING THE BUSINESS PLAN

Funding for our 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 our General Operations and Commercial Businesses.

General Operations covers our core services. 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 our services as well as statutory charges set by State Government.

Our Commercial Businesses include UPark, the Adelaide Aquatic Centre, North Adelaide Golf Course, Adelaide Town Hall and Strategic Property Management.

## Borrowings

Borrowing is undertaken in accordance with our Treasury and Cash Investment Policy (available online at [cityofadelaide.com.au](http://cityofadelaide.com.au)). This policy underpins our decision making in relation to funding of our operations in the context of cash flow, budgeting, borrowings and investments. It is an important financial management tool and as such, links closely to our overall strategic management plans in the 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
- Current and future funding needs for both operating and capital expenditures
- Potential movements in interest rates
- Any other strategic imperative that is linked to revenue and expenditure capacities.

## Implications for Future Years

In developing the Long Term Financial Plan and Integrated Business Plan, borrowings have been considered in relation to the budget principles and the maximum borrowing indicators as defined by our prudential limits specified in our Treasury 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 our Long Term Financial Plan.

Borrowings at the end of 2018-19 will be impacted by the timing of cash flows, and retiming of projects through the quarterly revised forecast process. This will then flow through to the 2019-20 opening balance for borrowings. The impact will result in a balance lower than the cumulative funding position shown in the Long Term Financial Plan and within our current Prudential Borrowing Limits.



# FINANCING THE BUDGET

The following tables show the comparison of the 2018-19 Budget Net Lending / (Borrowing) position to prior years.

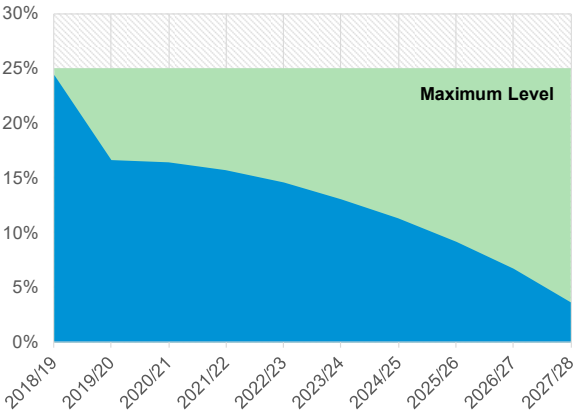
| Net Surplus per Statement of Comprehensive Income          | 2018-19<br>Budget<br>\$'m | 2017-18<br>Forecast<br>\$'m |
|--|---------------------------|-----------------------------|
| Operating Revenue  | 198.8                     | 191.5                       |
| less Operating Expenses                                    | 206.1                     | 203.6                       |
| <b>Operating Surplus / (Deficit)</b>                       | <b>(7.3)</b>              | <b>(12.2)</b>               |
| add Net Gain / (Loss) on Disposal or Revaluation of Assets | -                         | -                           |
| add Amounts Specifically for New or Upgraded Assets        | 10.5                      | 17.1                        |
| add Physical Resources received free of charge             | -                         | -                           |
| <b>Net Surplus / (Deficit) per Income Statement</b>        | <b>3.2</b>                | <b>5.0</b>                  |

| Financing Transactions                        | 2018-19<br>Budget<br>\$'m | 2017-18<br>Forecast<br>\$'m |
|---|---------------------------|-----------------------------|
| Surplus / Deficit Current Year                | (13.7)                    | (40.0)                      |
| Surplus / (Deficit) Current Year Subsidiaries | (5.0)                     | (4.5)                       |
| Funding of Carry Forwards                     | (21.8)                    | (22.6)                      |
| <b>Surplus Cash / (New Borrowings)</b>        | <b>(40.5)</b>             | <b>(67.1)</b>               |
| Repayments                                    | -                         | -                           |
| Working Capital and Provision Movements       | -                         | -                           |
| <b>Equals: Net Lending / (Borrowings)</b>     | <b>(40.5)</b>             | <b>(67.1)</b>               |

### Implications for Future Years

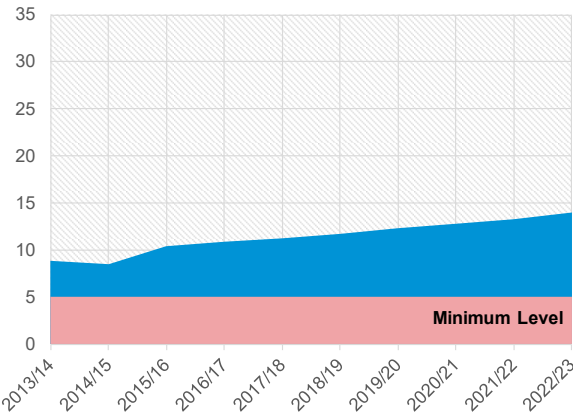
For the period covered by the Long Term Financial Plan, the following graphs show the balance of borrowings in accordance with the prudential limits specified in the Treasury and Cash Investment Policy. Based on the current parameters and assumptions, Council remains within the ranges of the prudential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

Asset Test Ratio



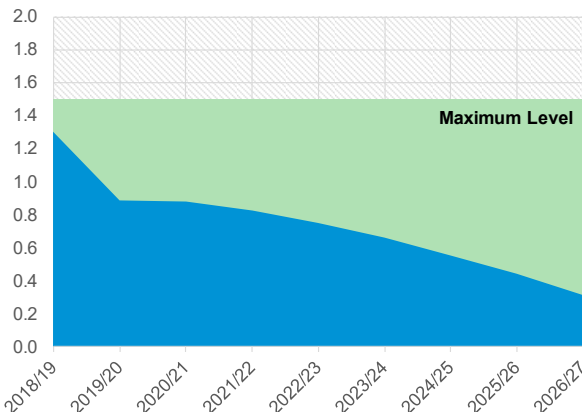
**Asset Test Ratio =**  
 Total Borrowings / Total Saleable Property Assets  
 (Saleable Property Assets = Total Property Assets  
 LESS Landmark Public Buildings and Park Lands)  
*Maximum 25%*

Debt Service Coverage Ratio



**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



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

## Borrowings Summary

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

| Year                  | New Borrowings<br>\$'m | Redraws<br>\$'m | Principal Paid<br>\$'m | Loan Balance<br>at 30 June<br>\$'m | Interest Paid /<br>(Received)<br>\$'m |
|-----------------------|------------------------|-----------------|------------------------|------------------------------------|---------------------------------------|
| 2017-18 Forecast      | 52.5                   | -               | -                      | 52.5                               | 0.3                                   |
| <b>2018-19 Budget</b> | <b>40.5</b>            | -               | -                      | <b>93.0</b>                        | <b>2.2</b>                            |
| 2019-20 LTFP          | -                      | -               | 23.6                   | 69.4                               | 2.3                                   |
| 2020-21 LTFP          | 0.2                    | -               | -                      | 69.6                               | 1.9                                   |
| 2021-22 LTFP          | -                      | -               | 1.3                    | 68.3                               | 1.7                                   |
| 2022-23 LTFP          | -                      | -               | 2.8                    | 65.4                               | 1.6                                   |
| 2023-24 LTFP          | -                      | -               | 4.2                    | 61.2                               | 1.5                                   |
| 2024-25 LTFP          | -                      | -               | 5.6                    | 55.6                               | 1.4                                   |
| 2025-26 LTFP          | -                      | -               | 7.0                    | 48.7                               | 1.2                                   |
| 2026-27 LTFP          | -                      | -               | 8.6                    | 10.1                               | 1.1                                   |
| 2027-28 LTFP          | -                      | -               | 11.2                   | 28.8                               | 1.0                                   |

The level of borrowings associated with this cumulative funding position is estimated to be below this level and within Council's current Prudential Borrowing Limits due to the timing of cash flows and retiming of projects through the quarterly revised forecast process.

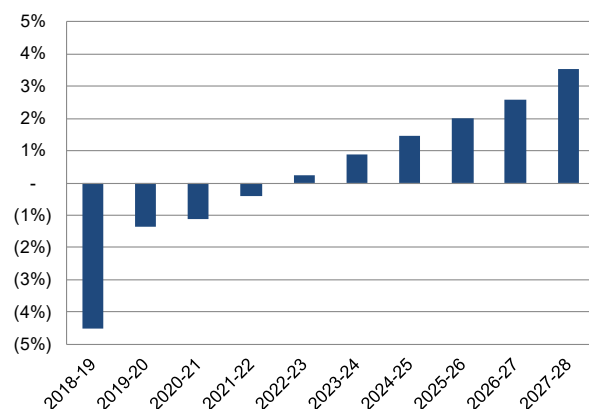


# ANALYSIS OF THE 2018-19 BUDGET

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.

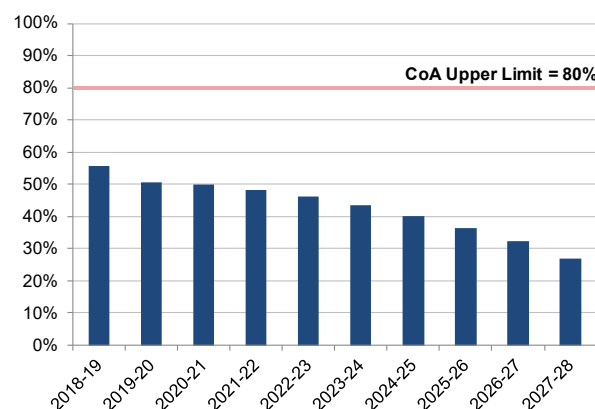
The Integrated Business Plan identifies the Council's key actions towards its strategic directions and the specific objectives targeted for 2018-19. It sets the strategic context within which the budget has been developed and meets the requirement of Section 123 (3) of the *Local Government Act 1999* 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.

## Operating Surplus Ratio



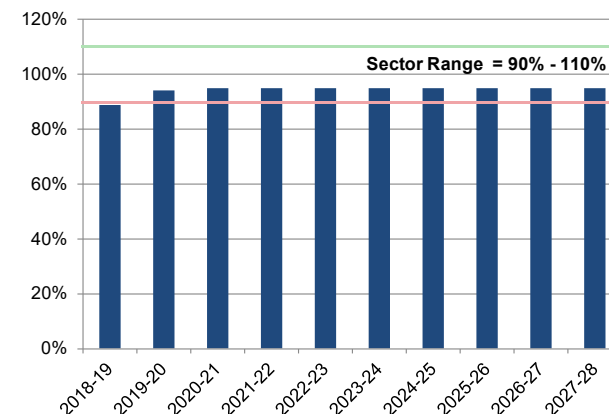
For the Council, an operating surplus is targeted after including general rates (adjusted for discretionary rates rebates). The *Local Government Act* target is to achieve an average operating surplus ratio between 0% and 15% over any five-year period. However, as a capital city council, City of Adelaide 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 Financial Liabilities Ratio



The graph above 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 graph above 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.

The table on the right shows that Council will generate an Operating Deficit in 2018-19.

Where Council generates an operating surplus, it is applied to meet capital expenditure requirements in relation to new assets in accordance with the 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.

| <b>Net Lending / (Borrowing)</b>       | <b>2018-19<br/>Budget<br/>\$'m</b> | <b>2017-18<br/>Forecast<br/>\$'m</b> |
|--|------------------------------------|--------------------------------------|
| Operating Surplus / (Deficit)          | (7.3)                              | (12.2)                               |
| Project Related Write Off              | 8.3                                | 9.1                                  |
| <b>Funding Surplus</b>                 | <b>1.0</b>                         | <b>(3.1)</b>                         |
| Net Outlays on Existing Assets         | (53.2)                             | (52.3)                               |
| Net Outlays on New and Upgraded Assets | (31.9)                             | (56.2)                               |
| Depreciation                           | 43.6                               | 44.5                                 |
| <b>Net Lending / (Borrowings)</b>      | <b>(40.5)</b>                      | <b>(67.1)</b>                        |

The Infrastructure Program and Capital Projects includes a proportion of expenditure which does not provide a future economic benefit to Council, and therefore does not meet the definition of an asset under Accounting Standards.

Given that these projects will be managed within the Infrastructure Program, the expenditure is included in the 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.

| <b>Reconciliation of Operating Funding Surplus and Operating Surplus</b> | <b>2018-19<br/>Budget<br/>\$'m</b> | <b>2017-18<br/>Forecast<br/>\$'m</b> |
|--|------------------------------------|--------------------------------------|
| <b>Operating Funding Surplus</b>   | <b>(0.6)</b>                       | <b>(4.9)</b>                         |
| <i>add</i> Capital Income included in Operating Income                   | 1.6                                | 1.8                                  |
| <b>Funding Surplus</b>   | <b>1.0</b>                         | <b>(3.1)</b>                         |
| <i>less</i> Project Related Expenditure                                  | 8.3                                | 9.1                                  |
| <b>Operating Surplus / (Deficit) per Income Statement</b>                | <b>(7.3)</b>                       | <b>(12.2)</b>                        |





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# STATUTORY FINANCIAL STATEMENTS

## Budgeted Statement of Comprehensive Income

| Year Ended 30 June<br>\$'000                             | Consolidated<br>2018-19 Budget | Consolidated<br>2017-18 Forecast |
|--|--------------------------------|----------------------------------|
| <b>Income</b>  |                                |                                  |
| Rates Revenue  | 108,242                        | 104,097                          |
| Statutory Charges  | 14,752                         | 15,562                           |
| User Charges   | 70,162                         | 65,664                           |
| Grants, Subsidies and Contributions                      | 4,651                          | 4,501                            |
| Investment Income  | 75                             | 518                              |
| Reimbursement  | 525                            | 530                              |
| Other Income   | 350                            | 592                              |
| <b>Total Income</b>                                      | <b>198,757</b>                 | <b>191,464</b>                   |
| <b>Expenses</b>  |                                |                                  |
| Employee Costs   | 73,756                         | 71,635                           |
| Materials, Contracts & Other Expenses                    | 87,765                         | 87,217                           |
| Depreciation, Amortisation & Impairment                  | 43,615                         | 44,475                           |
| Finance Costs  | 954                            | 300                              |
| <b>Total Expenses</b>                                    | <b>206,090</b>                 | <b>203,627</b>                   |
| <b>Operating Surplus / (Deficit)</b>                     | <b>(7,333)</b>                 | <b>(12,163)</b>                  |
| Amounts received specifically for New or Upgraded Assets | 10,509                         | 17,128                           |
| <b>Net Surplus / (Deficit)</b>                           | <b>3,176</b>                   | <b>4,965</b>                     |
| <b>Total Comprehensive Income</b>                        | <b>3,176</b>                   | <b>4,965</b>                     |

## Budgeted Financial Position

| Year ended 30 June<br>\$'000                       | Consolidated<br>2018-19 Budget | Consolidated<br>2017-18 Forecast |
|--|--------------------------------|----------------------------------|
| <b>Assets</b>                                      |                                |                                  |
| <b>Current Assets</b>                              |                                |                                  |
| Cash and Cash Equivalents                          | 200                            | 1,047                            |
| Trade and other Receivables                        | 5,835                          | 10,519                           |
| Other Financial Assets                             | 214                            | 238                              |
| Inventories  | 555                            | 555                              |
| <b>Total Current Assets</b>                        | <b>6,804</b>                   | <b>12,359</b>                    |
| <b>Non-Current Assets</b>                          |                                |                                  |
| Financial Assets                                   | 458                            | 509                              |
| Equity Accounted Investments in Council Businesses | 88                             | 88                               |
| Investment Property                                | 2,873                          | 2,844                            |
| Infrastructure, Property, Plant & Equipment        | 1,474,711                      | 1,422,716                        |
| Other Non-Current Assets                           | 1,477                          | 1,477                            |
| <b>Total Non-Current Assets</b>                    | <b>1,479,606</b>               | <b>1,427,634</b>                 |
| <b>Total Assets</b>                                | <b>1,486,411</b>               | <b>1,439,993</b>                 |
| <b>Liabilities</b>                                 |                                |                                  |
| <b>Current Liabilities</b>                         |                                |                                  |
| Trade & Other Payables                             | 24,192                         | 21,753                           |
| Provisions   | 13,269                         | 13,009                           |
| <b>Total Current Liabilities</b>                   | <b>37,461</b>                  | <b>34,762</b>                    |
| <b>Non Current Liabilities</b>                     |                                |                                  |
| Borrowings   | 78,033                         | 37,532                           |
| Provisions   | 2,117                          | 2,076                            |
| <b>Total Non-Current Liabilities</b>               | <b>80,150</b>                  | <b>39,608</b>                    |
| <b>Total Liabilities</b>                           | <b>117,612</b>                 | <b>74,370</b>                    |
| <b>Net Assets</b>                                  | <b>1,368,799</b>               | <b>1,365,623</b>                 |
| <b>Equity</b>                                      |                                |                                  |
| Accumulated Surpluses                              | 872,460                        | 869,284                          |
| Asset Revaluation Reserves                         | 491,404                        | 491,404                          |
| Other Reserves                                     | 4,935                          | 4,935                            |
| <b>Total Council Equity</b>                        | <b>1,368,799</b>               | <b>1,365,623</b>                 |

## Budgeted Statement of Changes in Equity

| Year Ended 30 June<br>\$'000                        | Accumulated<br>Surplus | Asset<br>Revaluation<br>Reserve | Contingency<br>Reserve | Other<br>Reserves | Total<br>Equity  |
|---|------------------------|---------------------------------|------------------------|-------------------|------------------|
| <b>2018-19 Consolidated Budget</b>                  |                        |                                 |                        |                   |                  |
| Balance at the end of the previous reporting period | 869,284                | 491,404                         | 2,818                  | 2,117             | 1,365,623        |
| a. Net Surplus / (Deficit) for Year                 | 3,176                  | -                               | -                      | -                 | 3,176            |
| b. Contingency Reserve Transfer                     | -                      | -                               | -                      | -                 | -                |
| <b>Total Comprehensive Income</b>                   | 3,176                  | -                               | -                      | -                 | 3,176            |
| <b>Balance at the end of period</b>                 | <b>872,460</b>         | <b>491,404</b>                  | <b>2,818</b>           | <b>2,117</b>      | <b>1,368,799</b> |
| <b>2017-18 Consolidated Forecast</b>                |                        |                                 |                        |                   |                  |
| Balance at the end of the previous reporting period | 864,319                | 491,404                         | 5,200                  | 2,117             | 1,363,040        |
| a. Net Surplus / (Deficit) for Year                 | 4,965                  | -                               | -                      | -                 | 4,965            |
| b. Contingency Reserve Transfer                     | -                      | -                               | (2,382)                | -                 | (2,382)          |
| <b>Total Comprehensive Income</b>                   | 4,964                  | -                               | (2,382)                | -                 | 2,583            |
| <b>Balance at the end of period</b>                 | <b>869,284</b>         | <b>491,404</b>                  | <b>2,818</b>           | <b>2,117</b>      | <b>1,365,623</b> |



## Budgeted Cash Flow Statement

| Year Ended 30 June<br>\$'000                                  | Consolidated<br>2018-19 Budget | Consolidated<br>2017-18 Forecast |
|---|--------------------------------|----------------------------------|
| <b>Cash Flows from Operating Activities</b>                   |                                |                                  |
| <b>Receipts</b>   |                                |                                  |
| Operating Receipts  | 203,488                        | 197,263                          |
| <b>Payments</b>   |                                |                                  |
| Operating Payments to Suppliers and Employees                 | (159,735)                      | (156,389)                        |
| <b>Net Cash provided (or used in) Operating Activities</b>    | <b>43,753</b>                  | <b>40,874</b>                    |
| <b>Cash Flows for Investing Activities</b>                    |                                |                                  |
| <b>Receipts</b>   |                                |                                  |
| Amounts received specifically for New/Upgraded Assets         | 10,509                         | 17,128                           |
| <b>Payments</b>   |                                |                                  |
| Expenditure on Renewal/Replacement of Assets                  | (53,214)                       | (52,327)                         |
| Expenditure on New/Upgraded Assets                            | (42,396)                       | (73,301)                         |
| <b>Net Cash provided by (or used in) Investing Activities</b> | <b>(85,101)</b>                | <b>(108,500)</b>                 |
| <b>Cash Flows from Financing Activities</b>                   |                                |                                  |
| <b>Receipts</b>   |                                |                                  |
| Proceeds from Borrowings                                      | 40,501                         | 37,532                           |
| <b>Net Cash provided by (or used in) Financing Activities</b> | <b>40,501</b>                  | <b>37,532</b>                    |
| <b>Net Increase (Decrease) in Cash Held</b>                   | <b>(847)</b>                   | <b>(30,094)</b>                  |
| Plus: Cash & Cash Equivalents at beginning of the period      | 1,047                          | 31,141                           |
| <b>Cash and Cash Equivalents at end of the period</b>         | <b>200</b>                     | <b>1,047</b>                     |

## Budgeted Uniform Presentation of Finances

| Year ended 30 June<br>\$'000                                      | Consolidated<br>2018-19 Budget | Consolidated<br>2017-18 Forecast |
|---|--------------------------------|----------------------------------|
| Income  | 197,204                        | 189,668                          |
| less Expenses   | (206,090)                      | (203,627)                        |
| <b>Operating Surplus / (Deficit)</b>                              | <b>(8,886)</b>                 | <b>(13,959)</b>                  |
| <i>add</i> Project Related Expenditure                            | 8,318                          | 9,051                            |
| <b>Funding Surplus before Capital Amounts</b>                     | <b>(568)</b>                   | <b>(4,908)</b>                   |
| <b>less Net Outlays on Existing Assets</b>                        |                                |                                  |
| Capital Expenditure on Renewal and Replacement of Existing Assets | 53,214                         | 52,327                           |
| less Depreciation, Amortisation and Impairment                    | (43,615)                       | (44,475)                         |
| less Amounts Received Specifically on Existing Assets             | (1,553)                        | (1,796)                          |
| <b>Net Outlays on Existing Assets</b>                             | <b>8,046</b>                   | <b>6,056</b>                     |
| <b>less Net Outlays on New and Upgraded Assets</b>                |                                |                                  |
| Capital Expenditure on New and Upgraded Assets                    | 42,396                         | 73,301                           |
| Less Amounts Received Specifically for New and Upgraded Assets    | (10,509)                       | (17,128)                         |
| <b>Net Outlays on New and Upgraded Assets</b>                     | <b>31,887</b>                  | <b>56,173</b>                    |
| <b>Net Lending / (Borrowing) for the Financial Year</b>           | <b>(40,501)</b>                | <b>(67,138)</b>                  |

# 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 directions articulated through our existing policies or plans
- Are consistent with our Strategic Financial Parameters.

Fees and charges are consistently and fairly determined, in recognition of our 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 set by Council for 2018-19 are scheduled to be reviewed and adopted by the City of Adelaide in June 2018. Fees and charges set under delegation will be provided for noting by City of Adelaide in June 2018.

Once gazetted, statutory fees will be updated and included in the Fees and Charges Schedule available for public inspection from July 2018.





# RATING STRUCTURE

## Strategic Context

In formulating the proposed rates for the 2018-19 financial year, we have considered the amount of revenue required to fund the delivery of the services and projects set out in the Integrated Business Plan. We have also considered our other sources of revenue, the broader economic environment and the distribution of rate contributions between various categories of ratepayers.

## Rates Modelling

Our 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 2018-19, growth from new developments and other capital improvements undertaken during 2017-18 are projected to increase the total rateable value of land, resulting in an increase in rate revenue of 2.3%. In addition, a full revaluation of all land in the Council area has been undertaken resulting in an increase in rate revenue of approximately 1.6%.

## Rating Structure

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

- The taxation principles of equity, benefit, ability-to-pay, efficiency and simplicity have been identified and applied as guiding principles to the our Rating Policy.
- We are committed to maintaining a transparent and equitable rating system. Accordingly we undertake to manage the rating policy to ensure the greatest level of equity for ratepayers by maintaining a non-punitive rating structure.
- It has been determined that implementation of a significant minimum rate would represent a regressive taxation structure and contradict the identified guiding taxation principles.
- We will continue our practice of identifying and valuing all land in the Council area. Once identified, each separate occupation of land will be assessed for rateability.
- A Differential General Rate will be applied to all rateable land in accordance with Section 147 of the *Local Government Act 1999*. Differentiation factors previously endorsed by Council are 'Residential' 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 2018-19, and consistent with prior year, it is expected non-residential rates will represent approximately 80% of general rates revenue.

## Your Rates in 2018-19

Council has determined to freeze the general rate in the dollar for 2018-19 at the same levels as 2017-18 for both Residential and Non-Residential ratepayers. Based on updated valuations from the Valuer-General, the average rates payable will increase 1.6%, excluding new developments, additions and alterations.

Those ratepayers who received the benefit of a Special Discretionary Rate Rebate in 2017-18 may pay more than the average increase in 2018-19.

We offer monthly, quarterly and annual payment options for Council Rates. Quarterly instalments will be due in September 2018, December 2018, March 2019 and June 2019.

## 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 our 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 2018-19, 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 5.8% in 2018-19. The contribution from the City of Adelaide is estimated to be almost \$1.7 million in 2018-19.

## 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.

We consider 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 our 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 us 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*.

We will apply those provisions of the *Local Government Act 1999* that 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).

We 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*.







CITY OF  
ADELAIDE

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